

SATUS 2021-1 PLC

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY US PERSON OR TO ANY PERSON OR ADDRESS IN THE US

IMPORTANT: You must read the following before continuing.

The following applies to the preliminary prospectus (the "**Preliminary Prospectus**") following this page. You are advised to read this disclaimer carefully before reading, accessing or making any other use of the Preliminary Prospectus. In accessing the Preliminary Prospectus, you agree to be bound by the following terms and conditions, including any modifications made to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that delivery of this electronic transmission and the Preliminary Prospectus are confidential and intended for you only and you agree you will not forward, reproduce or publish this electronic transmission and/or the Preliminary Prospectus in any manner whatsoever to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION AND/OR THE PRELIMINARY PROSPECTUS CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE NOTES (THE "**NOTES**") AND/OR THE CERTIFICATES (THE "**CERTIFICATES**") OF SATUS 2021-1 PLC (THE "**ISSUER**") IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE NOTES AND THE CERTIFICATES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED FROM TIME TO TIME (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE US, AND THEREFORE MAY NOT BE OFFERED OR SOLD WITHIN THE US OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT ("**REGULATION S**")), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE PRELIMINARY PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY US PERSON OR TO ANY US ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. THE NOTES AND THE CERTIFICATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**"), ANY STATE SECURITIES COMMISSION OR ANY OTHER US OR STATE REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES APPROVED OR DISAPPROVED THIS PRELIMINARY PROSPECTUS OR CONFIRMED THE ACCURACY OR ADEQUACY OF THE PRELIMINARY PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE SELLER AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15 OF THE US SECURITIES EXCHANGE ACT OF 1934, AS AMENDED FROM TIME TO TIME (THE "**US RISK RETENTION RULES**"), THE NOTES OFFERED AND SOLD BY THE ISSUER AND THE CERTIFICATES MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "US PERSON" AS DEFINED IN THE US RISK RETENTION RULES ("**RISK RETENTION US PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "US PERSON" IN THE US RISK RETENTION RULES IS DIFFERENT FROM THE DEFINITION OF "US PERSON" IN REGULATIONS, AND PERSONS WHO ARE NOT "US PERSONS" UNDER REGULATIONS MAY BE "US PERSONS" UNDER THE US RISK RETENTION RULES. EACH PURCHASER OF NOTES AND/OR CERTIFICATES, INCLUDING BENEFICIAL INTERESTS THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (A) IS NOT A RISK RETENTION US PERSON (UNLESS IT HAS OBTAINED A PRIOR WRITTEN CONSENT OF THE

SELLER), (B) IS ACQUIRING SUCH NOTES AND/OR CERTIFICATES OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTES AND/OR CERTIFICATES, AND (C) IS NOT ACQUIRING SUCH NOTES AND/OR CERTIFICATES OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE US RISK RETENTION RULES.

In member states of the European Economic Area ("EEA"), this electronic transmission and the Preliminary Prospectus are only addressed to and directed at persons who are "qualified investors" within the meaning of Regulation (EU) 2017/1129, as amended from time to time ("**EU Qualified Investors**"). This electronic transmission and the Preliminary Prospectus must not be acted on or relied on in any member state of the EEA by persons who are not EU Qualified Investors. Any investment or investment activity to which this electronic transmission and the Preliminary Prospectus relates is available only to EU Qualified Investors in any member state of the EEA.

In the United Kingdom, this electronic transmission and the Preliminary Prospectus are only addressed to and directed at persons who are "qualified investors" within the meaning of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Qualified Investors**"). In addition, in the United Kingdom this electronic transmission and the Preliminary Prospectus are only addressed to and directed at UK Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom they may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). This electronic transmission and the Preliminary Prospectus must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons. Any investment or investment activity to which this electronic transmission and the Preliminary Prospectus relate is available only to Relevant Persons in the United Kingdom.

Confirmation of your representation: This electronic transmission and the Preliminary Prospectus are delivered to you on the basis that you are deemed to have represented to the Issuer and J.P. Morgan Securities plc (the "**Arranger**" and the "**Lead Manager**") that you have understood and agree to the terms set out herein, and that (i) you are not a "US person" (within the meaning of Regulation S) or acting for the account or benefit of a US person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia, and (ii)(A) if you are a person in a member state of the EEA, then you are an EU Qualified Investor and/or an EU Qualified Investor acting on behalf of EU Qualified Investors or Relevant Persons, to the extent that you are acting on behalf of persons or entities in the EEA or the United Kingdom, (B) if you are a person in the United Kingdom, then you are a Relevant Person and/or a Relevant Person acting on behalf of Relevant Persons or EU Qualified Investors, to the extent that you are acting on behalf of persons or entities in the United Kingdom or in the EEA, or (C) you are an institutional investor that is otherwise eligible to receive this electronic transmission and the Preliminary Prospectus. You shall also be deemed to have represented to the Issuer, the Arranger and the Lead Manager that you consent to delivery by electronic transmission.

You are reminded that you have received this electronic transmission and the Preliminary Prospectus on the basis that you are a person into whose possession the Preliminary Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the Preliminary Prospectus, electronically or otherwise, to any other person. If you receive the Preliminary Prospectus by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive the Preliminary Prospectus in electronic format by e-mail, your use of such Preliminary Prospectus in electronic format and e-mail is at your own risk and it is your responsibility to take precautions to ensure that each is free from viruses and other items of a destructive nature.

If a jurisdiction requires that the offering to which this electronic transmission and the Preliminary Prospectus relates be made by a licensed broker or dealer and the Arranger and Lead Manager or any Affiliate of the Arranger and Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Arranger and Lead Manager or Affiliate on the behalf of the Issuer in such jurisdiction.

You are reminded that documents transmitted electronically may be altered or changed during the process of transmission and consequently none of the Issuer, the Arranger or the Lead Manager nor any of their respective Affiliates accepts any liability or responsibility whatsoever in respect of any difference between the Preliminary Prospectus delivered by electronic transmission and the hard copy version.

None of the Arranger, the Lead Manager or any of their respective Affiliates accepts any responsibility whatsoever for the contents of this electronic transmission or the Preliminary Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Issuer, the Notes, the Certificates or the offering referred to herein. The Arranger, the Lead Manager and each of their Affiliates disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of the electronic transmission, the Preliminary Prospectus or any such statement. No representation or warranty, express or implied, is made by any of the Arranger, the Lead Manager or any of their respective Affiliates as to the accuracy, completeness or sufficiency of the information set out in this electronic transmission or the Preliminary Prospectus.

SATUS 2021-1 PLC

(a public limited company incorporated under the laws of England and Wales with registered number 13512214)

| Class (⁽¹⁾) | Initial Principal Amount (£) | Issue Price | Reference Rate | Margin/ Fixed Rate (p.a.) | Expected Ratings (S&P/Moody's) | Final Legal Maturity Date |
|-----------------------------|------------------------------------|----------------|------------------------|---------------------------------|-----------------------------------|------------------------------|
| A | £210,800,000 | 100% | Compounded Daily SONIA | 0.70% | AAA(sf)/Aaa(sf) | 17 August 2028 |
| B | £26,400,000 | 100% | Compounded Daily SONIA | 1.20% | AA-(sf)/Aa2(sf) | 17 August 2028 |
| C | £21,900,000 | 100% | Compounded Daily SONIA | 1.60% | A(sf)/A2(sf) | 17 August 2028 |
| D | £11,800,000 | 100% | Compounded Daily SONIA | 1.90% | BBB+(sf)/Baa3(sf) | 17 August 2028 |
| E | £8,700,000 | 100% | Compounded Daily SONIA | 3.20% | BB+(sf)/Ba2(sf) | 17 August 2028 |
| F | £13,300,000 | 100% | Compounded Daily SONIA | 5.40% | B-(sf)/B3(sf) | 17 August 2028 |
| Z ⁽⁵⁾ | £2,372,000 | 100% | N/A | N/A | NR ⁽²⁾ | 17 August 2028 |
| RC ⁽⁶⁾ | N/A ⁽³⁾ | N/A | N/A ⁽⁴⁾ | N/A | NR ⁽²⁾ | N/A |

(⁽¹⁾) The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are together referred to as the "**Rated Notes**" and, together with the Class Z Notes, as the "**Notes**". The Notes are being offered by this Prospectus outside the United States to non-US persons as defined in Regulation S under the US Securities Act of 1933, as amended in reliance on Regulation S. Interests in each Class of Notes will be represented by a Global Note and the Global Notes will be held in accordance with NSS. The Certificates are not offered under this Prospectus. This Prospectus is not a prospectus for the purposes of the EU Prospectus Regulation or the Securities Act.

(⁽²⁾) A designation of "**NR**" means that the Rating Agencies will not rate that Class of Notes or Certificate as of the Closing Date. The Class Z Notes and the Certificates will not be rated by any Rating Agency.

(⁽³⁾) The Certificates will not have a principal amount

(⁽⁴⁾) No interest accrues on the Class Z Notes and the Certificates. Any RC Payments due on the Certificates will be payable on each Interest Payment Date.

(⁽⁵⁾) On the Closing Date, 5 per cent. of each Class of Rated Notes and 100 per cent. of the Class Z Notes will be acquired by the Retention Holder.

(⁽⁶⁾) On the Closing Date, 100 per cent. of the Certificates will be issued to the Seller.

Closing Date..... The Issuer expects to issue the £210,800,000 Class A Asset-Backed Floating Rate Notes due 2028 (the "**Class A Notes**"), the £26,400,000 Class B Asset-Backed Floating Rate Notes due 2028 (the "**Class B Notes**"), the £21,900,000 Class C Asset-Backed Floating Rate Notes due 2028 (the "**Class C Notes**"), the £11,800,000 Class D Asset-Backed Floating Rate Notes due 2028 (the "**Class D Notes**"), the £8,700,000 Class E Asset-Backed Floating Rate Notes due 2028 (the "**Class E Notes**"), the £13,300,000 Class F Asset-Backed Floating Rate Notes due 2028 (the "**Class F Notes**"), the £2,372,000 Class Z Asset-Backed Notes due 2028 (the "**Class Z Notes**") and the 100 Class RC Certificates due 2028 (the "**Certificates**") on 26 November 2021 (the "**Closing Date**").

Underlying Assets..... The Issuer will make payments on the Notes and the Certificates from, among other sources, the payments of principal and interest it receives from borrowers ("**Customers**") pursuant to motor vehicle hire purchase agreements (the "**Portfolio**") originated by Startline Motor Finance Limited ("**Startline**" and, in its capacity as seller, the "**Seller**"). These hire purchase agreements provide for fixed monthly payments over the term of the contract and provide for an additional Option to Purchase Fee at the end of the term. The Portfolio will not include PCP Agreements. The Portfolio has the characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes and the Certificates. However, investors are advised that this confirmation is based on the information available to the Issuer at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of the Notes and the Certificates.

See the sections entitled "*Risk Factors – Risks related to the Availability of Funds to Pay the Notes and the Certificates – The assets of the Issuer are limited and are the only source of payment for your Notes and/or Certificates*" and "*The Provisional Portfolio*" for more detail.

Credit Enhancement

- Subordination of junior ranking Notes and the Certificates
- Excess spread
- Any Senior Liquidity Reserve Fund Excess Amount and Junior Liquidity Reserve Fund Excess Amount available to be applied as Available Interest Collections on an Interest Payment Date

For further explanation, please see the section entitled "*Credit Enhancement*".

Liquidity Support.....

- The availability of the Senior Liquidity Reserve Fund to cover Senior Expenses Shortfalls and Senior Interest Collections Shortfalls
- The availability of the Junior Liquidity Reserve Fund to cover Senior Expenses Shortfalls and Junior Interest Collections Shortfalls
- The availability of the Principal Addition Amount to cover Senior Expenses Shortfalls and Senior Interest Collections Shortfalls

For further explanations regarding the Senior Liquidity Reserve Fund and the Junior Liquidity Reserve Fund, please see the sections entitled "*Cashflows – Payments of Interest – Senior Liquidity Reserve Fund*" and "*Cashflows – Payments of Interest – Junior Liquidity Reserve Fund*".

Redemption Provisions

Information on any optional and mandatory redemption of the Notes is summarised in "*Description of the Notes and the Certificates*" and set out in full in Condition 5 (*Redemption*).

Rating Agencies

Ratings are expected to be assigned to the Rated Notes by S&P Global Ratings UK Limited ("**S&P**") and Moody's Investors Service Limited ("**Moody's**"). The Class Z Notes and the Certificates will not be rated.

Each of S&P Global Ratings UK Limited and Moody's Investors Service Limited is established in the UK and registered under Regulation (EU) 1060/2009 on credit rating agencies as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**"). Each of S&P Global Ratings UK Limited and Moody's Investors Service Limited appears on the latest update of the list of registered credit rating agencies (as of the date of this Prospectus) on the FCA's Financial Services Register.

The ratings S&P Global Ratings UK Limited has given to the Rated Notes are endorsed by S&P Global Ratings Europe Limited. The ratings Moody's Investors Service Limited has given to the Rated Notes are endorsed by Moody's Deutschland GmbH. Each of S&P Global Ratings Europe Limited and Moody's Deutschland GmbH is established in the EEA and registered under Regulation (EU) 1060/2009, as amended from time to time (the "**EU CRA**").

Regulation"). Each of S&P Global Ratings Europe Limited and Moody's Deutschland GmbH has been certified under the EU CRA Regulation.

Credit Ratings.....

The ratings of the Rated Notes assigned by S&P will reflect the likelihood of (a) full and timely payment of interest on the Class A Notes and the Class B Notes, (b) full and ultimate payment of interest on the Rated Notes (other than the Class A Notes and the Class B Notes) and (c) full and ultimate repayment of principal on the Rated Notes, in each case, according to their terms.

The ratings of the Rated Notes assigned by Moody's will reflect the likelihood of (a) full and timely payment of interest on the Rated Notes and (b) full and ultimate repayment of principal on the Rated Notes, in each case, according to their terms.

Each rating takes into consideration the characteristics of the Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Rated Notes.

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

The ratings assigned to the Rated Notes should be evaluated independently against similar ratings of other types of securities. The Class Z Notes and the Certificates will not be rated.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the assigning Rating Agency at any time.

The Issuer has not requested a rating of the Rated 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 Rated Notes or, if it does, what rating would be assigned by such other rating agency. The rating assigned to the Rated 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 Z Notes or the Certificates.

Listing.....

This Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK Prospectus Regulation**"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation rules. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus nor as an endorsement of the quality of the Notes and/or the Certificates. Investors should make their own assessment as to the suitability of investing in the Notes and/or the Certificates. The Certificates are not offered under this Prospectus.

This Prospectus is not a prospectus for the purposes of the EU Prospectus Regulation or the Securities Act.

Applications have been made for the Notes to be admitted to listing on the Official List of the FCA and to trading on the main market of the London Stock Exchange plc (the "**London Stock Exchange**").

Obligations of the Issuer

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

UK and EU Retention Obligations

The Retention Holder, as "original lender" for the purposes of the UK Securitisation Regulation and the EU Securitisation Regulation, will retain for the life of the Transaction a material net economic interest of not less than 5% in the securitisation in accordance with Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation (as interpreted and applied on the date of this Prospectus) (the "**Retention Requirements**"). As at the Closing Date, such interest will be satisfied by the Retention Holder holding no less than a material net economic interest of at least 5 per cent. of the nominal value of each of the Classes of Notes sold or transferred to investors, in accordance with Article 6(3)(a) of the UK Securitisation Regulation and Article 6(3)(a) of the EU Securitisation Regulation. Any change in the manner in which the interest is held will be notified to the Noteholders and the Certificateholders. See the section entitled "*Certain Regulatory Disclosures – UK Securitisation Regulation and EU Securitisation Regulation*" for more information. It is the Retention Holder's intention that on and from the Closing Date and for the life of the Transaction the Retained Interest will be retained by the Retention Holder.

The Issuer has been designated pursuant to Article 7(2) of the UK Securitisation Regulation as the entity responsible for fulfilling the information requirements under points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the UK Securitisation Regulation and, as though it applied directly to it, pursuant to Article 7(2) of the EU Securitisation Regulation as at the Closing Date as the entity responsible for fulfilling the information requirements under points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation.

After the Closing Date, the Cash Manager will, based on the Servicer Reports, prepare Investor 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 Retention Holder for the purposes of which the Retention Holder will provide the Issuer and the Cash Manager with all information reasonably required for the purpose of the Issuer complying with Article 7 of the UK Securitisation Regulation and, as though it applied directly to the Issuer, Article 7 of the EU Securitisation Regulation (as at the Closing Date).

Each prospective investor is required to independently assess and determine the sufficiency of the information described in the preceding two paragraphs for the purposes of complying with the UK Securitisation Regulation or the EU Securitisation Regulation (as applicable), and none of the Issuer, the Retention Holder, the Servicer, the Lead Manager or the Arranger makes any representation that the information described above is sufficient in all circumstances for such purposes. Investors who are uncertain as to the requirements which apply to them in respect of their relevant

jurisdiction should seek guidance from their regulator. The Retention Holder accepts responsibility for the information set out in this paragraph and in the preceding three paragraphs.

US Risk Retention Rules.....

The Transaction described in this Prospectus is not intended to involve the retention by a sponsor of at least 5% of the credit risk of the securitised assets for purposes of compliance with Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the US Securities Exchange Act of 1934, as amended from time to time (the "**US Risk Retention Rules**"), but rather intends to rely on an exemption provided for in Section 20 of the US Risk Retention Rules regarding non-US transactions.

As a result, the issuance of the Notes and the Certificates has not been designed to comply with the US Risk Retention Rules other than the exemption under Section 20 of the US Risk Retention Rules and no 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. There can be no assurance that the exemption provided for in Section 20 of the US Risk Retention Rules regarding non-US transactions will be available. See the section entitled "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes and the Certificates – US Risk Retention*" for more information.

Except with the prior consent of the Seller and where such sale falls within the exemption provided by Section 20 of the US Risk Retention Rules, the Notes and the Certificates may not be sold to, or for the account or benefit of, any "US person" as defined in the US Risk Retention Rules.

UK Simple, Transparent and Standardised (STS) Securitisation

The Seller (in its capacity as "originator" for the purposes of the UK Securitisation Regulation) will procure that, on the Closing Date, a notification confirming that the requirements of Articles 18 to 22 of the UK Securitisation Regulation have been satisfied with respect to the Transaction is submitted to the FCA in accordance with Article 27 of the UK Securitisation Regulation.

The Seller has used the services of Prime Collateralised Securities (PCS) UK Limited ("**PCS**") as a verification agent authorised under Article 28 of the UK Securitisation Regulation in connection with an assessment of the compliance of the Transaction with the requirements of the UK Securitisation Regulation (the "**STS Verification**") and to prepare an assessment of compliance of the Transaction with the relevant provisions of Articles 243 and 270 of the UK CRR and Articles 7 and 13 of the Commission Delegated Regulation (EU) 2015/61 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (together with the STS Verification, the "**STS Assessments**"). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (<https://pcsmarket.org/sts-verification-transactions/>) together with detailed explanations of its scope (<https://pcsmarket.org/disclaimer/>) on and from the Closing 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 transaction described in this Prospectus does or will continue to qualify as an STS Securitisation under the UK Securitisation Regulation as at the date of this Prospectus or at any point in time in the future. For further information, see the section entitled "*Risk Factors – Legal and Regulatory Risks Relating to the Structure, the Notes and the*

Certificates – Simple, Transparent and Standardised Securitisations".

It is not intended that the Transaction complies with the requirements of Articles 18 to 22 of the EU Securitisation Regulation (the "**EU STS Requirements**"). As at the date of this Prospectus, compliance with the STS Criteria under the UK Securitisation Regulation does not meet the EU STS Requirements. For further information, see the section entitled "*Risk Factors – Legal and Regulatory Risks Relating to the Structure, the Notes and the Certificates – Simple, Transparent and Standardised Securitisations*".

New Safekeeping Structure and Eurosystem Eligibility

On the Closing Date, the Global Notes will be deposited with one of Euroclear and/or Clearstream, Luxembourg (each an "**ICSD**" and together the "**ICSDs**") as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper (the "**New Safekeeping Structure**" or "**NSS**") and will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg.

Notwithstanding that the Notes are held in accordance with NSS in a manner which would allow for Eurosystem eligibility, this does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. The recognition as eligible collateral is subject to satisfaction of the Eurosystem eligibility criteria (see the section entitled "*Risk Factors – Risks relating to the Characteristics of the Notes and the Certificates – Eurosystem Eligibility*" below) and prospective noteholders should consider how such eligibility may be impacted by the UK withdrawal from the EU and the UK no longer being part of the EEA.

The Certificates will be issued in definitive form to the Seller and will not be issued under NSS or cleared through Euroclear or Clearstream, Luxembourg.

Volcker Rule

The Issuer is of the view that currently it is not, and immediately following the issuance of the Notes and the Certificates and the application of the proceeds thereof it will not be, a "covered fund" as defined in the regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended from time to time, commonly known as the "Volcker Rule". Although other exclusions may be available to the Issuer, this conclusion is based on the exemption from the definition of "investment company" provided by Section 3(c)(5)(A) of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Any prospective investors, including U.S. or foreign banks or subsidiaries or other affiliates thereof, should consult their own legal advisers regarding such matters and other effects of the Volcker Rule.

Significant Investor

The Retention Holder will, on the Closing Date, acquire 5% of the Class A Notes, 5% of the Class B Notes, 5% of the Class C Notes, 5% of the Class D Notes, 5% of the Class E Notes, 5% of the Class F Notes and 100% of the Class Z Notes.

In addition, 100% of the Certificates will be issued to the Seller and the Seller will be responsible for advancing any Subordinated Loan Note to the Issuer.

Please see the section entitled "*Subscription and Sale*" for further details. Each of the Retention Holder and the Seller is free to deal with the Notes and the Certificates in its sole discretion.

Benchmarks

Interest payable on the Rated 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 does not appear on the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK Benchmarks Regulation**").

As far as the Issuer is aware, Article 2 of the UK Benchmarks Regulation or the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that the Bank of England, as the administrator of SONIA, is not currently required to obtain authorisation or registration.

In addition, the Bank of England does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority's pursuant to Article 36 of Regulation (EU) 2016/1011, as amended from time to time (the "**EU Benchmarks Regulation**").

As far as the Issuer is aware, Article 2 of the EU Benchmarks Regulation or the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that the Bank of England, as the administrator of SONIA, is not currently required to obtain authorisation or registration.

For a discussion of certain significant factors affecting investments in the Notes and/or the Certificates, see the section entitled "*Risk Factors*".

Arranger

J.P. Morgan

Lead Manager

J.P. Morgan

The date of this Prospectus is 23 November 2021.

IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS

The Notes and the Certificates 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 Retention Holder, the Servicer, the Cash Manager, the Note Trustee, the Security Trustee, the Account Bank, the Standby Servicer, the Principal Paying Agent, the Registrar, the Corporate Services Provider, the Swap Counterparty or any of their respective Affiliates or any other party (other than the Issuer) to the Transaction Documents. Neither the Notes, the Certificates or 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 Retention Holder, the Servicer, the Cash Manager, the Note Trustee, the Security Trustee, the Account Bank, the Standby Servicer, the Principal Paying Agent, the Registrar, the Corporate Services Provider, the Swap Counterparty or any of their respective Affiliates or any other party (other than the Issuer) to the Transaction Documents or by any other person or entity except as described herein.

The Notes offered and sold by the Issuer and the Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended from time to time (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States, 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 from time to time, commonly known as the "**Volcker Rule**".

This Prospectus contains information about the Issuer and the terms of the Notes and the Certificates to be issued by the Issuer. You should rely only on information provided or referenced in this Prospectus.

An index of defined terms is at the end of this Prospectus.

This Prospectus has been prepared by the Issuer and may not be copied or used for any purpose other than for your evaluation of an investment in the Notes and/or the Certificates.

The delivery of this Prospectus at any time does not imply that the information in this Prospectus is correct as at any time after its date.

Governing Law

The Notes, the Certificates and all non-contractual obligations arising out of or in connection with them are governed by the laws of England and Wales.

Form of the Notes and the Certificates

The Notes and the Certificates will be issued in registered form. The Notes will be issued in the denominations of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000.

Interests in each Class of Notes will be represented by an unrestricted global registered note (each, a "**Global Note**"), without interest coupons attached. On the Closing Date, the Global Notes will be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper and will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances, the Global Notes will not be exchangeable for unrestricted registered definitive notes (each, a "**Definitive Note**") and no Definitive Notes will be issued with a denomination above £199,000. If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

Notwithstanding that the Notes are held in accordance with NSS in a manner which would allow for Eurosystem eligibility, this does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. The recognition as eligible collateral is subject to satisfaction of the Eurosystem eligibility criteria and prospective noteholders should consider how such eligibility may be impacted by the UK withdrawal from the EU and the UK no longer being part of the EEA.

Interests in the Certificates will be represented by an unrestricted definitive registered certificate (the "**Definitive Certificate**"), without interest coupons attached. The Certificates will not be issued under NSS or cleared through Euroclear or Clearstream, Luxembourg.

None of the Issuer, the Arranger, the Note Trustee, the Security Trustee or the Lead Manager gives any representation, warranty, confirmation or guarantee to any investor in the Notes and/or the Certificates that the Notes and/or the Certificates will, either upon issue, or any or at all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral.

Responsibility Statements

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

Startline Motor Finance Limited accepts responsibility for the information in the sections entitled "*The Seller, Servicer and Subordinated Loan Note Subscriber*" and "*The Provisional Portfolio*". To the best of the knowledge of Startline Motor Finance Limited, the information in the sections entitled "*The Seller, Servicer and Subordinated Loan Note Subscriber*" and "*The Provisional Portfolio*" is in accordance with the facts and those sections make no omission likely to affect their import.

Startline Holdings Limited accepts responsibility for the information in the section entitled "*The Retention Holder*". To the best of the knowledge of Startline Holdings Limited, the information about itself in the section entitled "*The Retention Holder*" is in accordance with the facts and those sections make no omission likely to affect their import.

Equiniti Gateway Limited accepts responsibility for the information about itself in the section entitled "*The Standby Servicer*". To the best of the knowledge of Equiniti Gateway Limited, the information about itself in the section entitled "*The Standby Servicer*" is in accordance with the facts and those sections make no omission likely to affect their import.

Each of U.S. Bank Trustees Limited, U.S. Bank Global Corporate Trust Limited and Elavon Financial Services DAC, UK Branch accept responsibility for the information about itself in the section entitled "*The Note Trustee and Security Trustee, the Cash Manager and the Account Bank, Principal Paying Agent and Registrar*". To the best of the knowledge of each of U.S. Bank Trustees Limited, U.S. Bank Global Corporate Trust Limited and Elavon Financial Services DAC, UK Branch, the information about itself in the section entitled "*The Note Trustee and Security Trustee, the Cash Manager and the Account Bank, Principal Paying Agent and Registrar*" is in accordance with the facts and those sections make no omission likely to affect their import.

J.P. Morgan AG accepts responsibility for the information about itself in the section entitled "*The Swap Counterparty*". To the best of the knowledge of J.P. Morgan AG, the information about itself in the section entitled "*The Swap Counterparty*" is in accordance with the facts and those sections make no omission likely to affect their import.

The Issuer confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has taken no steps to verify independently this information.

The information contained in this Prospectus about Startline relates to and has been obtained from Startline. The delivery of this Prospectus will not create an implication that there has been no change in the activity of Startline since the date of this Prospectus or that the information contained or referred to in it is correct as at any time after its date.

The Notes and the Certificates are obligations solely of the Issuer and are not obligations of, are not guaranteed by and are not the responsibility of any other entity. In particular, the Notes and the Certificates are not the obligations of, are not guaranteed by and are not the responsibility of Startline, the Arranger, the Lead Manager, the Cash Manager, the Account Bank, the Standby Servicer, the Swap Counterparty, the Principal Paying Agent, the Registrar, the Security Trustee or the Note Trustee.

Representations about the Notes and the Certificates

No person has been authorised in connection with the issue, offering, subscription or sale of the Notes and/or the Certificates to give information or to make representations not in this Prospectus and, if given or made, such information or representation must not be relied on as having been authorised by or on behalf of the Issuer, the directors of the Issuer or Startline.

Purchasers of the Notes and/or the Certificates should conduct such independent investigation and analysis of the Issuer, Startline, the Receivables, the Notes and the Certificates as they deem appropriate to evaluate the merits and risks of an investment in the Notes and/or the Certificates. Startline, the Lead Manager, the Arranger, the Account Bank, the Standby Servicer, the Swap Counterparty, the Principal Paying Agent, the Registrar, the Security Trustee and the Note Trustee make no representation, recommendation or warranty, express or implied, about the accuracy, adequacy, reasonableness or completeness of the information in this Prospectus or in any further information, notice or other document which may be supplied by or on behalf of the Issuer in connection with the Notes and/or the Certificates and accept no responsibility or liability for such information. None of Startline, the Lead Manager, the Arranger, the Account Bank, the Standby Servicer, the Swap Counterparty, the Principal Paying Agent, the Registrar, the Security Trustee or the Note Trustee will review the financial position or activity of the Issuer while the Notes are outstanding nor, unless required by applicable law, will advise investors or potential investors in the Notes and/or the Certificates of information coming to its attention.

Selling Restrictions

The Notes and the Certificates have not been, and will not be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act ("**US Person**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and under circumstances which would not require the Issuer to register under the Investment Company Act. As such, the Notes and the Certificates 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 such registration requirements. There has been and will be no public offering of the Notes and/or the Certificates in the United States. The Notes and the Certificates are not transferable except in accordance with the restrictions described under "*Subscription and Sale – Selling Restrictions*" herein.

Except with the prior consent of the Seller and where such sale falls within the exemption provided by Section 20 of the US Risk Retention Rules, the Notes and the Certificates may not be sold to, or for the account or benefit of, any "US person" as defined in the US Risk Retention Rules ("**Risk Retention US Person**"). Prospective investors should note that the definition of "US person" in the US Risk Retention Rules is similar to, but not identical to, the definition of "US person" in Regulation S under the Securities Act ("**Regulation S**") and that persons who are not "US persons" under Regulation S may be "US persons" under the US Risk Retention Rules. Each purchaser of Notes and/or Certificates will be deemed to have made certain representations and agreements, including that it (a) is not a Risk Retention US Person (unless it has obtained a prior written consent of the Seller), (b) is acquiring such Notes and/or Certificates for its own account and not with a view to distribute such Notes and/or Certificates, and (c) is not acquiring such Notes and/or Certificates as part of a scheme to evade the requirements of the US Risk Retention Rules. The Notes and the Certificates will be issued in registered form and are subject to certain United States tax law requirements.

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

No action has been taken by the Issuer or the Seller or the Arranger or the Lead Manager other than as set out in this Prospectus that would permit a public offering of the Notes and/or the Certificates, 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 and/or Certificates may be offered or sold, directly or indirectly, and neither this Prospectus (nor any part hereof) nor any information memorandum, offering

circular, form of application, advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations, and the Issuer, the Seller, the Arranger and the Lead Manager have represented that all offers and sales by them have been made on such terms.

Other than the approval of the FCA of this Prospectus as a prospectus under the UK Prospectus Regulation, no action has been or will be taken to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction. The Certificates are not offered under this Prospectus.

This Prospectus may only be used for the purposes for which it has been published. This Prospectus is not and does not form part of an offer to sell or the solicitation of an offer to buy securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy the securities offered by this Prospectus in circumstances in which such offer, solicitation or sale is not permitted. The distribution of this Prospectus and the offering and sale of the Notes and/or the Certificates in some jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Arranger and the Lead Manager to inform themselves about and to observe those restrictions. This Prospectus is not 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 not permitted to make such offer or solicitation.

For a further description of certain restrictions on offerings and sales of the Notes and/or the Certificates and distribution of this Prospectus see the section entitled "*Subscription and Sale*".

If you are in any doubt about the contents of this Prospectus you should consult your advisers. An investment in the Notes and/or the Certificates 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 that may result from such investment. It should be remembered that the price of the Notes and the Certificates and the income from them may decrease.

Forward-looking statements

Any projections, expectations and estimates in this Prospectus are not historical in nature but are forward-looking statements based on information and assumptions Startline and the Issuer consider reasonable. Forward-looking statements are about circumstances and events that have not yet taken place and may vary materially from actual events. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes and/or the Certificates are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Arranger and the Lead Manager have not verified any such statements, nor do they make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. Neither Startline, the Arranger, the Lead Manager nor the Issuer is obligated to update or revise any forward-looking statements including changes in economic conditions, portfolio or asset pool performance or other circumstances or developments after the date of this Prospectus.

Prohibition of sales to EEA retail investors

The Notes and/or the Certificates 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 (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended from time to time (the "EU MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 as amended from time to time, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) 1286/2014, as amended from time to time (the "EU PRIIPs Regulation") for offering or selling the Notes and/or the Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes and/or the Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

Prohibition of sales to UK retail investors

The Notes and the Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of domestic law of the UK by virtue of the EUWA; (ii) a consumer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that consumer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes and/or the Certificates or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes and/or the Certificates or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

EU MiFID II product governance

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

UK MiFIR product governance

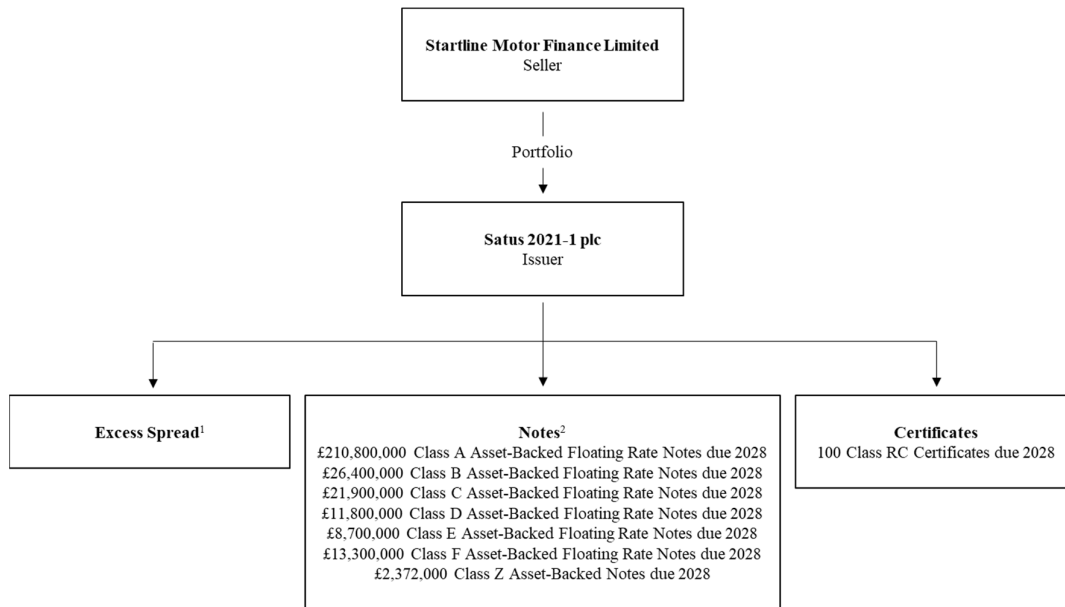
Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes and the Certificates has led to the conclusion that: (i) the target market for the Notes and the Certificates is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes and the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes and the Certificates (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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TRANSACTION OVERVIEW

This diagram is a simplified overview of the structure of this securitisation transaction and the credit enhancement available for the Notes. This diagram is a summary and should be read in conjunction with, and is qualified in its entirety by, the detailed information presented elsewhere in this Prospectus.

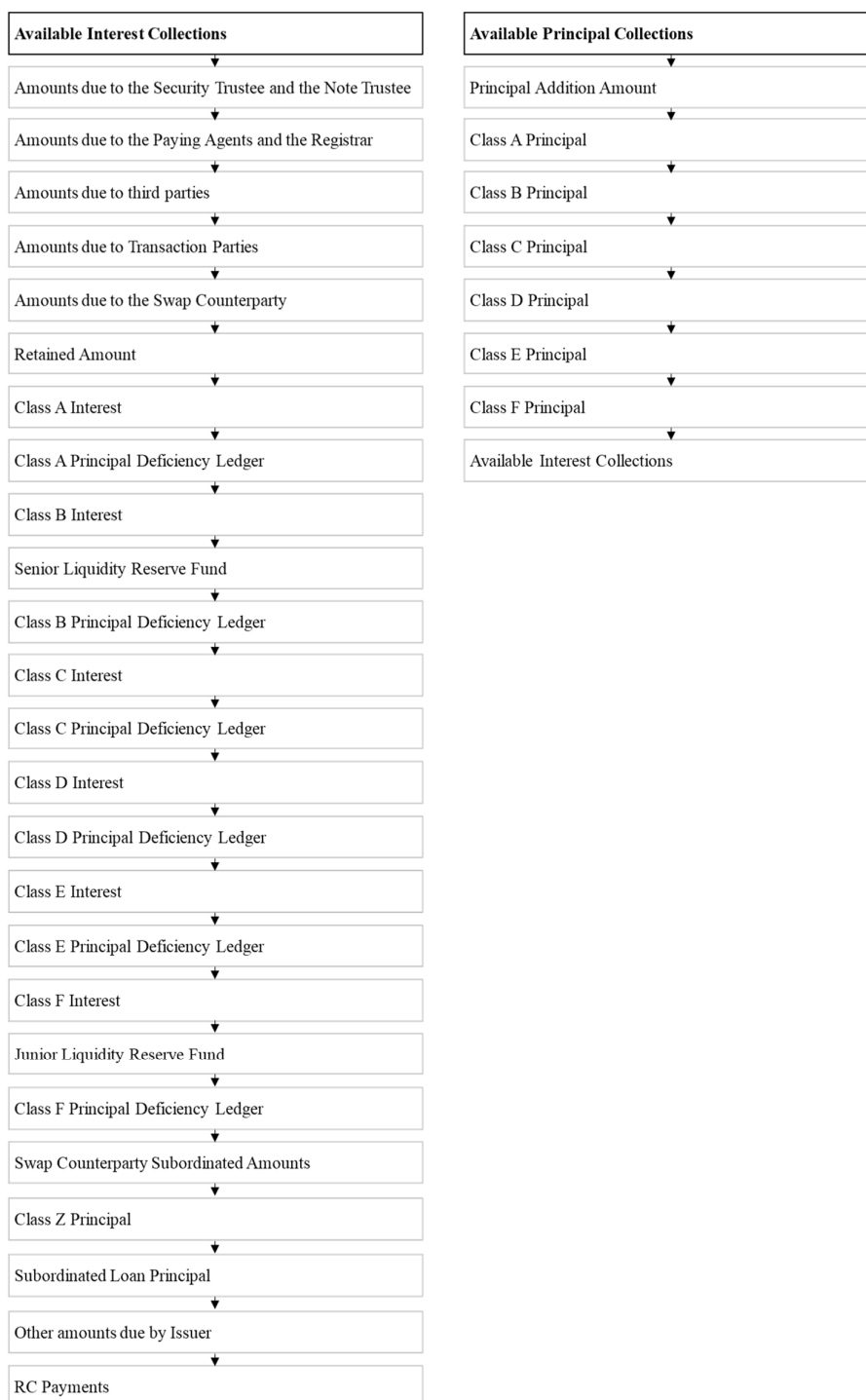


⁽¹⁾ Excess spread is available, as a component of Available Interest Collections, to absorb losses on the Receivables.

⁽²⁾ Each Class of Rated Notes will benefit from the subordination of more junior ranking Classes of Notes. The subordination varies depending on whether interest or principal is being paid and whether or not an Event of Default that results in acceleration has occurred. For more details, see "*Overview of the Notes, the Certificates and the Transaction – Priority of Payments*" and "*Overview of the Notes, the Certificates and the Transaction – Credit Enhancement – Subordination*".

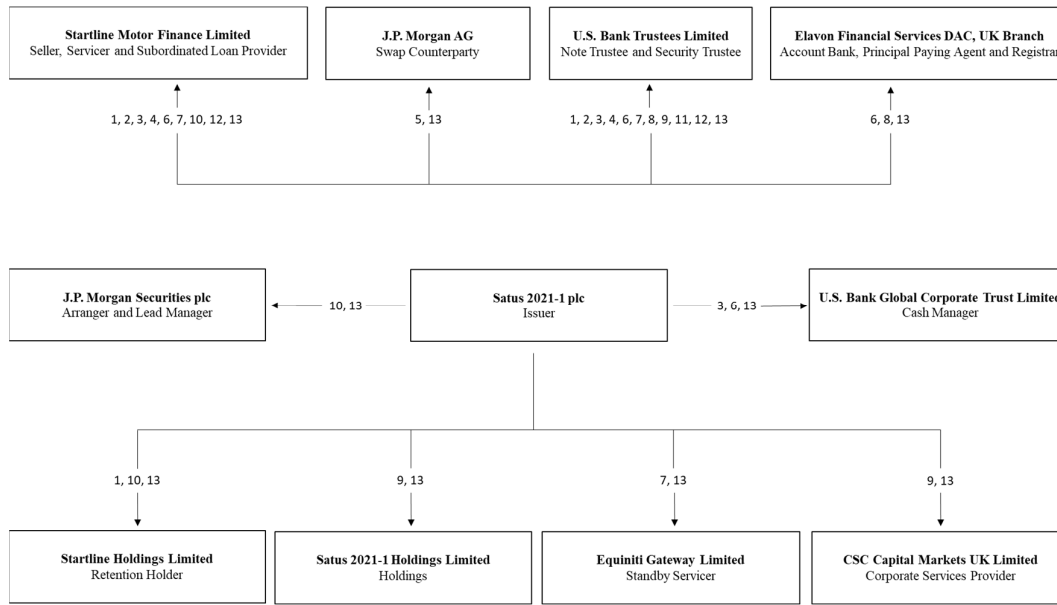
PRIORITIES OF PAYMENTS DIAGRAM

This diagram shows how Available Funds are paid on each Interest Payment Date. This diagram is a summary and should be read in conjunction with, and is qualified in its entirety by, the detailed information presented elsewhere in this Prospectus. For more details about the Pre-Enforcement Priorities of Payments, see the sections entitled "Overview of the Notes, the Certificates and the Transaction", "Cashflows – Priorities of Payments", "Terms and Conditions of the Notes" and "Terms and Conditions of the Certificates".



TRANSACTION PARTIES AND TRANSACTION DOCUMENTS DIAGRAM

This diagram shows the role of each Transaction Party and each Transaction Document in this securitisation transaction. This diagram is a summary and should be read in conjunction with, and is qualified in its entirety by, the detailed information presented elsewhere in this Prospectus. For more details about the roles of each Transaction Party in this securitisation transaction, see the section entitled "*Principal Transaction Documents*".



1. Receivables Sale and Purchase Deed

The Seller sells the Receivables on the Closing Date to the Issuer in exchange for the Purchase Price and the issue of the Certificates to the Seller

The Seller makes representations to the Issuer about the Receivables and repurchases Non-Compliant Receivables (or otherwise pays a CCA Compensation Amount or Set-Off Indemnity Amount)

2. Servicing Agreement

Startline Motor Finance Limited appointed as Servicer and receives the Servicing Fee

The Servicer provides information on the Receivables, prepares Servicer Reports and provides encoded Customer Data to the Standby Servicer

The Seller will repurchase Receivables that are the subject of a Non-Permitted Variation

3. Cash Management Agreement

U.S. Bank Global Corporate Trust Limited appointed as Cash Manager and receives a fee for the provision of cash management services

The Cash Manager, based on the Servicer Reports, will administer transaction funds and prepare Investor Reports

The Cash Manager will, where applicable, apply available amounts to pay expenses of the Issuer and make payments on the Notes and the Certificates in accordance with the applicable Priority of Payments

4. Subordinated Loan Note Issuance Agreement

Startline Motor Finance Limited appointed as Subordinated Loan Note Subscriber

The Subordinated Loan Note Subscriber will make available to the Issuer a loan note facility and may require the Issuer to make drawings which shall be applied to pay any Swap Termination Shortfall caused by a Partial Swap Unwind

5. Swap Agreement

The Issuer enters into the Swap Transaction with the Swap Counterparty

6. Account Bank Agreement

Elavon Financial Services DAC, UK Branch appointed as Account Bank and provides account services for the Distribution Account, the Liquidity Reserve Account and the Swap Collateral Account

7. Standby Servicing Agreement

Equiniti Gateway Limited appointed as the Standby Servicer

8. Agency Agreement

Elavon Financial Services DAC, UK Branch appointed as Principal Paying Agent and Registrar

9. Corporate Services Agreement

CSC Capital Markets UK Limited appointed as Corporate Services Provider of the Issuer and Holdings

10. **Subscription Agreement**
The Lead Manager undertakes to subscribe for certain Rated Notes, the Retention Holder undertakes to subscribe for certain Rated Notes and the Class Z Notes
11. **Trust Deed and Deed of Charge**
The Notes and the Certificates are constituted by the Trust Deed
All assets of the Issuer are charged or assigned to the Security Trustee to secure obligations of the Issuer (including the Notes and the Certificates)
- U.S. Bank Trustees Limited appointed Note Trustee and Security Trustee
12. **Collection Account Declaration of Trust**
Startline Motor Finance Limited shall hold: (i) the Issuer Trust Amounts on trust for the Issuer; and (ii) the Other Beneficiary Trust Amounts on trust for the remaining beneficiaries (including the Seller and other securitisation issuers)
13. **Master Framework Agreement**
Sets out certain common terms in relation to the Transaction Documents

OVERVIEW OF THE NOTES, THE CERTIFICATES AND THE TRANSACTION

This overview must be read as an introduction to this Prospectus and your decision to invest in the Notes and/or the Certificates should be based on a consideration of this Prospectus as a whole.

This overview describes the main terms of the offering of and payments on the Notes and the Certificates, the assets of the Issuer, the cash flows in this securitisation transaction and the credit enhancement available to each Class of Notes. It does not contain all of the information that you should consider in making your decision to purchase any Notes and/or Certificates. To understand fully the terms of the Notes and the Certificates and the transaction structure, you should read this Prospectus completely, especially "Risk Factors" starting on page 23.

Transaction Overview

The Issuer will use the net proceeds from the sale of the Notes and the Certificates to purchase from the Seller a pool of receivables under or in relation to motor vehicle hire purchase agreements which were originated in England, Wales and Scotland by the Seller through motor vehicle dealers and brokers (the "**Receivables**") on the Closing Date. The Issuer will issue the Notes and the Certificates on the Closing Date.

Available Principal Collections will be used by the Issuer to meet certain shortfalls in Available Interest Collections and to repay principal on the Rated Notes. Any remaining Available Principal Collection will be applied as Available Interest Collections.

The Available Interest Collections will be used by the Issuer to pay the Issuer's expenses, to make payments to the Swap Counterparty, to pay interest on the Rated Notes, to credit the Principal Deficiency Ledger, to replenish the Senior Liquidity Reserve Fund and the Junior Liquidity Reserve Fund, to repay principal on the Class Z Notes and the Subordinated Loan Note, to pay any Swap Counterparty Subordinated Amounts and to pay any RC Payments on the Certificates.

Transaction Parties

| | |
|---|--|
| Seller, Servicer and Subordinated Loan Note Subscriber | Startline Motor Finance Limited |
| Retention Holder | Startline Holdings Limited |
| Issuer | Satus 2021-1 plc |
| Holdings | Satus 2021-1 Holdings Limited |
| Note Trustee and Security Trustee | U.S. Bank Trustees Limited |
| Cash Manager | U.S. Bank Global Corporate Trust Limited |
| Account Bank, Principal Paying Agent and Registrar | Elavon Financial Services DAC, UK Branch |
| Corporate Services Provider | CSC Capital Markets UK Limited |
| Standby Servicer | Equiniti Gateway Limited |
| Swap Counterparty | J.P. Morgan AG |

For more details about the Transaction Parties and their roles in this securitisation transaction, see the sections entitled "*Transaction Overview – Transaction Parties and Transaction Documents Diagram*" and "*Principal Transaction Documents*".

Closing Date

The Issuer expects to issue the Notes and the Certificates on or about 26 November 2021 (the "**Closing Date**").

Cut-Off Date

The Issuer will purchase the Receivables on the Closing Date. The Issuer will only have a right to collections on the Receivables applied after the Cut-Off Date.

Form and Denomination of the Notes and the Certificates

The Notes and the Certificates will be issued in registered form. Interests in the Notes and the Certificates will be represented by the related Global Note and the Definitive Certificate. The Notes will be issued in the denominations of £100,000 and multiples of £1,000 in excess of £100,000, up to and including £199,000. Except in certain limited circumstances Definitive Notes will not be available, and no Definitive Notes will be issued with a denomination above £199,000.

The Notes will be issued under the New Safekeeping Structure and deposited with one of Euroclear and/or Clearstream, Luxembourg as common safekeeper.

For more details about the form and denomination of the Notes and the form of the Certificates, see the section entitled "*Description of the Notes and the Certificates*".

Status of the Notes

The Notes will be constituted by a trust deed between the Issuer and the Note Trustee. The Notes are direct, secured limited recourse obligations of the Issuer.

- (a) The Class A Notes will rank in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes;
- (b) the Class B Notes will rank in priority to the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes but will rank subordinate to the Class A Notes;
- (c) the Class C Notes will rank in priority to the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes but will rank subordinate to the Class A Notes and the Class B Notes;
- (d) the Class D Notes will rank in priority to the Class E Notes, the Class F Notes and the Class Z Notes but will rank subordinate to the Class A Notes, the Class B Notes and the Class C Notes;
- (e) the Class E Notes will rank in priority to the Class F Notes and the Class Z Notes but will rank subordinate to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes;
- (f) the Class F Notes will rank in priority to the Class Z Notes but will rank subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;
- (g) the Class Z Notes will rank subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

Each Class of Notes will rank *pari passu* without preference among the Class.

For more details about the status of the Notes, see the sections entitled "*Description of the Notes and the Certificates*" and "*Terms and Conditions of the Notes*".

Status of the Certificates

The Certificates are direct, secured limited recourse obligations of the Issuer, and represent the Issuer's obligation to pay any RC Payments to the Certificateholders.

Each Certificate will rank *pari passu* without preference among the Certificates.

For more details about the status of the Certificates, see the sections entitled "*Description of the Notes and the Certificates*" and "*Terms and Conditions of the Certificates*".

Security for the Notes and the Certificates

Under and pursuant to the Deed of Charge, the Issuer will assign, transfer and/or charge by way of security all of its assets, including the Receivables, the Ancillary Rights (including its interest in Vehicle Sales Proceeds), the Issuer Accounts and all of its other rights under the Transaction Documents in favour of the Security Trustee to secure its obligations under the Transaction Documents. The Deed of Charge will be governed by the laws of England and Wales but any term particular to the law of Scotland will be construed in accordance with the laws of Scotland.

In relation to any Vehicles located in Scotland, the Seller will grant a Scottish Vehicle Sales Proceeds Floating Charge in favour 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 in respect of the Issuer's interest in the Scottish Vehicle Sales Proceeds Floating Charge.

For more details about the security for the Notes and the Certificates, see the sections entitled "*Description of the Notes and the Certificates*" and "*Principal Transaction Documents*".

Interest and Interest Payment Dates

The Issuer will pay interest and principal on the Rated Notes, principal on the Class Z Notes and the Subordinated Loan Note and any RC Payments on the Certificates on "**Interest Payment Dates**", which will be the 17th day of each calendar month (or, if that day is not a Business Day, the next Business Day). The first Interest Payment Date will be the Interest Payment Date falling in 17 January 2022.

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

- (a) in the case of the Class A Notes, 0.70%;
- (b) in the case of the Class B Notes, 1.20%;
- (c) in the case of the Class C Notes, 1.60%;
- (d) in the case of the Class D Notes, 1.90%;
- (e) in the case of the Class E Notes, 3.20%; and
- (f) in the case of the Class F Notes, 5.40%,

in each case, the sum being subject to a floor of zero.

Interest due and payable on the Controlling Class may not be deferred (excluding in respect of amounts previously deferred or accrued interest thereon). Interest due and payable on:

- (a) the Class B Notes may be deferred until the next Interest Payment Date to the extent the Class B Notes are not the Controlling Class;
- (b) the Class C Notes may be deferred until the next Interest Payment Date to the extent the Class C Notes are not the Controlling Class;
- (c) the Class D Notes may be deferred until the next Interest Payment Date to the extent the Class D Notes are not the Controlling Class;
- (d) the Class E Notes may be deferred until the next Interest Payment Date to the extent the Class E Notes are not the Controlling Class; and
- (e) the Class F Notes may be deferred until the next Interest Payment Date to the extent the Class F Notes are not the Controlling Class,

in each case, in accordance with the Conditions, and such failure will not constitute an Event of Default until the Final Legal Maturity Date or any earlier date on which the relevant Class of Rated Notes is to be redeemed in full in accordance with the Conditions, and such amounts would only become due and payable on the Final Legal Maturity Date or such earlier date.

Where a Class of Rated Notes becomes the Controlling Class, such failure (excluding in respect of amounts previously deferred or accrued interest thereon) will constitute an Event of Default.

Interest will not accrue on the Class Z Notes, the Subordinated Loan Note and the Certificates.

Redemption and amortisation of the Notes

Unless previously redeemed in full, each Class of Notes will be required to be redeemed on the Final Legal Maturity Date.

It is expected that each Class of Notes will be paid in full earlier than the Final Legal Maturity Date, however the Issuer will not be obliged to pay a specific amount of principal of a Note on any date other than its Principal Amount Outstanding on the Final Legal Maturity Date. Failure to pay principal of a Note will not be an Event of Default until the Final Legal Maturity Date.

Amortisation of the Notes will commence on the first Interest Payment Date, subject to availability of Available Principal Collections and application of Available Principal Collections in accordance with the Pre-Enforcement Principal Priority of Payments.

For more details about the payment on each Interest Payment Date, see the sections entitled "*Cashflows – Priorities of Payments*" and "*Terms and Conditions of the Notes*".

Clean-Up Call Option

The Seller will have an option (but will not be obliged) to repurchase all (but not only part) of the Receivables on any Interest Payment Date after the aggregate Principal Amount Outstanding of the Rated Notes has been reduced to 10% or less of the initial aggregate Principal Amount Outstanding of the Rated Notes as at the Closing Date. The Seller may exercise its Clean-Up Call Option only if the repurchase price for the Receivables is sufficient, taking into account any amounts in the Distribution Account, to pay in full both the principal and the interest under the Rated Notes and all other fees and expenses of the Issuer. On the Seller's exercise of its Clean-Up Call Option, the Notes will be redeemed and paid in full by the Issuer.

For more details about the Clean-Up Call Option, see the sections entitled "*Description of the Notes – Clean-Up Call Option*", "*Principal Transaction Documents – Receivables Sale and Purchase Deed – Clean-Up Call Option*" and "*Terms and Conditions of the Notes*".

Portfolio Repurchase Option

The Seller will have an option (but will not be obliged) to repurchase all (but not only part) of the Receivables on the Portfolio Repurchase Option Date. The Seller may exercise its Portfolio Repurchase Option only if the repurchase price for the Receivables is sufficient, taking into account any amounts in the Distribution Account, to pay in full both the principal and the interest under the Rated Notes and all other fees and expenses of the Issuer. On the Seller's exercise of its Portfolio Repurchase Option, the Notes will be redeemed and paid in full by the Issuer. For more details about the Portfolio Repurchase Option, see the sections entitled "*Description of the Notes – Portfolio Repurchase Option*", "*Principal Transaction Documents – Receivables Sale and Purchase Deed – Portfolio Repurchase Option*" and "*Terms and Conditions of the Notes*".

Optional early redemption for taxation and other reasons

If a change of law occurs after the Closing Date and the Issuer is required to deduct, withhold or account for tax on a payment by it on the Notes or would itself suffer a tax (other than on the Retained Amount) and the Issuer is unable to avoid such withholding or deduction or tax, then the Issuer may, at its option, redeem all of the Notes. For more details about the optional early redemption for taxation and other reasons, see the section entitled "*Description of the Notes – Optional early redemption for taxation and other reasons*" and "*Terms and Conditions of the Notes*".

Issuer's Assets

The Issuer's assets will include:

- the Purchased Receivables and the Collections;

- the Vehicle Sales Proceeds;
- rights under the Related Hire Purchase Agreements;
- proceeds from claims on Customer Insurances;
- rights under the Collection Account Trust to the Issuer Trust Amounts;
- rights under the Issuer Accounts; and
- rights under the Transaction Documents.

The Receivables

The Receivables that will be sold to the Issuer are rights to amounts payable under hire purchase agreements originated in England, Wales or Scotland and governed under the laws of England and Wales that relate to used vehicles, or "**Vehicles**". The purchasers of the Vehicles who are responsible for making payments on the Receivables are retail customers, or "**Customers**". The agreements under which the Receivables arise take the form of hire purchase agreements (the "**Hire Purchase Agreements**") between Startline and Customers. None of the Hire Purchase Agreements are PCP Agreements.

The Hire Purchase Agreements are used for the financing of Vehicles in the retail market. The Hire Purchase Agreements contain standard terms which provide for fixed monthly payments over the term of the contract and provide for an additional Option to Purchase Fee at the end of the term of the Hire Purchase Agreement.

Title to the Vehicles will remain with Startline until it is transferred to the relevant Customer under the terms of the relevant Hire Purchase Agreement or is sold by Startline following either (a) repossession of the Vehicle from the relevant Customer or (b) a return of a Vehicle under a VT Receivable by the relevant Customer.

Summary characteristics of the Provisional Portfolio as of the Provisional Cut-Off Date

Key Characteristics of the Provisional Portfolio

| | |
|---|------------------|
| Number of Receivables | 47,806 |
| Number of Customers | 47,806 |
| Original Principal Outstanding Balance | £ 393,234,730.23 |
| Aggregate Principal Outstanding Balance | £ 292,875,469.85 |
| Average Principal Outstanding Balance | £ 6,126.33 |
| WA Nominal Interest Rate (%) | 17.74% |
| WA Seasoning (in months) | 14.18 |
| WA Remaining Term (in months) | 42.34 |
| WA Original LTV (%) | 94.24% |

For more details about the information in this table, including how it is calculated and defined, and for more information about the characteristics of the Receivables and for more details about the aggregate net present value of the Receivables, see the section entitled "*The Provisional Portfolio*".

Eligibility Criteria

The Receivables were selected by Startline from its portfolio of Hire Purchase Agreements that meet the Eligibility Criteria using selection procedures that Startline believes not to be adverse to Noteholders and Certificateholders. The Eligibility Criteria include, as at the Cut-Off Date, that:

Key characteristics of the Receivable

In respect of the Receivable:

- (a) it is denominated and payable in GBP Sterling;
- (b) it has a Principal Outstanding Balance of not less than £10 and not greater than £50,000;
- (c) it has an original term to maturity of not less than 12 months and not more than 60 months;
- (d) as at its date of origination, its Loan-to-Value Ratio was not greater than 130 per cent.;
- (e) the interest that accrues with respect to it is calculated by reference to a fixed rate of interest;
- (f) it is payable by the Customer in fixed monthly payments and has a final payment which is not greater than the amount of any monthly payment preceding it, disregarding any option to purchase fees or other fees (provided the total of such fees does not exceed £400);
- (g) it has been originated in connection with the financing of the purchase of a single Vehicle by the Customer;
- (h) to the best of the Seller's knowledge, it is not an exposure in default within the meaning of Article 178(1) of CRR and the related Customer is not a "credit-impaired debtor or guarantor" falling within Articles 20(11)(a), (b) or (c) of the Securitisation Regulations as at that date;
- (i) it is not:
 - (i) or any payment relating to it, due but unpaid for more than 30 days past its due date for payment;
 - (ii) a Defaulted Receivable or a VT Receivable;
- (j) where its proceeds have been applied to fund GAP insurance, the Seller has transferred the insurance premia due and payable under the applicable insurance policy to the relevant introducer;
- (k) no right of cancellation or withdrawal has arisen which has not yet expired or, where such right of cancellation or withdrawal has not yet expired, so far as the Seller is aware, the Customer under such contract has not exercised that right;
- (l) it has been originated by the Seller in the ordinary course of its business at the point of sale by a Dealer or a Broker in accordance with the Seller's Credit and Collection Procedures;
- (m) it does not arise out of and is not connected with any fraud or illegal activity;
- (n) it is not voidable at the instance of a Customer due to fraud, undue influence, duress or misrepresentation (excluding, for the avoidance of doubt, any rights of cancellation or rejection under the CCA, CRA or DMR);
- (o) it is not, and neither is the related Hire Purchase Agreement, subject to any equity, lien, right of rescission, litigation, dispute (excluding, for the avoidance of doubt, any Customer complaints not involving the threat of legal proceedings), claim, counterclaim, set-off, compensation, settlement, right of retention or defence against the Seller (except the discharge in bankruptcy of such Customer) and the Customer has not otherwise asserted any such right or claim (each, a "**Set-Off Right**");
- (p) no withholding tax is applicable to any payments made under it and the related Hire Purchase Agreement;

- (q) no stamp duty, stamp duty reserve tax, transfer or registration charges or other similar Tax is payable by the Issuer in connection with the transfer to it of the Receivable or the related Ancillary Rights;
- (r) neither the Purchased Receivable nor any of the related Ancillary Rights relating to it, is or includes, stock or a marketable security (as such terms are defined for the purposes of section 122 of the Stamp Act 1891), a chargeable security (as such term is defined for the purposes of section 99 of the Finance Act 1986) or a chargeable interest (as such term is defined for the purposes of section 48 of the Finance Act 2003, section 4 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 or section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013);

Key characteristics of the Hire Purchase Agreement

The Hire Purchase Agreement to which the Receivable relates:

- (a) has been entered into on the terms of the Seller's Standard Documentation;
- (b) is expressed to be governed by the laws of England and Wales;
- (c) constitutes the legal, valid, binding and enforceable obligations of the related Customer (subject to any rights of cancellation by a Customer under the CCA and any laws from time to time in effect relating to bankruptcy, liquidation, or any other laws or other procedures affecting generally the enforcement of creditors' rights);
- (d) is evidenced by a scanned executed copy of the agreement, or (where applicable), valid electronic acceptance;
- (e) does not contain:
 - (i) any restriction on assignment (or where there is a restriction, consent to assignment has been obtained),
 - (ii) any confidentiality provisions that will prevent disclosure of information about such agreement and the relevant Customer, to the Servicer or the Issuer or the delivery to these entities of a copy of such agreement (or where there is a restriction, consent to disclosure has been obtained); and
 - (iii) any information which, if disclosed to the Issuer pursuant to the terms of the Transaction Documents, would cause the Seller or any other person to breach any relevant data protection legislation;
- (f) is in full force and effect, has not been repudiated, rescinded or otherwise terminated and the Seller has not received any notice from the Customer purporting to repudiate, rescind or otherwise terminate the Hire Purchase Agreement;
- (g) has not (other than those actions or provisions solely relating to the description of the Vehicle as a result of replacement of motor vehicles pursuant to the Credit and Collection Procedures) been waived, amended, modified or refinanced or its term extended in any respect since the date of its origination, other than a Permitted Variation;
- (h) whether alone or with any related agreement, does not give to any "unfair relationship" between the creditor and the debtor for the purposes of sections 140A to 140C of the CCA;

Key characteristics of the Customer

The Customer to which the Receivable relates:

- (a) is an individual who, at origination, has provided his or her most recent billing address as an address in England, Wales or Scotland;
- (b) is not a governmental authority or organisation or other public body;

- (c) is not an employee of the Seller;
- (d) has made at least one payment in respect of the Receivable;
- (e) is the primary debtor of the Receivable;
- (f) is the debtor of no more than two Purchased Receivables originated by the Seller and the total aggregate Principal Outstanding Balance of such Purchased Receivables resulting from the Hire Purchase Agreement does not exceed £100,000;
- (g) is not a Sanctioned Person;
- (h) so far as the Seller is aware, is not subject to bankruptcy or insolvency proceedings;
- (i) has been given instructions to pay instalments and other amounts due in respect of the Receivable directly into the Collection Account;

Key characteristics of the Dealer or Broker

The Dealer or Broker to which the Receivable relates:

- (a) has a trading address in England, Wales or Scotland;
- (b) so far as the Seller is aware, to the extent that Dealer or Broker and any other person who carried on, in relation to the related Hire Purchase Agreement, any "credit brokerage" as defined in section 145(2) of the CCA (in relation to Related Underlying Agreements originated prior to 1 April 2014) or article 36A of the RAO (in relation to Related Underlying Agreements originated on or after 1 April 2014), has at the times relevant to the Hire Purchase Agreement held the requisite CCA Licence or FCA permission to carry on credit brokerage;

Key characteristics of the Vehicle

The Vehicle to which the Receivable relates:

- (a) was, at the commencement of the related Hire Purchase Agreement, a used passenger or light commercial vehicle, which is not a motorcycle;
- (b) has been delivered to the relevant Customer;
- (c) is legally and beneficially owned by the Seller, subject to the Customer's option to purchase under the terms of the relevant Hire Purchase Agreement;
- (d) is registered, and the Seller's interest in the Vehicle is recorded, in a nationally recognised agency that records interests in vehicles;
- (e) has not been repossessed by the Seller and the Seller has not given any notice, nor applied for any court order, under the CCA, in order to repossess the Vehicle;
- (f) its maintenance and repair is the responsibility of the Customer (with no obligation of the Seller to repair and maintain the Vehicle); and
- (g) is required by the terms of the relevant Hire Purchase Agreement to be covered by a comprehensive collision insurance policy arranged by the Customer.

For more details about the Eligibility Criteria of the Receivables, see the section entitled "*The Provisional Portfolio*".

Servicer

Startline Motor Finance Limited will be the Servicer of the Receivables.

The Servicer is responsible for collecting payments on the Receivables, administering payoffs, defaults and delinquencies, repossessing Vehicles, selling repossessed and redelivered Vehicles and liquidating Vehicles.

The Servicer will prepare Servicer Reports and certain Loan-By-Loan Information in relation to the Portfolio.

The Servicer will act as custodian and maintain custody of the Receivables files.

For more details about the servicing of the Receivables, see the section entitled "*Principal Transaction Documents – Servicing Agreement*".

Cash Manager

U.S. Bank Global Corporate Trust Limited will be the Cash Manager.

The Cash Manager is responsible for, based on the Servicer Reports, preparing Investor Reports and managing the Issuer Accounts, calculating and arranging for payments to be made on behalf of the Issuer from such accounts on the basis of information in the Investor Reports.

For more details about the role of the Cash Manager, see the section entitled "*Principal Transaction Documents – Cash Management Agreement*".

Pre-Enforcement Priorities of Payments

On each Interest Payment Date, the Issuer will use Available Funds from the Collection Period to make payments in the following order of priority.

Available Funds will consist primarily of Collections. The Pre-Enforcement Priorities of Payments will apply unless an Enforcement Notice is delivered.

Pre-Enforcement Interest Priority of Payments

On each Interest Payment Date before the delivery of an Enforcement Notice, the Issuer will apply the Available Interest Collections in the following order of priority:

- (i) **Amounts due to the Security Trustee and the Note Trustee** – *first*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Security Trustee, together with interest and any amount in respect of VAT (if any) on those amounts, and to make provision for any amounts due or to become due during the following Interest Period to the Security Trustee under and pursuant to the Deed of Charge; and
 - (B) the Note Trustee, together with interest and any amount in respect of VAT (if any) on those amounts, and to make provision for any amounts due or to become due during the following Interest Period to the Note Trustee under the Trust Deed,in each case, together with any arrears remaining unpaid for such amounts;
- (ii) **Amounts due to the Agents, the Cash Manager and the Account Bank** – *second*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Agents, the Cash Manager and the Account Bank together with interest and any amount in respect of VAT (if any) on those amounts, and any costs, charges, liabilities and expenses then due or to become due during the following Interest Period to the Agents, the Cash Manager and the Account Bank under the Agency Agreement, the Cash Management Agreement and the Account Bank Agreement, respectively;
- (iii) **Amounts due to third parties** – *third*, in or towards payment, *pro rata* and *pari passu*, of amounts due to any third party creditors of the Issuer (other than those referred to later in this Pre-Enforcement Interest Priority of Payments), which amounts have been incurred without breach by the Issuer of the Transaction Documents to which it is a party and for which payment has not been provided for elsewhere and to provide for any of those amounts expected to become due and payable during the following Interest Period by the Issuer and, to the extent the Retained Amounts

are insufficient, to the extent of any insufficiency to pay or discharge any corporation tax liability of the Issuer;

- (iv) **Amounts due to Transaction Parties** – *fourth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Servicer, in the immediately succeeding Interest Period, under the Servicing Agreement;
 - (B) the Corporate Services Provider, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due, or to become due to the Corporate Services Provider in the immediately succeeding Interest Period, under the Corporate Services Agreement;
 - (C) to the extent applicable, the Standby Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Standby Servicer in the immediately succeeding Interest Period, under the Standby Servicing Agreement;
 - (D) any auditors of, and other professional advisers to, the Issuer; and
 - (E) any Insolvency Official of the Seller, in respect of the Incentive Fee (if any);
- (v) **Amounts due to the Swap Counterparty** – *fifth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Swap Counterparty under the provisions of the Swap Agreement (in each case, other than Swap Counterparty Subordinated Amounts and Swap Excluded Amounts);
- (vi) **Retained Amount** – *sixth*, in or towards retention by the Issuer of the Retained Amount, from which the Issuer will (amongst other things) discharge its liability to corporation tax, the Tax Creditors for Taxes (which cannot be paid out of amounts previously retained as the Retained Amount) and any arrears remaining unpaid for any such liabilities or expenses, *pari passu* and *pro rata* amongst themselves;
- (vii) **Class A Interest** – *seventh*, in or towards payment, *pari passu* and *pro rata*, to the Class A Noteholders of interest due and payable on the Class A Notes;
- (viii) **Class A Principal Deficiency Ledger** – *eighth*, in or towards credit to the Class A Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class A Principal Deficiency Ledger to zero;
- (ix) **Class B Interest** – *ninth*, in or towards payment, *pari passu* and *pro rata*, to the Class B Noteholders of interest due and payable on the Class B Notes (including any Deferred Interest and Additional Interest in respect of the Class B Notes);
- (x) **Senior Liquidity Reserve Fund** – *tenth*, in or towards payment to the Liquidity Reserve Account (to be credited in the Senior Liquidity Reserve Ledger) of the amount required to replenish the Senior Liquidity Reserve Fund up to the Senior Liquidity Reserve Fund Required Amount;
- (xi) **Class B Principal Deficiency Ledger** – *eleventh*, in or towards credit to the Class B Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class B Principal Deficiency Ledger to zero;
- (xii) **Class C Interest** – *twelfth*, in or towards payment, *pari passu* and *pro rata*, to the Class C Noteholders of interest due and payable on the Class C Notes (including any Deferred Interest and Additional Interest in respect of the Class C Notes);
- (xiii) **Class C Principal Deficiency Ledger** – *thirteenth*, in or towards credit to the Class C Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class C Principal Deficiency Ledger to zero;

- (xiv) **Class D Interest** – *fourteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class D Noteholders of interest due and payable on the Class D Notes (including any Deferred Interest and Additional Interest in respect of the Class D Notes);
- (xv) **Class D Principal Deficiency Ledger** – *fifteenth*, in or towards credit to the Class D Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class D Principal Deficiency Ledger to zero;
- (xvi) **Class E Interest** – *sixteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class E Noteholders of interest due and payable on the Class E Notes (including any Deferred Interest and Additional Interest in respect of the Class E Notes);
- (xvii) **Class E Principal Deficiency Ledger** – *seventeenth*, in or towards credit to the Class E Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class E Principal Deficiency Ledger to zero;
- (xviii) **Class F Interest** – *eighteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class F Noteholders of interest due and payable on the Class F Notes (including any Deferred Interest and Additional Interest in respect of the Class F Notes);
- (xix) **Junior Liquidity Reserve Fund** – *nineteenth*, in or towards payment to the Liquidity Reserve Account (to be credited in the Junior Liquidity Reserve Ledger) of the amount required to replenish the Junior Liquidity Reserve Fund up to the Junior Liquidity Reserve Fund Required Amount;
- (xx) **Class F Principal Deficiency Ledger** – *twentieth*, in or towards credit to the Class F Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class F Principal Deficiency Ledger to zero;
- (xxi) **Swap Counterparty Subordinated Amounts** – *twenty-first*, in or towards payment of any Swap Counterparty Subordinated Amounts, if any, due and payable to the Swap Counterparty in respect of the Swap Agreement;
- (xxii) **Class Z Principal** – *twenty-second*, in or towards payment, *pari passu* and *pro rata*, to the Class Z Noteholders of principal of the Class Z Notes until paid in full;
- (xxiii) **Subordinated Loan Note Principal** – *twenty-third*, in or towards payment to the Subordinated Loan Note Subscriber of any principal amount due and payable on the Subordinated Loan Note;
- (xxiv) **Other amounts due by Issuer** – *twenty-fourth*, in or towards payment, *pari passu* and *pro rata*, to any other party of any amounts due by the Issuer under the Transaction Documents to whom payment has not already been provided for elsewhere; and
- (xxv) **RC Payments** – *twenty-fifth*, in or towards payment, *pari passu* and *pro rata*, to the Certificateholders of any RC Payments,

in each case only to the extent that all payments of a higher priority to be paid or provided for on such Interest Payment Date have been made in full.

Pre-Enforcement Principal Priority of Payments

On each Interest Payment Date before the delivery of an Enforcement Notice, the Issuer will apply the Available Principal Collections in the following order of priority:

- (i) **Principal Addition Amount** – *first*, in or towards application of an amount equal to the Principal Addition Amount as Available Interest Collections;
- (ii) **Class A Principal** – *second*, in or towards payment, *pari passu* and *pro rata*, to the Class A Noteholders of principal of the Class A Notes until paid in full;
- (iii) **Class B Principal** – *third*, in or towards payment, *pari passu* and *pro rata*, to the Class B Noteholders of principal of the Class B Notes until paid in full;

- (iv) **Class C Principal** – *fourth*, in or towards payment, *pari passu* and *pro rata*, to the Class C Noteholders of principal of the Class C Notes until paid in full;
- (v) **Class D Principal** – *fifth*, in or towards payment, *pari passu* and *pro rata*, to the Class D Noteholders of principal of the Class D Notes until paid in full;
- (vi) **Class E Principal** – *sixth*, in or towards payment, *pari passu* and *pro rata*, to the Class E Noteholders of principal of the Class E Notes until paid in full;
- (vii) **Class F Principal** – *seventh*, in or towards payment, *pari passu* and *pro rata*, to the Class F Noteholders of principal of the Class F Notes until paid in full; and
- (viii) **Available Interest Collections** – *eighth*, in application of any remaining amounts to Available Interest Collections,

but in each case only to the extent that all payments of a higher priority to be paid or provided for on such Interest Payment Date have been made in full.

For more details about the Priorities of Payments and the allocation of funds on each Interest Payment Date, see the sections entitled "*Cashflows – Priorities of Payments*", "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*".

Events of Default

Each of the following events or circumstances is an "**Event of Default**" under the Notes and the Certificates:

- an Insolvency Event occurring in respect of the Issuer;
- a default occurring in relation to the payment of interest on the Controlling Class of Notes on any Interest Payment Date or, following redemption in full of the Notes, any RC Payment due in respect of the Certificates (and such default is not remedied within 14 Business Days of its occurrence);
- the Issuer defaulting in the payment of principal on the Controlling Class of Notes when due, and such default continuing for a period of 7 Business Days;
- the Issuer failing to perform or observe any of its other material obligations under the Notes, the Certificates or the Transaction Documents and such failure continuing for a period of 30 calendar days following written notice from the Note Trustee or any other Secured Party, **provided that** the Note Trustee (acting on the instructions of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders)) has certified in writing to the Issuer that such event is, in the opinion of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders), materially prejudicial to the interests of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders); and
- the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge, the Issuer Security Power of Attorney or any Security created thereunder ceasing, for any reason, to be in full force and effect or being declared null and void, the validity or enforceability thereof being contested by the Issuer, or the Issuer denying that it has any or further liability or obligation thereunder or in respect thereto.

Enforcement

On the occurrence of an Event of Default, the Notes and the Certificates may be declared immediately due and payable by the Note Trustee in its absolute discretion or in compliance with the directions of the Controlling Class (or if there are no Notes outstanding, the Certificateholders) acting by way of an Extraordinary Resolution (and subject to the Note Trustee having been indemnified and/or secured and/or prefunded to its satisfaction).

If an Enforcement Notice is delivered, the Priorities of Payments will change and the Issuer will not pay principal or interest on Rated Notes that are not part of the Controlling Class, principal on the Class Z Notes that are not part of the Controlling Class and any RC Payments on the Certificates until both interest (if any) and principal on the Controlling Class are paid in full and all Issuer expenses are paid in full.

For more details about the Events of Default, the rights of Noteholders and Certificateholders and the Post-Enforcement Priority of Payments, see the sections entitled "*Cashflows – Priorities of Payments*", "*Rights of Noteholders*", "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*".

Controlling Class

Holders of the Controlling Class will control certain amendments to the Transaction Documents as well as certain decisions regarding the Issuer, including whether to waive an Event of Default or a Servicer Termination Event, to deliver an Enforcement Notice, to cause a sale of the Receivables or to direct the Note Trustee to exercise other remedies following an Event of Default. Holders of Notes that are not part of the Controlling Class will not have these rights. Notes of the Controlling Class held by Startline or its Affiliates will not be considered outstanding for these purposes unless Startline or its Affiliates hold all of the Controlling Class of Notes.

The "**Controlling Class**" will be:

- (a) the Holders of Class A Notes for so long as Class A Notes are outstanding;
- (b) thereafter, the Holders of the Class B Notes for so long as Class B Notes are outstanding;
- (c) thereafter, the Holders of the Class C Notes for so long as Class C Notes are outstanding;
- (d) thereafter, the Holders of the Class D Notes for so long as Class D Notes are outstanding;
- (e) thereafter, the Holders of the Class E Notes for so long as Class E Notes are outstanding;
- (f) thereafter, the Holders of the Class F Notes for so long as Class F Notes are outstanding; and
- (g) thereafter, the Holders of the Class Z Notes.

For more details about the actions that the Controlling Class may direct, see the sections entitled "*Rights of Noteholders*" and "*Terms and Conditions of the Notes*".

Credit Enhancement

Credit enhancement provides protection for the Notes against losses on the Receivables and potential shortfalls in the amount of cash available to the Issuer to make required monthly payments. If the credit enhancement is not sufficient to cover all amounts payable on the Notes, the losses will be allocated to the Notes by reverse seniority with junior Classes of Notes bearing the risk of loss before more senior Classes of Notes.

The following credit enhancement will be available to the Issuer.

Subordination

The Issuer will sequentially pay interest on each Class of Rated Notes, repay principal on the Class Z Notes and the Subordinated Loan Note and pay any RC Payments on the Certificates in order of seniority. The Issuer will not:

- (a) pay interest on the Class B Notes until all interest due on the Class A Notes is paid in full;
- (b) pay interest on the Class C Notes until all interest due on the Class A Notes and the Class B Notes is paid in full;
- (c) pay interest on the Class D Notes until all interest due on the Class A Notes, the Class B Notes and the Class C Notes is paid in full;
- (d) pay interest on the Class E Notes until all interest due on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes is paid in full;
- (e) pay interest on the Class F Notes until all interest due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes is paid in full;

- (f) repay principal on the Class Z Notes until all interest due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes is paid in full;
- (g) repay principal on the Subordinated Loan Note until all interest due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and all principal due on the Class Z Notes is paid in full; or
- (h) pay any RC Payments on the Certificates until all interest due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and all principal due on the Class Z Notes and the Subordinated Loan Note is paid or repaid in full (as applicable).

The Issuer will sequentially repay principal on each Class of Rated Notes in order of seniority. The Issuer will not:

- (i) repay principal on the Class B Notes until the principal amounts of the Class A Notes are repaid in full;
- (ii) repay principal on the Class C Notes until the principal amounts of the Class A Notes and the Class B Notes are repaid in full;
- (iii) repay principal on the Class D Notes until the principal amounts of the Class A Notes, the Class B Notes and the Class C Notes are repaid in full;
- (iv) repay principal on the Class E Notes until the principal amounts of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are repaid in full; or
- (v) repay principal on the Class F Notes until the principal amounts of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are repaid in full.

For more details about the Priorities of Payments, including changes to the Priorities of Payments after the delivery of an Enforcement Notice, see the sections entitled "*Cashflows – Priorities of Payments*", "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*".

Excess Spread

On each Interest Payment Date, excess spread for a Class of Notes is the amount of any excess Available Interest Collections following the payment of prior ranking items in the Pre-Enforcement Interest Priority of Payments, including the Senior Expenses, payments to the Swap Counterparty, the Retained Amount, interest on that Class of Notes and all Classes of Notes ranking senior to that Class of Notes (or, in relation to the Class Z Notes, principal on the Class Z Notes and interest on all Classes of Rated Notes ranking senior to the Class Z Notes) and the replenishment of the Senior Liquidity Reserve Fund and the Junior Liquidity Reserve Fund.

Excess spread in relation to a Class of Rated Notes will be used to cover Deficiencies recorded to the sub-ledger of the Principal Deficiency Ledger in respect of that Class of Rated Notes. Remaining amounts will be used to be paid to, among others, the Swap Counterparty as Swap Counterparty Subordinated Amounts, the Subordinated Loan Note Subscriber as repayments principal on the Subordinated Loan Note and the Certificateholders as RC Payments.

For more details about the use of excess spread as credit enhancement for the Notes, see the section entitled "*Credit Enhancement – Excess Spread*".

Senior Liquidity Reserve Fund Excess Amount and Junior Liquidity Reserve Fund Excess Amount

On each Interest Payment Date:

- (a) the Senior Liquidity Reserve Fund Excess Amount shall be equal to the amount standing to the credit of the Senior Liquidity Reserve Ledger on such Interest Payment Date (before the application of the Pre-Enforcement Priority of Payments) in excess of the Senior Liquidity Reserve Fund Required Amount on the immediately preceding Calculation Date; and

- (b) the Junior Liquidity Reserve Fund Excess Amount shall be equal to the amount standing to the credit of the Junior Liquidity Reserve Ledger on such Interest Payment Date (before the application of the Pre-Enforcement Priority of Payments) in excess of the Junior Liquidity Reserve Fund Required Amount on the immediately preceding Calculation Date.

The Senior Liquidity Reserve Fund Required Amount and the Junior Liquidity Reserve Fund Required Amount will decrease in line with the amortisation of the aggregate Principal Amount Outstanding of the Notes subject to a floor.

The Senior Liquidity Reserve Fund Excess Amount and the Junior Liquidity Reserve Fund Excess Amount will be applied as Available Interest Collections on each Interest Payment Date.

For more details about the use of the Senior Liquidity Reserve Fund Required Amount and the Junior Liquidity Reserve Fund Required Amount as credit enhancement for the Notes, see the sections entitled "*Credit Enhancement – Senior Liquidity Reserve Fund Required Amount*" and "*Credit Enhancement – Junior Liquidity Reserve Fund Excess Amount*".

Repurchases of Receivables

Repurchase of Receivables for Breach of Representations and Warranties

The Seller will make representations and warranties about the Receivables to the Issuer. Generally, these representations and warranties relate to legal standards for origination and transfer of the Receivables, terms of the Hire Purchase Agreements, and the nature of the interest in the Receivables and the Vehicles. Startline will repurchase any Non-Compliant Receivable (if it does not otherwise pay a CCA Compensation Payment or Set-Off Indemnity Amount), not later than the end of the Interest Period immediately following the Interest Period in which the party discovering such breach gave written notice thereof to the others, for the Repurchase Price. In the case of a Purchased Receivable which did not exist, or has ceased to exist, such that it is not outstanding on the date on which it is otherwise due to be repurchased, Startline will not be obliged to repurchase the relevant Receivable but will pay to the Issuer the Receivables Indemnity Amount.

Where any Purchased Receivables are determined to be in breach of any Receivables Warranties made (including the Eligibility Criteria) by reason of a Hire Purchase Agreement (or part thereof) being determined illegal, invalid, non-binding, unenforceable or cancellable under the CCA, the Seller will not be obliged to repurchase the relevant Receivables but may opt to pay (instead of repurchasing the affected Purchased Receivables) the CCA Compensation Payment to the Issuer, being an amount, calculated by the Servicer in accordance with the Servicing Agreement, required to compensate the Issuer for any loss arising as a result thereof and the payment of such amount cures such illegality, invalidity or unenforceability or the Purchased Receivables being non-binding.

For more details about the representations made in connection with the sale of the Receivables to the Issuer and the repurchase obligation if these representations are breached, see the section entitled "*Principal Transaction Documents – Receivables Sale and Purchase Deed*".

Repurchase of Receivables for Servicer Actions relating to Non-Permitted Variations

Startline as Seller must repurchase a Receivable from the Issuer if the Servicer makes any Non-Permitted Variation. A Non-Permitted Variation is any change to a Hire Purchase Agreement that relates to a Purchased Receivable (other than a Defaulted Receivable) which has the effect of:

- reducing the Principal Outstanding Balance of the Purchased Receivable;
- sanctioning any kind of payment holiday (other than any payment holiday required to be sanctioned by any Requirement of Law or Regulatory Direction that the Seller does not elect, in its sole discretion, to classify as a Non-Permitted Variation);
- reducing the total interest payable by the Customer over the term of the Purchased Receivable; or
- extending the term of the Purchased Receivable by more than one month.

For more details about Non-Permitted Variations and the repurchase obligation for these Receivables, see the section entitled "*Principal Transaction Documents – Receivables Sale and Purchase Deed*".

Seller Indemnity for Exercise of Set-Off Rights by a Customer

Where a Customer has exercised or purported to exercise any Set-Off Right in respect of any debt (present or future, actual or contingent) due or owing by such Customer to the Seller or alleged to be so due and owing (including, without limitation, any right of set-off pursuant to Section 56 and Section 75 and Section 75A of the CCA) and causes a breach of any Receivables Warranty (including, the Eligibility Criteria), which reduces any amount payable by such Customer in respect of such Purchased Receivable, the Seller may opt to pay, in lieu of repurchasing the relevant Receivable, the related Set-Off Indemnity Amount to the Issuer or Security Trustee (as applicable). In no circumstance shall the Seller be required to repurchase, and pay a corresponding Set-Off Indemnity Amount, in respect of any affected Receivable.

For more details about exercise of set-off, netting, equity or counterclaim by a Customer, see the section entitled "*Principal Transaction Documents – Receivables Sale and Purchase Deed*".

Ratings

The Issuer expects that the Rated Notes will receive the credit ratings listed below from the Rating Agencies:

| <u>Class of Notes</u> | <u>S&P</u> | <u>Moody's</u> |
|-----------------------|----------------|----------------|
| Class A Notes..... | AAA(sf) | Aaa(sf) |
| Class B Notes..... | AA-(sf) | Aa2(sf) |
| Class C Notes..... | A(sf) | A2(sf) |
| Class D Notes..... | BBB+(sf) | Baa3(sf) |
| Class E Notes..... | BB+(sf) | Ba2(sf) |
| Class F Notes..... | B-(sf) | B3(sf) |

The Class Z Notes and the Certificates will not be rated.

Each of S&P Global Ratings UK Limited and Moody's Investors Service Limited is established in the UK and registered under the UK CRA Regulation. Each of S&P Global Ratings UK Limited and Moody's Investors Service Limited appears on the latest update of the list of registered credit rating agencies (as of the date of this Prospectus) on the FCA's Financial Services Register.

The ratings S&P Global Ratings UK Limited has given to the Rated Notes are endorsed by S&P Global Ratings Europe Limited. The ratings Moody's Investors Service Limited has given to the Rated Notes are endorsed by Moody's Deutschland GmbH. Each of S&P Global Ratings Europe Limited and Moody's Deutschland GmbH is established in the EEA and registered under the EU CRA Regulation. Each of S&P Global Ratings Europe Limited and Moody's Deutschland GmbH has been certified under the EU CRA Regulation.

The ratings of the Rated Notes assigned by S&P will reflect the likelihood of (a) full and timely payment of interest on the Class A Notes and the Class B Notes, (b) full and ultimate payment of interest on the Rated Notes (other than the Class A Notes and the Class B Notes) and (c) full and ultimate repayment of principal on the Rated Notes, in each case, according to their terms.

The ratings of the Rated Notes assigned by Moody's will reflect the likelihood of (a) full and timely payment of interest on the Rated Notes and (b) full and ultimate repayment of principal on the Rated Notes, in each case, according to their terms.

Each Rating Agency rating the Rated Notes will monitor its ratings under its normal surveillance process. A Rating Agency may change or withdraw an assigned rating at any time. A rating action taken by one Rating Agency may not be taken by another rating agency. No Transaction Party will be responsible for monitoring changes to the ratings of the Rated Notes.

Listing

Application has been made to the FCA for the Notes to be listed on the FCA's Official List and to the London Stock Exchange plc for the Notes to be admitted to trading on its regulated market.

Clearing System

Clearstream, Luxembourg and Euroclear (each, an "ICSD").

Tax Status of the Notes and the Certificates

See the section entitled "*Taxation*".

Withholding Tax

All payments of interest and principal on the Rated Notes, payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates will be made without withholding taxes, unless required by law (or under FATCA). If withholding is required, the Issuer will not be obliged to make additional payments.

Selling Restrictions

See the section entitled "*Subscription and Sale*".

Clearing Codes

| <u>Class of Notes</u> | <u>ISIN</u> | <u>Common Code</u> | <u>CFI</u> | <u>FISN</u> |
|-----------------------|--------------|--------------------|------------|-------------------------------------|
| Class A Notes | XS2406633094 | 240663309 | DAVNFR | SATUS 2021-1 PL/VARASST BKD 2028081 |
| Class B Notes | XS2406633177 | 240663317 | DAVXFR | SATUS 2021-1 PL/VARASST BKD 2028081 |
| Class C Notes | XS2406633250 | 240663325 | DAVXFR | SATUS 2021-1 PL/VARASST BKD 2028081 |
| Class D Notes | XS2406633508 | 240663350 | DAVXFR | SATUS 2021-1 PL/VARASST BKD 2028081 |
| Class E Notes | XS2406634571 | 240663457 | DAVXFR | SATUS 2021-1 PL/VARASST BKD 2028081 |
| Class F Notes | XS2406634654 | 240663465 | DAVXFR | SATUS 2021-1 PL/VARASST BKD 2028081 |
| Class Z Notes | XS2406635032 | 240663503 | DAVXFR | SATUS 2021-1 PL/VARASST BKD 2028081 |

RISK FACTORS

The following is an overview of certain aspects of the Notes and the Certificates of which investors in the Notes and/or the Certificates should be aware, but it is not intended to be exhaustive and, for more details, investors should read the information set out elsewhere in this Prospectus.

The Notes and the Certificates are sophisticated instruments, which can involve a significant degree of risk. Investors should ensure that they understand thoroughly the nature and terms of the Notes and the Certificates and the extent of their exposure to the relevant risk and be familiar with the behaviour of any relevant indices and financial markets. Investors should also ensure that they (a) have sufficient knowledge, experience and access to professional advice to make their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Notes and/or the Certificates and the information contained in this Prospectus, (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and/or the Certificates and the impact the Notes and/or the Certificates will have on its overall investment portfolio, (c) consider the suitability of the Notes and/or the Certificates as an investment in light of their own circumstances and financial condition, (d) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes and/or the Certificates and (e) are able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Various factors that may affect the Issuer's ability to fulfil its obligations under the Notes are categorised below as:

| | | |
|----|--|----|
| 1. | <i>Risks related to the availability of funds to pay the Notes and the Certificates</i> | 24 |
| 2. | <i>Risks relating to the Purchased Receivables and the performance of the Notes and the Certificates</i> | 25 |
| 3. | <i>Risks relating to the Purchased Receivables and the lives of the Notes and the Certificates</i> | 29 |
| 4. | <i>Macro-Economic Risks</i> | 30 |
| 5. | <i>Counterparty Risks</i> | 31 |
| 6. | <i>Risks relating to the Structure</i> | 32 |
| 7. | <i>Risks relating to the Characteristics of the Notes and the Certificates</i> | 36 |
| 8. | <i>Legal and Regulatory Risks relating to the Purchased Receivables</i> | 40 |
| 9. | <i>Legal and Regulatory Risks relating to the Structure, the Notes and the Certificates</i> | 47 |

Several risks may fall into more than one of these nine 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.

None of the Issuer, the Arranger, the Lead Manager nor any other Transaction Party is acting as an investment adviser, or assumes any fiduciary obligation, to any investor in the Notes and/or the Certificates and investors may not rely on any such entity. The Transaction Parties do not assume any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any of the Transaction Parties.

RISKS RELATED TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES AND THE CERTIFICATES

The assets of the Issuer are limited and are the only source of payment for your Notes and/or Certificates

The Issuer will not have assets or sources of funds other than the Receivables and related property it owns. Credit and payment enhancement is limited. Your Notes and/or Certificates will not be insured or guaranteed by Startline or its Affiliates or anyone else. If these assets or sources of funds or enhancements are insufficient to pay your Notes and/or Certificates in full, you will incur losses on your Notes and/or Certificates.

For more details about the Issuer not having title to the Vehicles, see the section entitled "*Risk Factors – Risks relating to the Purchased Receivables and the Performance of the Notes and the Certificates – No transfer of title to Vehicles*".

The primary source of funds for payments of your Notes and/or Certificates will be the Receivables, or the sale of Vehicles handed back by Customers under VT Receivables. If Customers default on the Receivables, the Issuer should be able to obtain funds from the realisation of the related Vehicles by Startline and, in some cases, from Customer Insurances but this may not be adequate to ensure timely and full payment of the Notes and the Certificates. Other than the foregoing *plus*:

- (a) amounts paid to the Issuer by Startline to indemnify for any CCA Compensation Amount, Receivables Indemnity Amount or Set-Off Indemnity Amount or to repurchase Receivables that become Repurchased Receivables;
- (b) payments due to the Issuer under the Swap Agreement;
- (c) the Senior Liquidity Reserve Fund and the Junior Liquidity Reserve Fund;
- (d) interest earned on the Distribution Account and the Liquidity Reserve Account; and
- (e) (on each Interest Payment Date immediately prior to the occurrence of a Swap Termination Shortfall caused by a Partial Swap Unwind) an amount equal to the Swap Termination Shortfall drawn down by the Issuer under the Subordinated Loan Note Issuance Agreement,

the Issuer is not expected to have any other funds to meet its obligations under the Notes and the Certificates.

The transaction will benefit from liquidity support in the form of a Senior Liquidity Reserve Fund to cover Senior Expenses Shortfalls and Senior Interest Collections Shortfalls, a Junior Liquidity Reserve Fund to cover Senior Expenses Shortfalls and Junior Interest Collections Shortfalls and a Principal Addition Amount to cover Senior Expenses Shortfalls and Senior Interest Collections Shortfalls. However, it is not certain whether the level of liquidity support provided will be adequate to ensure timely and full payment of the Notes and the Certificates.

For further explanations regarding the Senior Liquidity Reserve Fund and the Junior Liquidity Reserve Fund, please see the sections entitled "*Cashflows – Payments of Interest – Senior Liquidity Reserve Fund*" and "*Cashflows – Payments of Interest – Junior Liquidity Reserve Fund*".

The Issuer's ability to make full payments of interest and principal on the Rated Notes, principal on the Class Z Notes and the Subordinated Loan Note and any RC Payments on the Certificates will also depend on Startline performing its obligations under the Servicing Agreement to collect amounts due from Customers and/or recover Vehicles and realise sale proceeds, and transfer amounts so collected to the Distribution Account and the Cash Manager performing its obligations under the Cash Management Agreement.

In the event that the net proceeds of enforcing and realising all the Security are (after application of the proceeds in accordance with the provisions of the Deed of Charge) insufficient to discharge in full all amounts then due and payable to any Secured Parties (which include the Noteholders and the Certificateholders), the Issuer's obligation in respect of the unpaid amount shall be automatically

extinguished and such Secured Parties shall have no further claim against the Issuer in respect of such unpaid amount.

In the event of non-payment of any sum due and payable to a Secured Party, that Secured Party's only remedy shall be the Security Trustee's enforcement of the Security in accordance with the provisions of the Deed of Charge and the other Transaction Documents.

An Event of Default and the delivery of an Enforcement Notice may result in earlier than expected payment of your Notes and/or Certificates or losses on your Notes and/or Certificates

An Event of Default may result in the remaining amounts due on the Notes and the Certificates being declared immediately due and payable. If Collections on the Receivables and the proceeds of a sale of Receivables (or, following delivery of an Enforcement Notice the proceeds of enforcement of the Security) are insufficient to pay the amounts owed on your Notes and/or Certificates, you may have delays in payments or losses on your Notes and/or Certificates. If the principal owing on the Notes is paid earlier than expected, you may not be able to reinvest the principal at a rate of return that is equal to or greater than the rate of return on your Notes. If an Enforcement Notice is delivered, the Issuer will not pay interest on or principal of the Rated Notes that are not part of the Controlling Class, principal of the Class Z Notes that are not part of the Controlling Class or any RC Payments on the Certificates until all interest on and principal of the Notes of the Controlling Class is paid in full.

For more details about the Events of Default, the delivery of an Enforcement Notice and the change in the Priorities of Payments following the delivery of an Enforcement Notice, see the sections entitled "*Cashflows – Priorities of Payments*", "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*".

Employees

Hire Purchase Agreements with Customers who are employees of Startline at the time of sale will not be sold to the Issuer. In very limited cases, it is possible that some Customers may be employees of Startline if they become employees after entering into their Hire Purchase Agreement. 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 and the Certificates.

RISKS RELATING TO THE PURCHASED RECEIVABLES AND THE PERFORMANCE OF THE NOTES AND THE CERTIFICATES

Performance of the Receivables is uncertain

Historical performance and reference to historical information cannot give assurance that performance will remain constant. The performance of the Receivables depends on a number of factors, including economic conditions, unemployment levels, the circumstances of individual Customers, Startline's underwriting standards at origination, the resale value of repossessed or returned Vehicles, the terms of the Hire Purchase Agreements which may be amended following origination and the success of Startline's servicing and collection strategies which may change over time.

Vehicles that are repossessed or returned by Customers are typically sold at auctions as used vehicles. The pricing of used vehicles is affected by supply and demand for those vehicles, which is influenced by many factors including consumer tastes, economic conditions, fuel costs, the introduction and pricing of new vehicle models, the impact of vehicle recalls or the discontinuation of vehicle models or brands. An adverse impact on the resale value for repossessed vehicles could result in increased losses on the Receivables and losses on your Notes and/or Certificates.

Consequently, no accurate prediction can be made of how the Receivables will perform based on credit evaluation scores or other similar measures. Ultimately, this could result in losses on the Notes and the Certificates.

Insolvency of Customers

As the Customers are persons resident in England, Wales or Scotland, the insolvency laws of England and Wales or Scotland would apply to a Customer's bankruptcy.

If the Customer is an individual and the account is in arrears, unless Startline has agreed with the official receiver or the trustee in bankruptcy or the trustee in sequestration that the official receiver or trustee in bankruptcy or trustee in sequestration will adopt the Hire Purchase Agreement (in which case the Hire Purchase Agreement will be settled in full), the Customer's obligation to pay any shortfall remaining following repossession of the Vehicle or voluntary termination of the Hire Purchase Agreement and the return and sale of the Vehicle may not be enforceable against the official receiver or trustee. Consequently, in such circumstances the Issuer may receive payment of only part of the balance outstanding under a Hire Purchase Agreement.

Furthermore, in the event of an individual voluntary arrangement, a trust deed for creditors, a debt arrangement scheme or a creditor's voluntary arrangement, the Issuer may receive payment of only part of the balance outstanding under a Hire Purchase Agreement or payment of the balance may be extended beyond the original term of the contract. In such circumstances the Issuer may receive payment of only part of the balance outstanding under a Hire Purchase Agreement or the full balance over an extended period of time.

Startline provides motor finance to retail customers in the near prime market. Although Startline will have lending criteria in place before agreeing to make a loan to a customer (see "*The Seller, Servicer and Subordinated Loan Note Subscriber – Forbearance*" below), this may mean that the loans may be at greater risk of late payments or default given the credit profile of its customer who may have not been able to successfully apply for a loan through traditional means as it operates in the near prime market.

The securitisation transaction has been structured to take into account potential defaults by the Customers but may not provide protection against all risks of loss and does not guarantee payment of interest (if any) and repayment of the entire principal amount of your Notes or payment of any RC Payments on your Certificates.

Right to Vehicles

The Issuer will acquire from Startline interests in the Receivables, including rights to receive certain payments from Customers under the Hire Purchase Agreements, the Vehicle Sales Proceeds (and, in relation to Vehicle Sales Proceeds arising from the sale of any Vehicles located in Scotland, such Vehicle Sales Proceeds will be subject to a floating charge in favour of the Issuer) and other Ancillary Rights under the Hire Purchase Agreements. Startline will agree not to impair the rights of the Issuer in the Receivables except by the proper performance of its obligations under the Servicing Agreement. Title to the Vehicles will remain with Startline until it is transferred to the relevant Customer under the terms of the relevant Hire Purchase Agreement or is sold by Startline following either (a) repossession of the Vehicle from the relevant Customer or (b) a return of a Vehicle under a VT Receivable by the relevant Customer.

It may be difficult to repossess a Vehicle. In addition, Vehicle Sales Proceeds may be less than the amount owed under the Related Hire Purchase Agreement and a Vehicle may be subject to an existing lien (for example, mechanics' liens). Action to recover outstanding amounts may not be pursued if to do so would be uneconomic. This may adversely impact your Notes and/or Certificates by reducing the amounts available to pay principal of and interest on your Rated Notes, principal of your Class Z Notes and/or any RC Payments on your Certificates.

As the Issuer does not have any rights in, over or to the Vehicles but only to the Vehicle Sales Proceeds thereof, if the Seller becomes insolvent, the Issuer is reliant on an administrator or liquidator of the Seller taking appropriate steps to sell a Vehicle that has been returned or repossessed. As the Vehicle Sales Proceeds have been assigned or charged to the Issuer pursuant to the Receivables Sale and Purchase Deed and the Scottish Vehicle Sales Proceeds Floating Charge, the Vehicles will have no economic value to the insolvent estate of the Seller and therefore to the Seller's creditors as a whole. It is unlikely that an administrator or liquidator of the Seller will have an incentive to take steps to deal with the Vehicles contrary to the contractual terms of the Transaction Documents.

To incentivise the liquidator or administrator to realise the value of the Vehicles or alternatively to cooperate in a realisation, following the appointment of a liquidator or administrator for the Seller, the Issuer is required to pay the Incentive Fee to the liquidator or administrator. The Incentive Fee may be set off from the Vehicle Sales Proceeds. However, there can be no certainty that an administrator or liquidator would take such actions to sell Vehicles returned or recovered. A failure or delay on the part of an administrator or liquidator to sell or consent to the sale of a Vehicle could also have an adverse effect on the ability of the Issuer to make payments on the Notes and the Certificates.

For more details about the Vehicles that are repossessed or returned by Customers, see the section entitled "*Risk Factors – Risks relating to the Purchased Receivables and the Performance of the Notes and the Certificates – Performance of the Receivables is uncertain*".

Excessive prepayments and defaults on the higher weighted average annual percentage rate of the total charge per creditor ("APR") Receivables may adversely impact your Notes

Some of the Receivables will have APRs that are less than the interest rate on the Rated Notes, plus fees and expenses of the Issuer. Payments on Receivables with higher APRs compensate for the payments made on Receivables with lower APRs. Excessive prepayments and defaults on the higher APR Receivables may adversely impact your Notes and/or Certificates by reducing the amounts available to pay principal of and interest on your Rated Notes, principal of your Class Z Notes and/or any RC Payments on your Certificates.

Value of Vehicles

The Issuer will acquire the Receivables from Startline. The market value of the Vehicles relating to such Receivables may be affected under certain circumstances if the relevant vehicle manufacturer were to suffer financial difficulties. Several vehicle manufacturers are subject to governmental information requests, inquiries and investigations as well as litigation relating to environmental, securities, criminal, antitrust and other laws and regulations in connection with diesel exhaust emissions. Several federal and state authorities, including in Europe, the United States and Asia, have inquired about and are investigating test results, of the emission control systems used in diesel vehicles and as well as related legal issues and implications, including, but not limited to, under applicable environmental, securities, criminal and antitrust laws.

In addition international, national and local standards regarding emissions by vehicles, including CO2 emissions, fuel consumptions, engine performance and noise emissions are currently subject to discussions including the strengthening of the tax regime for diesel vehicles and tighter regulatory standards for diesel vehicles' exhaust emission benchmarks. It is not clear at this stage whether such standards will apply only to new vehicles or will be extended to used vehicles. As a result, there is a risk of decline of the market value of diesel vehicles.

A recent feature of the vehicle market has also been the production of hybrid and/or wholly electric vehicles. Such developments in the auto industry may have an adverse impact on the resale market value of fossil fuel propelled vehicles.

A decline in the market value of vehicles may have an adverse impact on the funds obtained from the realisation of the related Vehicles available for distribution and, consequently, on the ability of the Issuer to make payments on the Notes and the Certificates.

Geographic concentration may result in more risk to you

As at the Provisional Cut-Off Date, the Customers were spread across various regions in the United Kingdom as shown in "*The Provisional Portfolio*", with certain regions having larger concentrations than others. An economic downturn in a region may be caused by a number of factors which could include natural disasters, widespread health crises (such as may result from epidemic infectious diseases like the current outbreak of coronavirus disease since 2019 ("**COVID-19**")) or the fear of any such crisis. Economic conditions or other factors affecting these areas of the United Kingdom in particular could adversely impact the delinquency, credit loss or repossession experience of the Issuer and could result in delays in payments or losses on your Notes and/or Certificates.

For more details about delinquency and credit loss experience for Startline's portfolio of receivable retail contracts, see the section entitled "*The Provisional Portfolio*".

No transfer of title to Vehicles

The Issuer will not obtain title to the Vehicles themselves nor will it have a direct right to repossess a Vehicle if a Customer defaults. The Issuer has acquired the rights to the proceeds deriving from the sale of the Vehicles relating to Hire Purchase Agreements transferred to it by Startline. The Issuer is therefore dependent on Startline recovering such proceeds from the sale of the Vehicles and remitting to the Issuer any proceeds of such realisation. Startline has a full set of recoveries procedures which are summarised in the section entitled "*The Seller, Servicer and Subordinate Loan Note Subscriber – Repossessions and Recoveries*" which are intended to reduce the overall loss position by ensuring that an effective asset recovery, auction sales and post write-off collections process is maintained. Notwithstanding this, if Startline were to fail to act following a Customer default in accordance with its own procedures, this may have an adverse impact on the funds available for distribution and, consequently, on the ability of the Issuer to make payments on the Notes and the Certificates.

Startline will agree not to impair in a material respect the rights of the Issuer or the Security Trustee in the Receivables except by the proper performance of its obligations under the Servicing Agreement. Startline will grant powers of attorney to the Issuer under which the relevant attorney should have a right to make demands and sue for amounts due under the Hire Purchase Agreements or to repossess or sell the related Vehicle.

For more details, see the section entitled "*Risk Factors – Risks Relating to the Structure – Equitable Assignment*".

Interests of other persons in the Receivables or the related Vehicles could reduce funds available to pay your Notes and/or Certificates

If another person acquires an interest in a Receivable or a related Vehicle that is superior to the Issuer's interest, the Collections on that Receivable or the proceeds from the sale of that Vehicle may not be available to the Issuer. This may adversely impact your Notes and/or Certificates by reducing the amounts available to pay principal of and interest on your Rated Notes, principal of your Class Z Notes and/or any RC Payments on your Certificates.

For more details, see the section entitled "*Risk Factors – Risks Relating to the Structure – Equitable Assignment*".

No independent investigation and breach of warranties

No investigations, searches or other steps to establish the creditworthiness or suitability of a Customer or to verify the details of a Customer, Hire Purchase Agreement, Vehicle, protected payments plan, historical performance data or the Startline servicing and collection procedures have been or will be performed by the Issuer, the Security Trustee, the Note Trustee, the Principal Paying Agent, the Arranger or the Lead Manager, each of whom will rely solely on warranties given by Startline about the Receivables and the Customers. The benefit of all such representations and warranties is assigned by the Issuer to the Security Trustee under the Deed of Charge.

If Startline makes a misrepresentation in respect of the Receivables or is in breach of a warranty relating to the Receivables, the only remedy of the Issuer will be either to require Startline to remedy the matter giving rise to such misrepresentation or breach, indemnify the Issuer or to repurchase the affected Receivables. In such circumstances, the Issuer (and therefore the Noteholders and the Certificateholders) will be dependent on Startline's ability to fulfil its obligations to repurchase the relevant Receivables or indemnify the Issuer. If Startline fails to repurchase or indemnify, you may experience losses or delays in payments on your Notes and/or Certificates. Where a representation or warranty by Startline about a Receivable was given only with Startline's knowledge as at the Closing Date and the risk regarding such representation or warranty later materialises, Startline will not be required to remedy the matter or to repurchase the affected Receivable or indemnify the Issuer. Instead, the Issuer (and therefore the Noteholders and the Certificateholders) will bear the corresponding risk.

Notice of assignment

The assignment and transfer of the Receivables will only be disclosed to Customers on the occurrence of a Perfection Event. The Customer may:

- (a) until it has been notified of the assignment and transfer of the Receivables, effect payment with discharging effect to Startline or enter into other transactions regarding the Receivables with Startline with binding effect on the Issuer and the Security Trustee. It may also have a right to set off against Startline prior claims it may have against Startline;
- (b) following such notification, raise defences against the Issuer and the Security Trustee resulting from its relationship with Startline which are existing at the time of the assignment and transfer of the Receivables; and
- (c) following such notification, have the right to set off against the Issuer and the Security Trustee any claims against Startline, unless the Customer has knowledge of the assignment and transfer prior to acquiring these claims or the claims only become due after the Customer acquires this knowledge and after the respective instalments of the relevant Receivable become due either as scheduled under the Related Hire Purchase Agreement or in full as a consequence of an early termination,

all of which could result in delays in payments or losses on your Notes and/or Certificates.

For more details, see the sections entitled "*Principal Transaction Documents – Receivables Sale and Purchase Deed – Notification of Assignment of Receivables*" and "*Risk Factors – Legal and Regulatory Risks Relating to the Purchased Receivables – Restriction on Assignment*".

RISKS RELATING TO THE PURCHASED RECEIVABLES AND THE LIVES OF THE NOTES AND THE CERTIFICATES

The rate of prepayments on the Receivables will affect the timing of repayment of the principal of the Notes

Faster or slower than expected rates of prepayments on the Receivables will cause the Issuer to pay principal on the Notes earlier or later than expected and will shorten or lengthen the expected maturity of your Notes and/or Certificates. Prepayments on the Receivables will occur if, among other reasons:

- (a) Customers prepay their Receivables in whole or in part;
- (b) early settlement of the Hire Purchase Agreement occurs before its scheduled maturity date under the CCA;
- (c) there is a voluntary termination of the Hire Purchase Agreement under the CCA;
- (d) the Servicer receives Vehicle Sales Proceeds on Defaulted Receivables or VT Receivables; or
- (e) the Servicer receives proceeds from physical damage, credit, life or other Customer Insurances.

A variety of economic, social and other factors will influence the rate of prepayments on the Receivables, including individual Customer circumstances, marketing incentives offered by vehicle manufacturers and the fact that the Vehicle may not be sold without the consent of the Seller. No prediction can be made about the actual prepayment rates that will occur for the Receivables.

If principal of the Notes is paid earlier than expected due to faster rates of prepayments on the Receivables, and interest rates at that time are lower than interest rates at the time principal would have been paid had those prepayments occurred as expected, you may not be able to reinvest the principal at a rate of return that is equal to or greater than the rate of return on your Notes. Alternatively, if principal of the Notes is paid later than expected due to slower rates of prepayments on the Receivables, and interest rates at that time are higher than interest rates at the time principal would have been paid had those prepayments

occurred as expected, you may lose reinvestment opportunities. You will bear all reinvestment risk resulting from principal payments on the Notes occurring earlier or later than expected.

In addition, the Notes will be paid in full before maturity if the Seller exercises: (i) its Clean-Up Call Option when the aggregate Principal Amount Outstanding of the Rated Notes has been reduced to 10% or less of the initial aggregate Principal Amount Outstanding of the Rated Notes as at the Closing Date; (ii) its Portfolio Repurchase Option on the Portfolio Repurchase Option Date; or (iii) its optional early redemption for taxation and other reasons.

For more details about the timing of repayment and other sources of prepayments, see the section entitled "*Maturity and Prepayment Considerations*".

MACRO-ECONOMIC RISKS

The COVID-19 pandemic may exacerbate certain risks in relation to the Notes and the Certificates

The recent and continuing COVID-19 pandemic has had a significant impact in the United Kingdom in respect of social behaviour, macroeconomic outlook and the response of the UK Government. The COVID-19 pandemic has resulted in authorities worldwide implementing numerous measures to try to contain COVID-19, which led to severe disruptions in the global supply chain, capital markets and economies. The temporary closures of many businesses have resulted in a loss of revenues and unprecedented increases in unemployment in certain countries and accordingly a poorer consumer outlook. Its impact on economic conditions continues to be uncertain and there are no comparable events in recent history that may provide guidance as to the effect of the spread of the COVID-19 and the economic impacts of such a global pandemic. The UK Government introduced various economic measures in response to the pandemic, including a temporary job retention scheme, financial support for businesses and a reduction in the rate of VAT applicable to certain businesses. Additional government interventions may be implemented as the COVID-19 pandemic and its consequences continue to develop. As a consequence, COVID-19 could exacerbate numerous risks in respect of the Notes and the Certificates, however the overall consequences of COVID-19 are not known at this stage. The ultimate impact of the consequences of the COVID-19 pandemic is uncertain and may pervade over time and may adversely affect the ability of the Issuer to satisfy its obligations under the Notes and the Certificates.

Political uncertainty

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) persist, in particular with respect to current economic, monetary and political conditions in the European currency area (the "**Eurozone**"). If such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any exit(s) by any member state(s) from the EU and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the UK auto loan market, the Issuer, one or more of the Secured Parties (including the Seller, the Servicer, the Account Bank, the Cash Manager and/or the Standby Servicer) and/or any Customer. Given the current uncertainty and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders and Certificateholders, the market value of the Notes and/or the Certificates, the UK auto loan market, the existence of a secondary market for the Notes and/or the Certificates and/or the ability of the Issuer to satisfy its obligations under the and/or the Certificates.

Global economic and political conditions may adversely affect the performance of the Receivables, which could result in losses on your Notes and/or Certificates

Global economic and political conditions are volatile and growth may not be sustainable for a specific period of time. A severe economic downturn (for example, such as may result from the COVID-19 outbreak) could adversely affect the performance of the Receivables. During a downturn, unemployment and a lack of availability of credit may lead to increased delinquency and default rates by obligors and decreased consumer demand for cars, trucks and utility vehicles. In addition, during certain periods there may be reduced used vehicle prices, which may increase the amount of losses on Defaulted Receivables

and VT Receivables. If a financial crisis or a severe economic downturn occurs, delinquencies and losses on the Receivables could increase, which could result in losses on your Notes and/or Certificates.

Concerns about credit risks, including credit risks of sovereigns and entities which are exposed to sovereigns, have recently intensified. In particular, concerns have been raised about current economic, monetary and political conditions in the Eurozone and of the larger European Union.

Financial market disruptions and a lack of liquidity in the secondary market could adversely affect the market value of your Notes and/or Certificates and/or limit your ability to resell your Notes and/or Certificates

Over the past several years major disruptions in the global financial markets caused a significant reduction in liquidity in the secondary market for asset-backed securities. Volatility remains due to several factors, including the uncertainty surrounding the level and sustainability of the sovereign debt of several European countries. It is not certain whether future events will occur that could have an adverse effect on the liquidity of the secondary market. If there is a lack of liquidity in the secondary market it could adversely affect the market value of your Notes and/or Certificates and/or limit your ability to resell your Notes and/or Certificates.

COUNTERPARTY RISKS

Delays in collecting payments could occur if Startline ceases to be the Servicer

If Startline resigns or is terminated as Servicer, the processing of payments on the Receivables, information about Collections and the recovery and resale of Vehicles could be delayed. This could cause the manner in which Available Principal Collections and Available Interest Collections are determined and for payments on the Notes and the Certificates to be changed as described in "*Principal Transaction Documents – Cash Management Agreement*", and could also cause payments on your Notes and/or Certificates to be delayed. Startline may be removed as Servicer if it defaults on its servicing obligations or becomes subject to insolvency proceedings as described under "*Principal Transaction Documents – Servicing Agreement – Resignation and Termination of the Servicer*". There is no guarantee that a substitute servicer could be found that would be willing and able to service the Receivables. Further, a substitute servicer, even if willing and able to act under the terms of the Servicing Agreement, may be less effective in this role than Startline, given Startline's experience in servicing the Receivables, particularly in realising the residual value of Vehicles. Finally, a substitute servicer is almost certain to charge a fee on a basis different from that of Startline and payment of this fee will rank ahead of the payments of interest on the Rated Notes, payments of principal on the Class Z Notes and payments of any RC Payments on your Certificates.

Insolvency of the Seller

If the Seller becomes insolvent and an administrator or liquidator is appointed to realise its assets to pay its creditors, such administrator or liquidator or similar person may argue that the sale of Receivables to the Issuer was not a true sale (for example that it should be re-characterised as a charge of assets to secure borrowing from the Issuer). In that case, the Issuer could experience delays in receiving Collections on the Receivables and that could indirectly cause delays in payments due to the Noteholders and Certificateholders. If a court were to agree with such administrator or liquidator, the Issuer may receive less than the full amount of Collections on Receivables and that could cause Noteholders and Certificateholders to receive less than the full amounts due to them.

Further, if the Seller becomes insolvent, it may be unable to repurchase Non-Compliant Receivables or pay any CCA Compensation Amounts, Receivables Indemnity Amounts or Set-Off Indemnity Amounts, and Noteholders and Certificateholders could incur a loss on their Notes and Certificates, respectively.

Early termination of a Swap Agreement could result in an early redemption of the Notes and/or an inability of the Issuer to acquire sufficient amounts in the relevant currency to pay the amounts due on the Notes and the Certificates

The Swap Agreement assumes a fixed amortisation schedule (the "**Swap Profile**") and the Swap Transaction may be overhedged or underhedged from time to time. If the Seller (in its discretion) makes an advance to the Issuer under the Subordinated Loan Note Issuance Agreement, the Issuer shall exercise any

rights it has to terminate in full or in part the Swap Agreement (a "**Partial Swap Unwind**") subject to certain conditions being met. For more information on the Swap Profile and the exercise of a Partial Swap Unwind see the section entitled "*Principal Transaction Documents – The Swap Agreement*".

The Swap Agreement may also be terminated upon the occurrence of certain events described in the section entitled "*Principal Transaction Documents – The Swap Agreement*". Each of the Issuer and the Swap Counterparty will represent in the Swap Agreement that, under current applicable law, they are entitled to make all payments required to be made by them under the Swap Agreement free and clear and without deduction or withholding for or on account of any taxes, assessments or other charges. If the Swap Counterparty fails to effect the gross up as required, payments to the Issuer will be correspondingly reduced. In such circumstances, the Issuer may terminate the Swap Agreement but, until the Swap Agreement is terminated, amounts available to make payments to the Noteholders and Certificateholders will be reduced by an amount withheld for any withholding taxes, and the amount that Noteholders and Certificateholders receive on the Notes and the Certificates, respectively, may accordingly be reduced.

There can be no assurance that the Swap Agreement will not be terminated prior to the repayment in full of the Notes. If the Swap Agreement is terminated before its scheduled termination date, the Issuer or the Swap Counterparty may be liable to make an early termination payment to the other party. The amount of such termination payment will be based on the market value of the terminated Swap Agreement. This market value will be computed on the basis of market quotations of the cost of entering into a replacement swap transaction with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties. Any such termination payment could, for example, if interest rates have changed significantly, be substantial. The termination of the Swap Agreement may reduce, accelerate or delay payments of interest and principal on the Rated Notes, principal on the Class Z Notes and the Subordinated Loan Note and any RC Payments on the Certificates.

RISKS RELATING TO THE STRUCTURE

Meetings of Noteholders and Certificateholders: modifications and waivers

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

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

Pursuant to and in accordance with the detailed provisions of Condition 12(b) (*Amendments and Waiver*) and Certificates Condition 10(b) (*Amendments and Waiver*), the Note Trustee shall be obliged, and shall direct the Security Trustee, without any consent of the Noteholders, the Certificateholders or the other Secured Parties, but subject to the receipt of written consent from each of the Transaction Parties that are a party to the Transaction Document being modified, to concur with the Issuer in making any modification (other than a Basic Terms Modification) to the Conditions, the Certificates Conditions and/or any Transaction Document that the Issuer considers necessary or advisable for the purpose of:

- (a) complying with, or implementing or reflecting, any change in criteria of the Rating Agencies;
- (b) in order to enable the Issuer and/or the Swap Counterparty to comply with any obligation which applies to it under the UK EMIR and/or the EU EMIR;
- (c) complying with any changes in the Retention Requirements or any other risk retention legislation, regulations or official guidance;
- (d) enabling the Notes and/or the Certificates to be (or to remain) listed on the London Stock Exchange;

- (e) enabling the Issuer or any other Transaction Party to comply with FATCA (or any voluntary agreement entered into with a tax authority in relation thereto);
- (f) enabling the Notes to satisfy Eurosystem eligibility (if available);
- (g) for the purpose of enabling the Issuer to open any cash account for the receipt of any collateral posted by the Swap Counterparty under the Swap Agreement in the form of cash;
- (h) in order to allow the Issuer to open Additional Accounts with an additional account bank or to move the Issuer Accounts to be held with an alternative account bank with the required ratings;
- (i) for the purpose of complying with any changes in, and/or an obligation in respect of the direct application of, the requirements of the UK Securitisation Regulation and/or the EU Securitisation Regulation; and
- (j) complying with any changes in the requirements of the UK CRA Regulation or the EU CRA Regulation.

Each of the Issuer, the Note Trustee and the Security Trustee will rely without further investigation on any certification provided to it in connection with the transaction amendments and will not be required to monitor or investigate whether the Servicer 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.

Conflict between Noteholders, Certificateholders and/or other Secured Parties

The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee to have regard to the interests of all the Secured Parties as regards the exercise and performance of all their powers, rights, trusts, authorities, duties and discretions in respect of the Charged Property and the Transaction Documents.

Notwithstanding such the above, so long as any of the Notes are outstanding, in the event of any conflict between the interests of the Noteholders, Certificateholders and/or the other Secured Parties, the Note Trustee is required to have regard to the interests of the Noteholders only.

The Issuer, Startline and/or any of the Affiliates of Startline may from time to time hold Notes and/or Certificates. However, pursuant to the Conditions, the Certificates Conditions and the Trust Deed, those Notes and/or Certificates (if any) which are for the time being held by any person for the benefit of the Issuer, Startline or any of the Affiliates of Startline will not be taken into account by the Note Trustee for the purposes of (i) the determination of how many of which Class of Notes are for the time being outstanding or the total number of Certificates then in issue and outstanding for the purposes of their Conditions or Certificates Conditions and the Trust Deed requiring calculation of the proportion of Noteholders of each such Class of Notes or Certificateholders, respectively, requesting or directing the Note Trustee to enforce the security for such Class of Notes or the Certificates, or the provisions for meetings of the Noteholders of each such Class of Notes or the Certificateholders set out in the Trust Deed; (ii) exercising 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, the Certificateholders 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, the Certificateholders or any of them, except, where all of the Notes of any Class or the Certificates are held by or on behalf of or for the benefit of Startline or its Affiliates.

Conflicts of interest

Startline is acting in a number of capacities in connection with this securitisation transaction. Startline will have only those obligations and responsibilities expressly agreed to by it in the Transaction Documents evidencing the Transaction to which it is a party and will not, by virtue of its or its Affiliates acting in any other capacity, be deemed to have other obligations or responsibilities or be deemed to be held to a standard of care other than as expressly set out in such Transaction Documents. Startline, in its various capacities in connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without a duty to account therefore in connection with the Transaction.

Startline may hold and/or service claims against the Customers other than the Receivables or may enter into other contractual relationships with the Customers. The interests or obligations of Startline for these claims or contractual relationships may conflict with the interests of the Noteholders and the Certificateholders.

The Transaction Parties may engage in commercial relationships, in particular, as lenders providing investment banking and other financial services to the Customers and other Transaction Parties. In these relationships the Transaction Parties are not obliged to take into account the interests of the Noteholders and the Certificateholders. Accordingly, conflicts of interest may occur and it is not certain whether the Noteholders and the Certificateholders will be adversely affected by these conflicts of interest, but it could ultimately impact the ability of the Issuer to make timely payments on the Notes and Certificates.

Certain Conflicts of Interest – Arranger and its Affiliates

The Arranger and its Affiliates are part of a global investment banking and securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The financial services that the Arranger and its Affiliates are intending to provide also include providing or arranging financing and, as such, the Arranger and its Affiliates may provide or arrange financing to the Retention Holder (as to which see the section entitled "*Certain Regulatory Disclosures – Retention Financing*" below in respect of the Retention Financing contemplated as of the Closing Date). If it is a lender under any such retention financing (which is not currently envisaged to be the case in respect of the Retention Financing), the Arranger or its Affiliates could seek to enforce its security over all or some of the Retained Interest and, directly or indirectly, take possession or sell such Retained Interest to a third party, causing the securitisation to become non-compliant with the Retention Requirements.

Failure to comply with one or more of the requirements of the UK Securitisation Regulation or the EU Securitisation Regulation (including, *inter alia*, the Retention Requirements) may result in various penalties including, in the case of investors subject to regulatory capital requirements, the imposition of a penal capital charge. Such non-compliance may also negatively impact the price and liquidity of the Notes and the Certificates in the secondary market.

In addition, the Arranger and its Affiliates may derive fees and other revenues from the provision or arrangement of any such financings.

Certain Conflicts of Interest – The Retention Holder

The Retention Holder intends to enter into the Retention Financing, as to which see "*Risk Factors – Legal and Regulatory Risks Relating to the Structure, the Notes and the Certificates – Financing of the Retained Interest*" below. Noteholders and Certificateholders should be aware that any incurrence of debt by the Retention Holder, including that used to finance the acquisition of the Retained Interest, could potentially lead to an increased risk of the Retention Holder becoming insolvent and therefore unable to fulfil its obligations in its capacity as Retention Holder, causing the securitisation to become non-compliant with the Retention Requirements.

Failure to comply with one or more of the requirements of the UK Securitisation Regulation or the EU Securitisation Regulation (including, *inter alia*, the Retention Requirements) may result in various penalties including, in the case of investors subject to regulatory capital requirements, the imposition of a penal capital charge. Such non-compliance may also negatively impact the price and liquidity of the Notes and the Certificates in the secondary market.

Noteholders and Certificateholders should also be aware that the terms of the Retention Financing are such that certain parties to it would benefit from a situation where credit losses are incurred on the Retained Interest. As of the Closing Date such parties are not otherwise parties to the Transaction Documents and, as such, have no direct rights to control or influence the performance of the transactions contemplated by the Transaction Documents. Furthermore, when exercising its rights in connection with the Retention Financing, the relevant parties have no duties or obligations to consider the effect of any such actions to the Noteholders and the Certificateholders.

The exercise of rights by the Controlling Class following an Event of Default may be harmful to the other Classes and the Certificates

The Controlling Class may accelerate the Notes and the Certificates after an Event of Default or waive Events of Default. The Controlling Class may, in certain circumstances, direct the Security Trustee to sell the Receivables after the delivery of an Enforcement Notice even if the proceeds would not be sufficient to pay all of the Notes and the Certificates in full. If your Notes and/or Certificates cannot be repaid in full with the proceeds of a sale of the Receivables, you will suffer a loss.

In addition, the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) may terminate the Servicer following a Servicer Termination Event and may waive Servicer Termination Events.

Holder of Notes that are not part of the Controlling Class and (for so long as any Notes are outstanding) Certificateholders will have no right to take these actions. Only the Controlling Class will have these rights. The Controlling Class may have different interests from the Holders of the other Class of Notes and/or the Certificates and will not be required to consider the effect of its actions on the Holders of the other Class and/or the Certificates.

For more details about the actions that the Controlling Class may direct, see the sections entitled "*Rights of Noteholders*", "*Principal Transaction Documents – Servicing Agreement – Resignation and Termination of the Servicer*" and "*Terms and Conditions of the Notes*".

Enforcement of Security

The Security for the Notes and the Certificates becomes enforceable upon delivery of an Enforcement Notice. Upon enforcement of the Security, the Secured Parties (acting through the Security Trustee) will have recourse to the Issuer's assets which are subject to the Security (including the Issuer's interest in the Receivables and its other assets, including the Senior Liquidity Reserve Fund and the Junior Liquidity Reserve Fund), to pay amounts owing by the Issuer under the Notes and the Certificates (and only after payment of prior ranking claims). The Security Trustee will have no recourse against Startline other than for misrepresentation, breach of warranty or breach of its obligations under the Receivables Sale and Purchase Deed and for breach by Startline of its obligations under the Servicing Agreement.

The proceeds of enforcement of the Security may be insufficient, after payment of all other claims ranking in priority to and *pari passu* with amounts due under the Notes, to pay in full all principal and interest due on the Rated Notes, all principal due on the Class Z Notes and any RC Payments due on the Certificates.

Equitable Assignment

The assignment by Startline in its capacity as Seller to the Issuer of the benefit of the Receivables will take effect in equity because no notice of the assignment will be given to Customers on the Closing Date. The Issuer has granted the Security Trustee a charge over, among other things, its beneficial interest in the Receivables.

The lack of notice to a Customer of the assignments by Startline has the following legal consequences:

- (a) Notice to the Customer would mean that the Issuer would take priority over any interest of a later encumbrancer or assignee of the rights of Startline who has no notice of the assignment to the Issuer. If another person acquires an interest in a Receivable or a related Vehicle that is superior to the Issuer's interest, the Collections on that Receivable or the proceeds from the sale of that Vehicle may not be available to the Issuer. This may adversely impact your Notes and/or Certificates by reducing the amounts available to pay principal of and interest on your Rated Notes, principal of your Class Z Notes and/or any RC Payments on your Certificates.

For more details, see the section entitled "*Risk Factors – Risks relating to the Purchased Receivables and the Performance of the Notes and the Certificates – Interests of other persons in the Receivables or the related Vehicles could reduce funds available to pay your Notes and/or Certificates*".

- (b) Notice to a Customer would mean that the Customer should no longer make payment to Startline as creditor under the relevant Hire Purchase Agreement but should make payment instead to the Issuer. If the Customer were to ignore a notice of assignment and pay Startline for its own account,

the Customer would still be liable to the Issuer for the amount of such payment. However, for so long as Startline remains Servicer under the Servicing Agreement it is also the agent of the Issuer for the purposes of the collection of the Receivables and will, accordingly, be accountable to the Issuer for any amount paid to it regarding the Receivables.

For more details on counterparty risk arising from Startline acting as Servicer under the Servicing Agreement and agent of the Issuer for the purposes of the collection of the Receivables see the sections entitled "*Risk Factors – Counterparty Risk – Delays in collecting payments could occur if Startline ceases to be the Servicer*" and "*Insolvency of the Seller*".

- (c) Until notice is given to the Customer, equitable set-offs (such as for misrepresentation and breach of contract as referred to in "*Liability for misrepresentations and breach of contract*" below) and other rights of set-off (for example, the statutory set-off rules applicable on insolvency of the Seller) may accrue in favour of the Customer regarding his obligation to make payments under the relevant Hire Purchase Agreement. These may result in the Issuer receiving less moneys than anticipated from the Receivables and, therefore, adversely impact your Notes and/or Certificates by reducing the amounts available to pay principal of and interest on your Rated Notes, principal of your Class Z Notes and/or any RC Payments on your Certificates.

The assignment of the Receivables to the Issuer will be subject both to any prior equities which have arisen in favour of the Customer before the assignment and to any equities which may arise in the Customer's favour after the assignment until such time (if ever) as he receives actual notice of the assignment. Set-off rights arising under claims arising out of a transaction connected with a Hire Purchase Agreement will not be affected by that notice.

- (d) Notice to the Customer would prevent Startline and the Customer amending a Hire Purchase Agreement without the involvement of the Issuer. However, Startline will agree not to impair in a material respect the rights of the Issuer or the Security Trustee in the Hire Purchase Agreements, other than according to its usual operating policies (as described below).

Lack of notice to the Customer means that the Issuer will have to join Startline as a party to any legal action which the Issuer may choose to take against any Customer. Startline will, however, grant powers of attorney to the Issuer and the Security Trustee (or appoint the Issuer and the Security Trustee as substitute attorneys) under which the relevant attorney or substitute attorneys will have the right to make demands and sue for amounts due under the Hire Purchase Agreements. Failure to act by Startline following a Customer default may have an adverse impact on the funds available for distribution and, consequently, on the ability of the Issuer to make payments on the Notes and the Certificates

For more details, see the section entitled "*Risk Factors – Risks relating to the Purchased Receivables and the Performance of the Notes and the Certificates – No transfer of title to Vehicles*".

RISKS RELATING TO THE CHARACTERISTICS OF THE NOTES AND THE CERTIFICATES

The absence of or a lack of liquidity in the secondary market could limit your ability to resell Notes and/or the Certificates

Although an application has been made to list the Notes on the Official List of the London Stock Exchange, there is currently no secondary market for the Notes or the Certificates. The absence of a secondary market for your Notes and/or Certificates could limit your ability to resell them. This means that if you want to sell your Notes and/or Certificates before they mature, you may be unable to find a buyer or, if you find a buyer, the selling price may be less than it would have been if a secondary market existed. If a secondary market does develop, it might not continue or it might not be sufficiently liquid to allow you to resell your Notes and/or Certificates.

The market continues to develop in relation to SONIA as a reference rate for floating rate notes

The Rate of Interest of the Rated Notes will be determined on the basis of Compounded Daily SONIA (as defined in the Conditions). Compounded Daily SONIA differs from the London Inter-Bank Offered Rate for Sterling deposits ("**LIBOR**") in a number of material respects, including (without limitation) that Compounded Daily SONIA is a backwards-looking, compounded, risk-free overnight rate, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SONIA may behave materially differently as interest reference rates for the Rated Notes and under the Swap Agreement. The use of Compounded Daily SONIA as a reference rate for eurobonds 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 Rated Notes should be aware that:

- (a) the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to 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;
- (b) while an amendment may be made under Condition 12(c) (*Additional Right of Modification*) and Certificates Condition 10(c) (*Additional Right of Modification*) to change the base rate on the Rates Notes from SONIA to an alternative base rate under certain circumstances broadly related to SONIA dysfunction or discontinuation, or to change the base rate that then applies in respect of the Swap Agreement to the base rate of the Rated Notes following a change in the base rate of the Rated Notes, there can be no assurance that any such amendments will be made or, if made, that they (i) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Rated Notes and the Swap Agreement or (ii) will be made prior to any date on which any of the risks described in this risk factor may materialise;
- (c) if SONIA is discontinued, and whether or not an amendment is made under Condition 12(c) (*Additional Right of Modification*) and Certificates Condition 10(c) (*Additional Right of Modification*) to change the base rate on the Rates Notes from SONIA to an alternative base rate, if a proposal for an equivalent change to the base rate on the Swap Agreement is not accepted by the Swap Counterparty, there can be no assurance that the applicable fall-back provisions under the Swap Agreement would operate to allow the transactions under the Swap Agreement to effectively mitigate interest rate risk in respect of the Rated Notes. This, in turn, could cause a risk of mismatch of interest and reduced payments on the Notes and/or the Certificate; and
- (d) in the event Compounded Daily SONIA as calculated under the Swap Agreement is negative for any related calculation period such that the amount due and payable by the Swap Counterparty to the Issuer on such Interest Payment Date would be a negative sum, the Issuer shall instead pay to the Swap Counterparty the absolute value of such amount as more fully set out in "*Principal Transaction Documents – The Swap Agreement*" below. Changes to SONIA may therefore adversely affect payments under the Swap Agreement, which could result in the Issuer having insufficient amounts available to it to make payments on the Notes and/or the Certificates.

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 Eurobond 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 Rated Notes. In addition, the manner of adoption or application of SONIA reference rates in the Eurobond 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 Rated Notes.

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

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

Definitive Notes

It is possible that the Notes may be traded in amounts in excess of £100,000 (or its equivalent) that are not integral multiples of £100,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than £100,000 may not receive a Definitive Note representing such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to £100,000.

If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an amount which is at least £100,000 may be particularly illiquid and difficult to trade.

Bank of England eligibility

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 Funding for Lending Scheme, Term Funding Scheme, Discount Window Facility or Indexed Long-Term Repo Scheme. Recognition of the Notes as eligible securities for the purposes of such schemes 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 collateral for such schemes. None of the Issuer, the Arranger nor the Lead Manager gives any representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements of such schemes and be recognised as eligible collateral for such schemes. Any potential investor in the Notes should make its own determinations and seek its own advice with respect to whether or not the Notes constitute eligible collateral for such schemes.

Eurosystem eligibility

Interests in each Class of Notes will be represented by a Global Note, without interest coupons attached. On the Closing Date, the Global Notes will be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper and will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances, the Global Notes will not be exchangeable for unrestricted registered Definitive Notes and no Definitive Notes will be issued with a denomination above £199,000. If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

Notwithstanding that the Notes are held in accordance with NSS in a manner which would allow for Eurosystem eligibility, this does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. The recognition as eligible collateral is subject to satisfaction of the Eurosystem eligibility criteria and prospective noteholders should consider how such eligibility may be impacted by the UK withdrawal from the EU and the UK no longer being part of the EEA.

Interests in the Certificates will be represented by a Definitive Certificate, without interest coupons attached. The Certificates will not be issued under NSS or cleared through Euroclear or Clearstream, Luxembourg. None of the Issuer, the Arranger, the Note Trustee, the Security Trustee, the Lead Manager or any other Transaction Party gives any representation, warranty, confirmation or guarantee to any investor

in the Notes and/or the Certificates that any Class of Notes and/or the Certificates will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any prospective investor in the Notes and/or the Certificates should consult its professional advisors with respect to whether or not the Notes and/or the Certificates constitute Eurosystem eligible collateral at any point of time during the life of the Notes and/or the Certificates, including whether and how such eligibility may be impacted by the UK withdrawal from the EU and the UK no longer being part of the EEA.

Ratings of the Rated Notes

The ratings assigned to the Rated Notes by the Rating Agencies take into consideration the structural and legal aspects associated with the Rated Notes and the Receivables, the credit quality of the Receivables, the extent to which the Customers' payments under the Receivables are adequate to make the payments required under the Rated Notes as well as other relevant features of the structure, including the credit situation of the Account Bank, the Seller and the Servicer. The Class Z Notes and the Certificates will not be rated by the Rating Agencies.

Each Rating Agency's ratings reflect only the view of that Rating Agency.

The ratings of the Rated Notes assigned by S&P will reflect the likelihood of (a) full and timely payment of interest on the Class A Notes and the Class B Notes, (b) full and ultimate payment of interest on the Rated Notes (other than the Class A Notes and the Class B Notes) and (c) full and ultimate repayment of principal on the Rated Notes, in each case, according to their terms.

The ratings of the Rated Notes assigned by Moody's will reflect the likelihood of (a) full and timely payment of interest on the Rated Notes and (b) full and ultimate repayment of principal on the Rated Notes, in each case, according to their terms.

The Rating Agencies may change their criteria and/or their methodology at any time and the application of their revised criteria and/or methodology may lead to it lowering, withdrawing or qualifying its rating of the Rated Notes. Future events, including events affecting the Account Bank, the Seller and the Servicer could also have an adverse effect on the rating of the Rated Notes.

The ratings of the Rated Notes are not recommendations to purchase, hold or dispose of the Rated Notes and do not address market value or investor suitability. It is not certain whether the Receivables and/or the Rated Notes will perform as expected or whether the ratings will be reduced, withdrawn or qualified in the future as a result of a change of circumstances, deterioration in the performance of the Receivables, errors in analysis or otherwise. None of the Issuer, Startline or its Affiliates will have an obligation to replace or supplement any credit enhancement or to take other action to maintain the ratings of the Rated Notes.

The Issuer has not engaged a rating of the Rated Notes by any organisation other than the Rating Agencies listed in this Prospectus. However, rating organisations other than the Rating Agencies may seek to rate the Rated Notes and if such shadow ratings or unsolicited ratings are lower than the comparable ratings assigned to the Rated Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the secondary market value of the Rated Notes.

You should make your own evaluation of the creditworthiness of the Receivables and the credit enhancement, and not rely solely on the ratings of the Rated Notes.

As of the date of this Prospectus, each of S&P Global Ratings UK Limited and Moody's Investors Service Limited is established in the UK and registered under the UK CRA Regulation. Each of S&P Global Ratings UK Limited and Moody's Investors Service Limited appears on the latest update of the list of registered credit rating agencies (as of the date of this Prospectus) on the FCA's Financial Services Register.

The ratings S&P Global Ratings UK Limited has given to the Rated Notes are endorsed by S&P Global Ratings Europe Limited. The ratings Moody's Investors Service Limited has given to the Rated Notes are endorsed by Moody's Deutschland GmbH. Each of S&P Global Ratings Europe Limited and Moody's Deutschland GmbH is established in the EEA and registered under the EU CRA Regulation. Each of S&P Global Ratings Europe Limited and Moody's Deutschland GmbH has been certified under the EU CRA Regulation.

In the event that the FCA withdraws or suspends the registration of any Rating Agency under the UK CRA Regulation or ESMA withdraws or suspends the registration of any Rating Agency under the EU CRA Regulation, the rating assigned to the Rated Notes by such Rating Agency would have to be withdrawn or suspended.

If the ratings on your Rated Notes are reduced, suspended, withdrawn or qualified, it could adversely affect the market value and/or the liquidity of your Rated Notes and/or limit your ability to resell your Rated Notes.

Deferral of interest payments on the Rated Notes

If, on any Interest Payment Date, after having paid or provided for items of higher priority in accordance with the relevant Priorities of Payments (including by means of any Principal Addition Amount, any Surplus Available Principal Collections, any Senior Liquidity Reserve Fund Release Amount and any Junior Liquidity Reserve Fund Release Amount) the Issuer has insufficient funds to make payment in full of all amounts of interest (including any accrued interest thereon) payable in respect of the Rated Notes (other than the Controlling Class), then such amounts of interest shall not be due and payable on that Interest Payment Date and the Issuer will be entitled under the Conditions to defer payment of that amount (to the extent of the insufficiency) in respect of the Rated Notes (other than the Controlling Class) until the next Interest Payment Date. Therefore, in the event that amounts constituting Deferred Interest (including Additional Interest) are not paid in full on any Class of Rated Notes (other than the Controlling Class), such failure will not constitute an Event of Default until the Final Legal Maturity Date or any earlier date on which the relevant Class of Rated Notes is to be redeemed in full in accordance with the Conditions, and such amounts would only become due and payable on the Final Legal Maturity Date or such earlier date.

As such, the Security Trustee would not be able to accelerate the relevant Rated Notes until after the Final Legal Maturity Date or any earlier date on which the relevant Class of Rated Notes is to be redeemed in full in accordance with the Conditions, and prior to such date would not be able to take any action to enforce the Security or effect a sale or disposal of the Issuer's beneficial interest in the Purchased Receivables in respect of a failure by the Issuer to pay such amounts until the Final Legal Maturity Date or such earlier date. Where a Class of Rated Notes becomes the Controlling Class, such failure (excluding in respect of amounts previously deferred or accrued interest thereon) will constitute an Event of Default.

Holders of Rated Notes which are not the Controlling Class may therefore not receive payments of interest or there may be a delay in receiving interest if there are insufficient funds available to the Issuer on an Interest Payment Date.

LEGAL AND REGULATORY RISKS RELATING TO THE PURCHASED RECEIVABLES

Hire Purchase Agreements regulated by the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006

The UK regulatory framework for consumer credit 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. The RAO sets out the definition of a regulated consumer credit agreement.

The application of the CCA to Hire Purchase Agreements which are regulated by the CCA will have several consequences including the following:

(a) *Voluntary Terminations*

At any time before the last payment falls due, the Customer may terminate the Hire Purchase Agreement (without stating a reason). Generally, Customers may take advantage of the right of voluntary termination when they are in financial difficulty, or when the residual value of the Vehicle on part-exchange is less than the amount that would be payable on early settlement. Customers can exercise their voluntary termination rights at any time. If they have repaid 50% of the total amount payable (including amount borrowed, interest and fees) through their regular

instalments, they will not be liable to pay any further instalments that have not yet fallen due. If they have not repaid 50% they would become liable to do so when they exercise the right. If the Customer has caused any damage or failed to take reasonable care of the Vehicle, they may also be liable to pay damages on top of the 50%. They would also be liable to pay any arrears of instalments.

There is a low risk that the exercise by a significant number of Customers of their right to terminate a Hire Purchase Agreement may result in the Notes being redeemed earlier than anticipated and/or that the Issuer will not receive the full amount of the principal outstanding on the relevant Receivable and an amount of principal will accordingly be written-off. This in turn could trigger losses under the Notes and the Certificates.

(b) *Early settlement of regulated consumer credit contracts*

The Customer has a statutory right to discharge a Hire Purchase Agreement which is a regulated consumer credit agreement and to keep the Vehicle by giving notice and paying the amount payable on early settlement. The amount payable by the Customer on early settlement is restricted by a prescribed legislative formula (see the sections entitled "*Risk Factors – Legal and Regulatory Risks relating to the Purchased Receivables – Hire Purchase Agreements regulated by the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 – Termination of regulated consumer credit contracts*" and "*Risk Factors – Legal and Regulatory Risks relating to the Purchased Receivables – Hire Purchase Agreements regulated by the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 – Rebate on early settlement or where Startline terminates a Hire Purchase Agreement*" below).

In addition, the Customer under a regulated consumer credit contract entered into after 11 June 2010 has a right to make partial early repayments of the regulated consumer credit contract. One or more partial early repayment(s) may be made at any time during the life of the relevant regulated consumer credit contract, subject to the Customer taking certain steps as outlined in Section 94 of the CCA. The terms on partial early settlement are largely the same as those for full early settlement and the framework operates in much the same way.

There is a low risk that if a significant number of Customers exercise their right to make a full or partial early repayment, this may result in the Notes being redeemed earlier than anticipated, which would adversely affect the yield on the Notes and the Certificates.

(c) *Termination of regulated consumer credit contracts*

Startline has the right to terminate a Hire Purchase Agreement which is a regulated consumer credit contract for an unremedied material breach by the Customer and repossess the Vehicle (unless the Vehicle is "*protected*" under the CCA with the consequences described in "*Protected Goods*" below) and recover *either*: (i) all arrears of payments due and damages incurred for any breach of the Hire Purchase Agreement by the Customer before such termination; (ii) all Startline's expenses in relation to recovering and storing the Vehicle, tracing the Customer and any shortfall relating to the disposal of Vehicle; and (iii) any other sums due but unpaid by the Customer under the Hire Purchase Agreement less a rebate calculated in compliance with the Consumer Credit (Early Settlement) Regulations 2004 (the "**Early Settlement Regulations**") (see the section entitled "*Risk Factors – Legal and Regulatory Risks relating to the Purchased Receivables – Hire Purchase Agreements regulated by the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 – Rebate on early settlement or where Startline terminates a Hire Purchase Agreement*" below), or such lesser amount as a court considers will compensate Startline for its loss. Court decisions have conflicted on whether the amount payable by the Customer on termination by the lender (for example, for repudiatory breach by the Customer) is restricted to the amount calculated by the one-half formula for termination by the Customer.

The Hire Purchase Agreements provide that the amounts payable by the Customer on termination by Startline are any repayments payable under the Hire Purchase Agreements which are overdue at that time plus, by way of compensation or agreed damages, an amount equal to half of the total amount payable under the Hire Purchase Agreements less the repayments paid or due up to that time so the Hire Purchase Agreements reflect those court decisions favourable to Startline on this point. Therefore, there is a low risk that the exercise by Startline of its right to terminate a Hire

Purchase Agreement would not result in Startline receiving an amount specified in the Hire Purchase Agreement, but would instead result in Startline receiving a lower amount. Notwithstanding the foregoing, the Issuer may not receive the full amount of the Principal Outstanding Balance on the relevant Receivables and this may adversely impact the Issuer's ability to meet its obligations under the Notes and the Certificates.

(d) *Rebate on early settlement or where Startline terminates a Hire Purchase Agreement*

A rebate of credit charges (calculated under the Early Settlement Regulations) may be due on early settlement in whole or in part of a Hire Purchase Agreement which is a regulated consumer credit contract. The rebate is available only in certain, specified circumstances (no rebate is required where the Customer exercises his right to terminate the contract as described in (a) above). There is a low risk that the yield on the Notes and the Certificates may be adversely affected if Startline is required to provide rebates to a significant number of Customers.

(e) *Time Orders*

A Customer can apply to the court for a time order to change the timing of payments under a regulated consumer contract, or to repay the outstanding sum by lower instalments than provided for in the contract, where certain default or enforcement proceedings are taken or notice of early termination is served on the Customer. There is a low risk that if a significant number of Customers obtain time orders, the Issuer will not receive the full amount of the Principal Outstanding Balance on the relevant Receivables, which could trigger losses under the Notes and the Certificates.

(f) *Interpretation of technical rules*

There is a low risk that, whilst Startline has interpreted certain technical rules under the CCA in a way common with many other lenders in the motor vehicle finance market, such interpretation could be held to be incorrect by a court or other dispute resolution authority, in which case the contract would be unenforceable without a court order. If such interpretation were challenged by a significant number of Customers, then this could lead to significant disruption and shortfall in the income of the Issuer and, therefore, may adversely affect the Issuer's ability to make payments in full when due on the Notes and the Certificates.

(g) *"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 is unfair to the consumer. In applying the unfair relationship test, the courts are able to consider a wider range of circumstances surrounding the Transaction. 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 court will consider whether the relationship between the debtor and the creditor is unfair.

There is a low risk that if a court determines that there is an unfair relationship and orders that financial redress is made in respect of a Hire Purchase Agreement, this may adversely affect the ability of the Issuer to meet its obligations under the Notes and the Certificates when they fall due.

(h) *Financial Ombudsman Service*

The Financial Ombudsman Service (the "FOS") (which is an out-of-court dispute resolution scheme) is required to make decisions on, among others, complaints relating to the terms in agreements. The Financial Ombudsman Service may order a money award to a Customer, which may adversely affect the value at which the Hire Purchase Agreement could be realised and accordingly the ability of the Issuer to meet its obligations under the Notes and the Certificates.

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

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

set off the amount of the claim against the amount owing under the Hire Purchase Agreement, which may adversely affect the Issuer's ability to make payments in full when due on the Notes and the Certificates.

(j) *Enforcement action by the FCA*

There is a low risk that if the FCA exercises one of its broad range of enforcement powers under the FSMA against Startline for breaching a requirement of the FSMA (such as ordering restitution or implementing a consumer redress scheme), this would adversely impact the Issuer and therefore its ability to make payments when they fall due on the Notes and the Certificates.

(k) *Servicing Requirements*

If Startline fails to comply with certain post contractual information requirements under the CCA, there is a risk that this could have a significant impact on the Issuer, as for any period when Startline fails to comply with the requirements, the Hire Purchase Agreements may not be enforceable against Customers and it may reduce the amount of interest or default fees accruing to Startline, which may adversely impact the Issuer's ability to make payments when they fall due on the Notes and the Certificates.

Liability for misrepresentations and breach of contract and set-off

(a) *Hire Purchase Agreements which are regulated consumer credit contracts*

Under Section 75 of the CCA, a Customer may make a claim against Startline as well as a supplier for misrepresentations made by the supplier in a transaction between the supplier and the Customer (for example, for insurance products) during negotiations between them before execution of the relevant regulated consumer credit contracts or for a breach of contract. A Customer may set-off the amount of the claim against the amount owing under the regulated consumer credit contract, which may adversely affect the Issuer's ability to make payments in full when due on the Notes and the Certificates.

Startline normally has a right to be reimbursed by the supplier for any amount paid to the Customer regarding the Customer's claim and any costs (including legal costs) incurred in defending the claim.

In addition, under Section 56 of the CCA, a credit broker, such as a Dealer, who carries out antecedent negotiations with a Customer will be deemed to be acting in the capacity of agent of Startline as well as in his own capacity. Startline will therefore be potentially liable for misrepresentations made by a credit broker involved in introducing a Customer to Startline (for example, in relation to the Dealer's promise on the quality or fitness of the Vehicle, and to apply a part-exchange allowance to discharge an existing credit agreement). The Customer may have a right to, amongst other things, rescind the Hire Purchase Agreement and return the Vehicle and not be liable to make further payments, and claim repayment of the amounts paid under the Hire Purchase Agreement and damages. The Customer may set-off such amounts against the amount owing by the Customer to Startline. There is a low risk that if a significant number of Customers exercise such set-off rights, this may adversely affect the Issuer's ability to make payments in full when due on the Notes and the Certificates.

(b) *All Hire Purchase Agreements (including regulated consumer credit contracts)*

Under the Supply of Goods (Implied Terms) Act 1973 or the Consumer Rights Act 2015, there is a low risk that if a significant number of Customers make a claim for breach of contract against Startline or, terminate the Hire Purchase Agreement for repudiatory breach if the Vehicle is not of satisfactory quality, this may adversely impact the Issuer's ability to make payments in full when due on the Notes and the Certificates.

Startline will normally have a right to claim against the Dealer or supplier for any amount paid to the Customer regarding the Customer's claim and any costs (including legal costs) incurred in defending the claim. If such case arises and the Customer's claim is successful, Startline would also ordinarily seek to sell the Vehicle back to the Dealer.

Protected goods

If, under a Hire Purchase Agreement which is a regulated consumer credit contract, the Customer has paid Startline one-third or more of the total amount payable under the contract, the Vehicle becomes "*protected*" under the CCA and Startline does not have the right to repossess it without obtaining a court order. If, however, the Customer terminates such a Hire Purchase Agreement, the Vehicle ceases to be "*protected*" and Startline may effect repossession unless the court grants the Customer a "time order" rescheduling the Customer's outstanding liabilities. There is a low risk that if a significant number of Vehicles used by Customers are protected, this could cause delays in recovering amounts due from the Customers, which may reduce amounts available to Noteholders and Certificateholders.

FCA on-going work in the motor finance market

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 came 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 was expected to be published in spring 2020. Publication on the interim report has been delayed due to interruption caused by the COVID-19 pandemic, however, on 30 July 2021 the FCA has announced they have resumed work with the intention of publishing the interim report on the first quarter of 2022. 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 motor 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 COVID-19. 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 19 November 2020, the FCA published further guidance 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.

The FCA published further guidance on 27 January 2021 to note that all customers who wish to apply for a payment holiday must have done so before 1 April 2021. Payment holidays may only have been extended until 31 July 2021, at which time all COVID-19 payment holidays must have come to an end. However, there is little certainty as to the future impact of COVID-19 in the UK, and it is possible that the FCA may introduce further payment holiday requirements or other customer support measures on consumer credit firms in response to the COVID-19 pandemic, which 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 motor vehicle finance market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation to the Seller, whether arising from the FCA review into the motor finance industry or otherwise. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a Material Adverse Effect on the Seller, the Issuer and/or the Servicer and their respective businesses and operations. This may adversely affect the Issuer's ability to make payments in full when due on the Notes and the Certificates.

Risks resulting from consumer protection laws

The Receivables are subject to United Kingdom consumer protection laws which regulate consumer credit. If a Receivable does not comply with these laws, the Customer may make a claim for misrepresentation, and the Servicer may be prevented from or delayed in collecting amounts due on the Receivable.

A Customer may have a statutory right to terminate a Hire Purchase Agreement and return the Vehicle to Startline and pay to Startline all arrears, one half of the total amount payable under the regulated consumer credit contract to maturity and all other sums due but unpaid under the contract. A Customer may also have a statutory right to early settlement of the contract.

As a result of the foregoing, the Issuer may suffer a reduction in its Available Funds and may not be able to make payments in full when due on the Notes and the Certificates.

For further details on the risks resulting from consumer protection laws and set-off and how they apply to Startline and the Receivables see the other risk factors in this section.

Unfair Terms in Consumer Contracts Regulations 1999 and the Consumer Rights Act 2015

In the UK, the Unfair Terms in Consumer Contracts Regulations 1999 (the "**UTCC Regulations**") applies to Hire Purchase Agreements made on or after 1 July 1995 but prior to 1 October 2015 by a "consumer" within the meaning of the UTCC Regulations, where the terms have not been individually negotiated. The Consumer Rights Act 2015 (the "**CRA15**") has revoked the UTCC Regulations in respect of Hire Purchase Agreements made on or after 1 October 2015, and also applies to material variation which are treated as new contracts after this date.

Under the CRA15, it is possible for a consumer (which would include a Customer under all or almost all of the Hire Purchase Agreements) to challenge a term in a consumer contract on the basis that it is unfair and therefore not binding on the consumer or for the regulator to take enforcement action to stop the use of terms which are considered to be unfair (although the rest of the agreement will remain enforceable if it is capable of continuing in existence without the unfair term).

The CRA15 may affect terms such as Startline's power to vary the interest rate and certain terms imposing early repayment charges and exit fees. If terms are found to be unfair, they will not be binding on the Customer.

The broad and general wording of the CRA15 makes any assessment of the fairness of terms largely subjective and therefore it is difficult to predict whether or not a court would find a term to be unfair. It is possible that any agreements made with Customers may contain unfair terms, which may result in the possible unenforceability of those unfair terms. There is a low risk that if the terms of the Hire Purchase Agreements are held as unfair, this could result in the possible unenforceability of those unfair terms, which, in turn, could mean that the Issuer does not receive all the realisable value of the Purchased Receivable in

a timely manner, affecting the Issuer's ability to make payments of interest and/or principal due on the Rated Notes, principal due on the Class Z Notes and any RC Payments due on the Certificates.

Unfair Commercial Practices Directive 2005

The Unfair Commercial Practices Directive (Directive 2005/29/EC) has been transposed into the UK by the Consumer Protection from Unfair Trading Regulations 2008 (SI 2008/1277) (the "**Consumer Protection Regulations**").

The Consumer Protection Regulations include three key restrictions: (i) a general prohibition on unfair commercial practices (which is where the practice contravenes the requirements of "professional diligence" and materially distorts or is likely to materially distort the economic behaviour of the average consumer with regard to the product in question); (ii) specific prohibitions regarding misleading actions or omissions, and aggressive practices; and (iii) specified commercial practices that are deemed to be unfair.

Customers have a right to redress for breach of the Consumer Protection Regulations, including a right to unwind Hire Purchase Agreements, claim damages or obtain a discount, and regulatory enforcement bodies (e.g. the FCA) may take civil action for breaches of the Consumer Protection Regulations.

There is a low risk that multiple claims are made against Startline by Customers for breaches of the Consumer Protection Regulations, which may impact the Issuer's ability to make payments in full when due on the Notes and the Certificates.

Risks relating to other current and future regulatory developments

Under the Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium (England and Wales) Regulations 2020) (the "**Breathing Space Regulations**"), an individual may apply for a moratorium (either a breathing space moratorium or mental health crisis moratorium) in respect of "qualifying debt". A debtor may only enter into a breathing space moratorium whilst receiving debt advice (from a debt advice provider authorised to provide debt counselling under article 39E of the RAO or a local authority) and potentially entering into a debt solution. Breathing spaces will end (a) 60 days from the date it started; (b) the day after a debt adviser or court cancels it; or (c) if the debtor dies during the breathing space period. In this case, the breathing space ends on the day after the debtor died.

In addition, in circumstances where the debtor is suffering from a mental health crisis, the debtor themselves or mental health professionals may apply to debt advisors for a mental health breathing space. This will end 30 days after the debtor's mental health crisis treatment ends, or 30 days after the date a debt adviser has no response after asking for confirmation from the nominated point of contact about a debtor's ongoing mental health crisis treatment.

A "qualifying debt" includes any debt or liability other than "non-eligible debt" (defined in regulation 5(4)) (including, for example, secured debt which does not amount to arrears in respect of secured debt (regulation 5(4)(a)), whether or not it is entered into, or due to be paid or repaid, before the Breathing Space Regulations come into force (regulation 5(2))). Arrears on hire-purchase agreements would constitute "qualifying debt".

A moratorium includes protection from creditor action for most personal debts, including financial services debt, household bill arrears and most public sector debts. The Breathing Space Regulations impose obligations on consumer credit lenders, mortgage lenders and other regulated firms, to comply with the restrictions and obligations imposed by the moratorium on collection and enforcement of debts and application of interest and other charges. This may impact the Hire Purchase Agreements insofar as these include arrears which will be within scope of breathing spaces. No enforcement action may be taken in respect of these arrears amounts for the duration of a breathing space.

This could therefore result in adverse consequences for Noteholders' and Certificateholders' investment in the Notes and the Certificates, respectively, including reduced or delayed payments on the Notes and the Certificates or a reduction in the credit quality or credit rating of the Notes and the Certificates.

On 24 December 2020, the UK Government published guidance to provide support to creditors and debt advisors in understanding the Breathing Space Regulations. On 26 February 2021 the FCA published a policy statement (PS 21/2) outlining changes to the FCA Handbook as a result of the Breathing Space

Regulations. The changes amend certain parts of CONC to clarify how the rules will apply where the Breathing Space Regulations also apply.

The Consumer Credit (Enforcement, Default and Termination Notices) (Coronavirus) (Amendment) Regulations 2020 came into force on 2 December 2020 implementing changes to the default notices required by sections 87 and 88 of the CCA. These changes restrict the amount of information that must be made prominent and require the use of bold or underlined text rather than capital letters in the default notices, as well as the replacement of legal terms with more widely understood words.

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

Insurance

Each Hire Purchase Agreement requires the Customer to take out and maintain comprehensive vehicle insurance in the Customer's name. Each Hire Purchase Agreement also states that, if the Customer receives any insurance monies under the policy, they will hold them on trust for the Startline. It should be noted that there can be no certainty that such insurance has in fact been taken out or maintained, or that any such insurance monies will be sufficient to repay the outstanding balance of the total amount payable for the Vehicle or will be available to Startline or the Issuer. Where the proceeds of the claim are insufficient to repay in full the amounts owed to Startline by the Customer under the Hire Purchase Agreement, Startline will look to the Customer to pay the difference, less any statutory rebate for early settlement.

It should be noted that there can be no certainty that such insurance has in fact been taken out or maintained or that any proceeds from such insurance will be available to Startline, the Issuer or the Security Trustee. Consequently, there is a low risk that this might impact the Issuer's ability to make payments in full when due on the Notes and the Certificates.

Restriction on assignment

There is a low risk that if Startline has agreed or agrees with any Customer on restrictions on the assignment of the Receivables, such Receivables may not be validly assigned to the Issuer under the Receivables Sale and Purchase Deed. Any assignment of a Receivable which contravenes such restriction on assignment generally will be invalid. Where such Hire Purchase Agreement is entered into with a company, merchant or sole trader as Customer, such assignment would not be invalid, but such Customer may continue to repay the Receivables to Startline with discharging effect, notwithstanding notice of assignment being given to it. The standard terms of the Hire Purchase Agreements, however, do not prohibit Startline from assigning rights under the Hire Purchase Agreements.

LEGAL AND REGULATORY RISKS RELATING TO THE STRUCTURE AND THE NOTES AND THE CERTIFICATES

Increased regulation and changes of law

In the UK, the US, the European Union and elsewhere, there is continuing political and regulatory scrutiny of the financial sector from the UK Government, the Prudential Regulation Authority or the "PRA", the FCA and other regulators in the UK, the US, the European Union and elsewhere. As noted above, the FCA has been looking at the motor finance market and have implemented a ban on discretionary commission arrangements in the motor finance market which took effect in January 2021 (see the section entitled "*Risk Factors – Legal and Regulatory Risks relating to the Purchased Receivables – FCA on-going work in the motor finance market*"). It is not certain whether the circumstances described above could adversely affect the ability of the Issuer to make payments under your Notes and/or Certificates, the market value of your Notes and/or Certificates and/or your ability to resell your Notes and/or Certificates.

It is not certain whether the impact of a possible change to law or regulatory, accounting or administrative practice, or their interpretation or administration, or the published practices of the United Kingdom tax

authorities or tax authorities of any other relevant taxing jurisdiction, after the date of this Prospectus could adversely affect the ability of the Issuer to make payments under your Notes and/or Certificates, the market value of your Notes and/or Certificates and/or your ability to resell your Notes and/or Certificates and Startline's ability to perform its obligations under the Transaction Documents.

In addition, Startline is exposed to various forms of legal and regulatory risk in its current, past and future operations, including the risk of acting in breach of legal or regulatory principles or requirements, any of which could have a Material Adverse Effect on Startline, the Notes and/or the Certificates. These risks could include, but are not limited to:

- (a) certain aspects of Startline's business (including the sale of products or the handling of complaints relating to such products) may be determined by the FCA, the FOS or the courts not to have been conducted in accordance with applicable laws or regulations, or, in the case of the FOS, with what is fair and reasonable in the FOS's opinion;
- (b) the high level of scrutiny of the treatment of consumers by financial institutions from regulatory bodies, the press and politicians; the FCA in particular continues to drive focus on conduct of business activities through its supervision activity;
- (c) Startline may be liable for damages to third parties (including Customers) harmed by the conduct of its business; and
- (d) the risk of regulatory proceedings, and/or private litigation, arising out of regulatory investigations or otherwise (brought by individuals or groups of plaintiffs) in the UK and other jurisdictions.

Further details of specific risks are set out under "*Hire Purchase Agreements regulated by the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006*".

There is a medium risk that the issues identified above may materially adversely impact Startline undertaking its role in relation to the Receivables. Any inability of Startline to perform its role could adversely affect the timing and amount of payments on the Notes and the Certificates.

UK Securitisation Regulation and EU Securitisation Regulation

In Europe, the European authorities adopted the EU Securitisation Regulation on 28 December 2017. The EU Securitisation Regulation has applied from 1 January 2019 and is a cross-sectoral regulation that replaces a number of previous regulatory requirements which applied to certain categories of investors in securitisations. By virtue of the EUWA, the EU Securitisation Regulation forms part of UK law.

The UK Securitisation Regulation and the EU Securitisation Regulation provide for revised risk retention and disclosure requirements (now imposed variously on a securitisation special purpose entity, originator, sponsor and/or original lender of a securitisation) as well as new and enhanced due diligence requirements for Affected Investors (as defined below), which apply prior to acquiring the relevant securitisation position and on an ongoing basis whilst the Affected Investor holds the securitisation position.

There are a number of specific risks which should be highlighted in respect of the UK Securitisation Regulation and the EU Securitisation Regulation:

- (a) Following the onshoring in the UK of the EU Securitisation Regulation by virtue of the EUWA, the FCA will publish updated disclosure templates for purposes of the UK Securitisation Regulation which are expected to be published by no later than 1 April 2022. Until 1 April 2022 pursuant to the FCA Transitional Directions, the existing disclosure templates published by ESMA may be used for the purposes of the UK Securitisation Regulation. There is no assurance that the Issuer will be able to comply with the provisions of the templates published by the FCA, which may, amongst other things, adversely affect the ability of the Issuer (in its capacity as the designated entity pursuant to Article 7(2) of the UK Securitisation Regulation) and thus the Transaction contemplated by this Prospectus, to comply with the disclosure requirements set out in the UK Securitisation Regulation. Such non-compliance may result in financial penalties towards the Issuer that may impact the Issuer's ability to make payments under the Notes and the Certificates and may adversely affect the liquidity and/or value of the Notes and the Certificates; and

- (b) Each Affected Investor that is required to comply with Article 5 of the UK Securitisation Regulation or Article 5 of the EU Securitisation Regulation (as applicable) is required to independently assess and determine the sufficiency of the information described in this Prospectus and which may otherwise be made available to investors for the purposes of its initial and ongoing compliance with Article 5 of the UK Securitisation Regulation or Article 5 of the EU Securitisation Regulation (as applicable). Should an Affected Investor determine that they have insufficient information in order to comply with their own due diligence obligations under Article 5 of the UK Securitisation Regulation or Article 5 of the EU Securitisation Regulation (as applicable), there is no obligation on the Issuer or any other party (including, for the avoidance of doubt, the Arranger or the Lead Manager) to provide further information to meet such insufficiency.

Aspects of the requirements of the UK Securitisation Regulation, in the case of UK-regulated investors, and of the EU Securitisation Regulation, in the case of European-regulated investors, and what is or will be required to demonstrate compliance to national regulators remain unclear. Prospective investors should therefore make themselves aware of requirements applicable to them and are required to independently assess and determine the sufficiency of the information described in this Prospectus generally for the purposes of complying with such due diligence requirements under the UK Securitisation Regulation, in the case of UK-regulated investors, and of the EU Securitisation Regulation, in the case of European-regulated investors.

Failure to comply with one or more of the requirements of the UK Securitisation Regulation or the EU Securitisation Regulation (including, *inter alia*, those highlighted above) may result in various penalties including, in the case of investors subject to regulatory capital requirements, the imposition of a penal capital charge. Such non-compliance may also negatively impact the price and liquidity of the Notes and the Certificates in the secondary market.

For the purposes of the foregoing section, "**Affected Investor**" means:

- (a) each of EU-regulated credit institutions, EU-regulated investment firms, certain alternative investment fund managers, EU-regulated insurers or reinsurers, certain investment companies authorized in accordance with Directive 2009/65/EC, managing companies as defined in Directive 2009/65/EC, institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 (subject to certain exceptions), and certain investment managers and authorised entities appointed by such institutions subject thereto; and/or
- (b) each of UK-regulated credit institutions, UK-regulated investment firms, certain alternative investment fund managers, UK-regulated insurers or reinsurers, certain investment companies authorised in accordance with Directive 2009/65/EC as implemented by the Undertakings for Collective Investment in Transferable Securities Regulations 2011 (SI 2011/1613), managing companies as defined in Directive 2009/65/EC as implemented by the Undertakings for Collective Investment in Transferable Securities Regulations 2011 (SI 2011/1613), institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 as implemented by the Occupational Pension Schemes (Cross Border Activities) (Amendment) Regulations 2018 and the Occupational Pension Schemes (Governance) (Amendment) Regulations 2018 (subject to certain exceptions), and certain investment managers and authorised entities appointed by such institutions subject thereto,

as applicable.

Simple, Transparent and Standardised Securitisations

The UK Securitisation Regulation makes provision for a securitisation transaction to be designated a simple, transparent and standardised securitisation (a "**STS Securitisation**"). In order to obtain this designation, a transaction is required to comply with the requirements set out in Articles 19 to 22 of the UK Securitisation Regulation (the "**STS Criteria**") and one of the originator or sponsor in relation to such transaction is required to file a notification to the FCA confirming the compliance of the relevant transaction with the STS Criteria (an "**STS Notification**"). The Seller (which is acting in its capacity as an "originator" for the purposes of the UK Securitisation Regulation), rather than the Retention Holder (in its capacity as "original lender" for the purposes of the UK Securitisation Regulation), will procure that, on the Closing Date, a notification confirming that the requirements of Articles 18 to 22 of the UK Securitisation

Regulation have been satisfied with respect to the Transaction is submitted to the FCA in accordance with Article 27 of the UK Securitisation Regulation.

The Seller (in its capacity as "originator" for the purposes of the UK Securitisation Regulation) believes, to the best of its knowledge, that the elements of the STS Criteria will have, at the Closing Date, been complied with in relation to the Transaction, and it is intended that an STS Notification will be filed in relation to the Transaction as at the Closing Date. However, none of the Issuer, the Seller, the Arranger, the Lead Manager or any other Transaction Party gives any explicit or implied representation or warranty (a) as to inclusion in the list administered by the FCA within the meaning of Article 27 of the UK Securitisation Regulation, (b) that the securitisation transaction described in this Prospectus does or continues to comply with the UK Securitisation Regulation or (c) that this securitisation transaction does or continues to be recognised or designated as 'STS' or 'simple, transparent and standardised' within the meaning of Article 18 of the UK Securitisation Regulation after the date of this Prospectus. The 'STS' status of the Transaction may change and prospective investors should verify the current status of the Transaction on the FCA's website. Investors should also note that, to the extent the Transaction is designated an STS Securitisation, such designation is not an assessment by any party as to the creditworthiness of that transaction but is instead a reflection that the specific requirements of the UK Securitisation Regulation have been met as regards compliance with the STS Criteria.

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

None of the Arranger, the Lead Manager, the Issuer or any other Transaction Party (or any of their respective Affiliates) makes any representation or accept liability with respect to whether or not the Transaction qualifies as a STS Securitisation in the UK under the UK Securitisation Regulation. For the avoidance of doubt, designation as an UK STS Securitisation does not meet, as at the date of this Prospectus, the STS requirements of the EU Securitisation Regulation (primarily due to jurisdictional requirements following the UK withdrawal from the EU), and, as such, better or more flexible regulatory treatment under the relevant EU regulatory regimes will not be available. While it is possible that in due course, as part of the wider review of the EU Securitisation Regulation regime, an equivalence regime for non-EU STS Securitisations may be introduced in the EU, resulting in the UK STS regime being considered equivalent, no assurances can be made that such equivalence regime will be introduced or that, when introduced, it will benefit the EU regulatory treatment of the Transaction. For such reason, no notification will be made to ESMA pursuant to the EU Securitisation Regulation.

It is important to note that the involvement of PCS as an authorised verification agent is not mandatory and the responsibility for compliance with the UK Securitisation Regulation remains with the relevant institutional investors, originators and issuers, as applicable. The STS Assessments will not absolve such entities from making their own assessment and assessments with respect to the UK Securitisation Regulation, and the STS Assessments cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. Furthermore, the STS Assessments are not an opinion on the creditworthiness of the relevant Notes or Certificates nor on the level of risk associated with an investment in the relevant Notes or Certificates. It is not an indication of the suitability of the relevant Notes or Certificates for any investor and/or a recommendation to buy, sell or hold Notes and/or Certificates. Institutional investors that are subject to the due diligence requirements of the UK Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Assessments, the STS Notification or other disclosed information.

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

In Europe, the US and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities ("ABS") markets. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in ABS securitisation exposures and/or the incentives for certain investors to such securities, and may thereby have a negative impact on such investors' liquidity in such instruments. Such potential capital charges are individual to investors in the Notes and/or the Certificates and as such investors are responsible for analysing their own regulatory position and none of the Issuer, the Lead Manager, the Arranger or any other Transaction Party makes any representation to any prospective investor

or purchaser of the Notes and/or the Certificates regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

Change of law may adversely affect the compliance of the Transaction with applicable law and regulation

The structure of the Transaction as described in this Prospectus and, *inter alia*, the issue of the Notes and the Certificates and the ratings which are to be assigned to the Rated Notes are based on the law and administrative practice in effect as at the date of this Prospectus as it affects the parties to the Transaction and the Portfolio, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to such law (including any change in regulation which may occur without a change in primary legislation) and practice or tax treatment after the date of this Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Notes and the Certificates. In addition, other regulatory requirements (including any applicable due diligence and disclosure obligations) may be recast or amended, and no assurance can be given that such changes will not adversely affect the compliance of the Transaction with applicable law and regulations.

Financing of the Retained Interest

On or about the Closing Date, the Retention Holder intends to enter into financing arrangements by way of a repo transaction (the "**Retention Financing**") in respect of the Retained Interest that it is required to acquire in order to comply with the UK Securitisation Regulation and the EU Securitisation Regulation and will transfer title to some or all of the Retained Interest in connection with the Retention Financing. The Retention Financing would be provided directly or indirectly to the Retention Holder by the Repo Counterparty. The Retention Financing will be on full-recourse terms. The Retention Financing will be documented under a Global Master Repurchase Agreement (or equivalent agreement).

There is a risk that a regulatory authority may consider the Retention Financing to be non-compliant with the Retention Requirements, however it should be noted that Article 12(2) of the draft regulatory technical standards published by the European Banking Authority in relation to the Retention Requirements expressly permits secured financing by way of title transfer when certain conditions are met. None of the Issuer, the Retention Holder, the Arranger, the Lead Manager or any other Transaction Party or any of their respective Affiliates makes any representation, warranty or guarantee that the Retention Financing will comply with the UK Securitisation Regulation and the EU Securitisation Regulation.

The Retention Financing will be provided to the Retention Holder by the Repo Counterparty. Although the Retention Holder will transfer legal and beneficial title to some or all of the Retained Interest to the Repo Counterparty as part of the Retention Financing, the Retention Holder will retain the credit risk in the Retained Interest but not legal ownership of them. The Repo Counterparty may finance the Retention Financing by partially on-selling the Retained Interest to the market in one or more transactions on or about the Closing Date.

The Retention Financing will allow the Repo Counterparty to sell the Retained Interest transferred under the Retention Financing in accordance with their hypothecation rights. In the event of the enforcement under the Retention Financing (following a default by either party) the Repo Counterparty will not be required to redeliver the relevant Retained Interest, but instead their value will be offset against the amount of the Retention Financing and the Repo Counterparty would be permitted to appropriate or sell the Retained Interest. In carrying out such appropriations or sale, the Repo Counterparty would not be required to have regard for the Retention Requirements, and any such sale could cause the Retention Holder to be out of compliance with such rules. Any sale by the Repo Counterparty of the Retained Interest may limit the ability of the Repo Counterparty to repurchase the Retained Interest and thus may limit the ability of the Retention Holder to unwind or otherwise cancel the Retention Financing.

If the Retention Holder were to be out of compliance with the Retention Requirements then the Transaction could be subject to an increased regulatory capital charge levied by a relevant regulator with jurisdiction over any such investor, and, also, the price and liquidity of the Notes and/or the Certificates held by an investor in the secondary market could be negatively impacted.

U.S. Risk Retention Rules

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

The Transaction will not involve retention by the Seller for the purposes of the US Risk Retention Rules, but instead will be made in reliance on an exemption provided for in Section 20 of the US Risk Retention Rules for non-US transactions. To qualify for such exemption, non-US 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, or for the account or benefit of, US persons (as defined in the US Risk Retention Rules and referred to in this Prospectus as "**Risk Retention US Persons**"); (3) neither the sponsor nor the issuer of the securitization transaction is organised under US law or is a branch located in the United States of a non-US 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 Transaction provides that the Notes and the Certificates may not be purchased by Risk Retention US Persons as part of the initial distribution of the Notes and the Certificates except in accordance with the exemption under Section 20 and with the prior consent of the Seller. Prospective investors should note that, although the definition of "US person" in the US Risk Retention Rules is similar to the definition of "US person" in Regulation S, the definitions are not identical and that an investor could be a Risk Retention US Person but not a US Person under Regulation S.

Failure to comply with the US Risk Retention Rules (regardless of the reason) could give rise to regulatory action against the Seller which may adversely affect the Notes and the Certificates. Furthermore, the consequences of non-compliance with the US Risk Retention Rules are unclear, but investors should note that non-compliance could negatively affect the market value and secondary market liquidity of the Notes and the Certificates.

The Volcker Rule

The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include US banks and bank holding companies and many non-US banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds, subject to certain exclusions and exceptions. Under the Volcker Rule, a "covered fund" includes an issuer that would be an "investment company" under the Investment Company Act but for the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. Therefore, absent an exemption, the Issuer would be a covered fund.

The Issuer intends to qualify based on the exemption from the definition of "investment company" provided by Section 3(c)(5)(A) of the Investment Company Act. However, there can be no assurance that the Issuer will so qualify for such an exclusion, and the general effects of the Volcker Rule remain uncertain. If the Issuer is considered a covered fund, the liquidity of the market for the Notes and the Certificates may be materially and adversely affected, since banking entities could be prohibited from, or face restrictions in, investing in the Notes and/or the Certificates. Any prospective investor in the Notes and/or the Certificates, including a US or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

Characterisation of the Swap Agreement for regulatory purposes may result in amendments for Transaction Documents and could materially adversely affect the Issuer

The Issuer will be subject to certain regulatory requirements in relation to the Swap Agreement pursuant to the UK EMIR and the EU EMIR. The UK EMIR and the EU EMIR provide for certain "over-the-counter" (OTC) derivative contracts to be submitted to central clearing and imposes, amongst other things, margin posting and other risk mitigation techniques, reporting and record keeping requirements.

Investors should be aware of the following:

- (a) regardless of the Issuer's classification under the UK EMIR and the EU EMIR, the Issuer may need to appoint a third party and/or incur costs and expenses to enable it to comply with the regulatory requirements imposed by the UK EMIR and the EU EMIR in particularly in relation to reporting and record-keeping; and
- (b) the characterisation of the Issuer under the UK EMIR and the EU EMIR as is currently in force will determine whether, among other things, it is required to comply with margin-posting requirements in relation to the Swap Agreement. If it were required to post margin, it is unlikely that the Issuer would be able to comply with such an obligation.

The Swap Counterparty has confirmed that it will regard the Issuer as an "NFC-" and consequently it will not be subject to a mandatory clearing obligation or margin posting under the UK EMIR and the EU EMIR. However, there is no certainty that the Issuer's status as an "NFC-" will not change in the future which could then result in margin posting requirements and a mandatory clearing obligation (or other requirements under the UK EMIR and the EU EMIR) applying to the Issuer. This could ultimately lead to an Event of Default in respect of the Notes which may cause the Noteholders and/or the Certificateholders to incur a loss on their Notes and/or Certificates, respectively, and/or an early redemption of their Notes and/or Certificates.

Banking legislation

The Banking Act 2009 includes provisions for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of certain UK incorporated entities, including authorised deposit-taking institutions and investment firms, and powers to take certain resolution actions in respect of third country institutions, including the UK branches of third country institutions. In addition, powers may be used in certain circumstances in respect of UK established banking group companies, where such companies are in the same group as a relevant UK or third country institution or in the same group as an EEA credit institution or investment firm. Relevant Transaction Parties for these purposes may include JP Morgan Securities plc as Lead Manager and Arranger and, in certain circumstances, Elavon Financial Services DAC, UK branch as Account Bank.

The tools available under the Banking Act include share and property transfer powers (including powers for partial property transfers), bail-in powers and certain ancillary powers (including powers to modify contractual arrangements in certain circumstances) which may be commenced by the UK authorities. It is possible that the extended tools described above could be used prior to the point at which an application for insolvency proceedings with respect to a relevant entity could be made and, in certain circumstances, the UK authorities may exercise broad pre-resolution powers in respect of relevant UK entities with a view to removing impediments to the exercise of the stabilisation tools.

In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by the Banking Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial system of the United Kingdom. In general, there is considerable uncertainty about the scope of the powers afforded to UK authorities under the Banking Act and how the authorities may choose to exercise them.

If an instrument or order were to be made under the Banking Act in respect of a relevant entity as described above (other than the Issuer), such action may have an impact on various other aspects of the Transaction, including resulting in modifications to any unsecured liability of such entity under the Transaction Documents and, more generally, affecting the ability of such entities to perform their obligations under the Transaction Documents. As a result, the making of an instrument or order in respect of a relevant entity may adversely affect the rights and interests of the Noteholders and the Certificateholders.

Lastly, as a result of Directive 2014/59/EU providing for the establishment of an EEA-wide framework for the recovery and resolution of credit institutions and investment firms and any relevant national implementing measures, it is possible that an institution with its head office in an EEA state other than the UK and/or certain group companies could be subject to certain resolution actions in that other state. Any such action may affect the ability of any relevant entity to satisfy its obligations under the Transaction Documents and there can be no assurance that Noteholders and the Certificateholders will not be adversely

affected as a result. Relevant Transaction Parties for these purposes may include Elavon Financial Services DAC, UK branch as Account Bank.

Receiver as agent

A receiver of a company would generally be the agent of the company until its liquidation and therefore, while acting within his powers, only incurs liability on behalf of the company. If, however, the receiver's appointer unduly directed or interfered with or influenced the receiver's actions, a court may decide that the receiver was the agent of his appointer and that his appointer should be responsible for the receiver's acts and omissions. Following an Event of Default, the Security Trustee may appoint a receiver for the Issuer. Payments to, among others, the Note Trustee and the Security Trustee (which have the right to receive remuneration, reimbursement for their expenses and an indemnity for its potential liabilities) will rank ahead of the interest and principal due under the Rated Notes, principal due on the Class Z Notes and any RC Payments due on the Certificates. Accordingly, should the Security Trustee become liable for the acts of such a receiver, the amount that would otherwise be ultimately available for payment to you under the Notes and/or the Certificates may be reduced.

Recharacterisation of fixed security interests

An English court could hold that the fixed security interests expressed to be created by the Issuer under the Deed of Charge could take effect as floating charges as the description given to them under the Deed of Charge as fixed charges is not determinative.

Whether any fixed security interests created under the Deed of Charge will be upheld under the laws of England and Wales as fixed security interests rather than floating security interests will depend, among other things, on whether the Security Trustee has the requisite degree of control over the relevant assets and if so, whether such control is exercised by the Security Trustee in practice (although it should be noted that there is no equivalent concept of recharacterisation of fixed security as floating security under Scots law). If the fixed security interests are recharacterised as floating security interests, 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 administration 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 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 and Certificateholders. 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.

Subordination of payments

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a swap counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (a so-called "flip clause"). Such provisions are similar in effect to the terms included in the Transaction Documents relating to the subordination of certain payments under 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 flip clause provisions, stating that, **provided that** such provisions form part of a commercial transaction entered into in good faith which does not have, as its predominant purpose or one of its main purposes, the deprivation of the property of one of the parties on bankruptcy, the anti-deprivation principle was not breached by such provisions.

In parallel proceedings in New York, Judge Peck of the U.S. Bankruptcy Court for the Southern District of New York granted Lehman Brothers Special Finance Inc.'s ("LBSF") motion for summary judgement on the basis that the flip clause provisions in that case represented unenforceable *ipso facto* clauses under the US Bankruptcy Code and did not benefit from "safe harbor" protections granted under the US Bankruptcy Code to "swap agreements". Judge Peck acknowledged that this resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". Whilst leave to appeal was granted, the case was settled before an appeal was heard.

In separate proceedings before Judge Chapman of the U.S. Bankruptcy Court for the Southern District of New York commencing in September 2010, LBSF challenged the enforceability of flip clause provisions and sought a declaratory judgement that such provisions were unenforceable *ipso facto* clauses and that distributions made pursuant thereto violated the automatic stay requirement in US bankruptcy proceedings. On 28th July 2016 Judge Chapman gave judgement in which she found certain flip clause provisions not to be unenforceable *ipso facto* clauses. Moreover, she found that a flip clause provision in the case was nonetheless protected by the "safe harbor" provisions referred to above.

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 nearly \$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, given that US bankruptcy courts are not required to follow prior decisions of their own court concerns still remain that the U.S. courts will diverge in their approach which, in the case of an unfavourable decision in New York, may adversely affect the Issuer's ability to make payments on the Notes and the Certificates.

If a creditor of the Issuer (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the US), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the Transaction Documents (such as a provision of the relevant Priority of Payments which refers to the ranking of the Swap Counterparty's rights in respect of certain amounts under the Swap Agreement). In particular, based on the decision of Judge Peck in the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy law. However, this may have been alleviated due to the rulings of Judge Chapman and the U.S. Court of Appeals for the Second Circuit referred to above. US bankruptcy laws may be relevant in certain circumstances with respect to a range of entities which may act as a swap counterparty, including US established entities and certain non-US established entities with assets or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a US state).

In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders and the Certificateholders, the market value of the Notes and the Certificates and/or the ability of the Issuer to satisfy its obligations under the Notes and the Certificates.

Given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents include terms providing for the subordination of certain payments under the 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 Rated Notes. If any rating assigned to any of the Rated Notes is lowered, the market value of such Rated Notes may reduce.

Scottish Receivables and Vehicle Sales Proceeds

Certain of the Hire Purchase Agreements (which are expressly governed by English law) have been entered into with Customers who are (a) consumers and (b) located in Scotland and certain of the Vehicles financed pursuant to the Hire Purchase Agreements 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 Hire Purchase Agreement was in fact governed by Scots law, the Scots court may declare that such Hire Purchase Agreement had always been governed by Scots law, and that such Hire Purchase Agreement should therefore be interpreted as a matter of Scots law. There is therefore a risk that the transfer under English law of Receivables derived from such Hire Purchase Agreements sold by Startline in its capacity as Seller to the Issuer may not be considered to be a valid transfer by the Scots courts.

In respect of Hire Purchase Agreements relating to Vehicles located in Scotland, to mitigate the risk where a Scottish Customer exercises its right of voluntary termination or following repossession, Startline will grant a floating charge in favour of the Issuer in respect of the proceeds of sale of any vehicle located in Scotland returned to Startline or repossessed by Startline and subsequently sold.

The 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 occurrence of an Insolvency Event in relation to Startline) or the appointment of a liquidator in respect of Startline. The primary purpose of the floating charge is to create a preference for the Issuer over unsecured creditors of Startline.

In relation to Vehicle Sales 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, (up to an amount equal to £800,000) a portion of the claims of unsecured creditors and the claims of HMRC in respect of certain taxes (e.g. VAT, PAYE, employee NICs, student loan deductions and construction industry scheme deductions). Furthermore, Startline may dispose of Vehicle Sales Proceeds and they may be attached by its creditors prior to crystallisation.

Further, if liquidation or administration proceedings were to be commenced in England and Wales with respect to Startline within 12 months of the Closing Date and it is determined that Startline 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 Startline 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 Closing Date, Startline will receive the Purchase Price in proceeds from the sale of the Purchased Receivables.

There can be no assurance that the Noteholders and the Certificateholders will not be adversely affected by any reduction in Vehicle Sales Proceeds in relation to Vehicles repossessed or returned in Scotland or by the application by the Scottish courts of Scots law to the transfer of Receivables as may result from the circumstances described in this risk factor.

Liquidation expenses

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

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

Implementation of Basel III and/or changes to the Basel II Framework may affect the capital and/or the liquidity requirements associated with a holding of the Notes and/or the Certificates for certain investors

Governmental and regulatory authorities in the United Kingdom, the United States and elsewhere have introduced additional capital and funding requirements and are implementing other measures including increased regulatory control in their respective financial sectors.

Basel III, as implemented in the EU through the Capital Requirements Regulation (575/2013) ("EU CRR") and the associated directive, the Capital Requirements Directive (2013/36/EU) ("CRD IV"), provides for a substantial strengthening of existing prudential rules relating to liquidity and funding. These rules have been further strengthened by the Capital Requirements Regulation II (2019/876) ("CRR II") and the associated directive, Directive 2019/878 ("CRD V"), both of which were published in the Official Journal of the EU on 7 June 2019. The EUWA converted the directly applicable elements of CRD IV into UK law on 31 December 2020 and preserved existing UK law implementing the CRD IV directive. The UK implementation of the elements of CRR II that are not currently in force, which include revisions to the leverage ratio, counterparty risk capital requirements and the net stable funding ratio, is currently expected to be on 1 January 2022.

Investors should note that the Basel Committee has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to by the Basel Committee as Basel III, and referred to colloquially, as Basel III in respect of reforms finalised prior to 7 December 2017 and Basel IV in respect of reforms finalised on or following that date), including certain revisions to the securitisation framework. The Basel III/IV reforms, which include revisions to the credit risk framework in general and the securitisation framework in particular, may result in increased regulatory capital and/or other prudential requirements in respect of securitisation positions. The Basel Committee continues to work on new policy initiatives. National implementation of the Basel III/IV reforms may vary those reforms and/or their timing. It should also be noted that changes to prudential requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the EU Solvency II framework in Europe. Investors in the Notes and Certificates are responsible for analysing their own regulatory position and prudential regulation treatment applicable to the Notes and Certificates and should consult their own advisers in this respect.

The changes under the CRD IV (as implemented in the UK) and Basel III/IV, as described above, present a low risk of having an impact on the capital requirements in respect of the Notes and the Certificates and/or on incentives to hold the Notes and the Certificates, therefore impacting 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 and the Certificates. However, it remains uncertain how these changes will impact financial institutions and entities involved in securitisations of assets originated by such financial institutions, including the Issuer.

In the UK, on 19 December 2019, the UK Government also announced its intention to bring forward a financial services bill in order to deliver a number of existing government commitments following the UK's exit from the EU. In a written statement to the Parliament on 23 June 2020, the UK Government confirmed its intention to introduce an prudential regime for investment firms and updated rules for credit institutions in line with the intended outcomes of similar diplomas in the EU.

The Financial Services Act 2021 became law after receiving Royal Assent on 29 April 2021. The FCA is therefore authorised to introduce the new regime for FCA-authorised investment firms (other than those prudentially supervised by the PRA), and is in the process of publishing and consulting upon the draft rules comprising this regime. According to its latest consultation paper, published in August 2021, the FCA proposes to bring the regime into effect on 1 January 2022, and is authorised to do so. However, this date may change. UK credit institutions and such UK investment firms as are prudentially supervised (or "designated") by the PRA will remain subject to Regulation (EU) 575/2013 as it forms part of domestic law of the UK by virtue of the EUWA, or to such successor regime as the PRA may subsequently develop, pursuant to the Financial Services Act 2021.

In addition, as of 31 December 2020, the United Kingdom is no longer subject to EU law or a part of the EU single market. As a result, UK regulation may become more divergent from EU regulation and such divergence may have an impact on the treatment and liquidity of the Notes and the Certificates.

Securitisation company tax regime

The Taxation of Securitisation Companies Regulations 2006 (the "**TSC Regulations**"), as amended from time to time, deal with the corporation tax position of securitisation companies such as the Issuer with effect for periods of account beginning on or after 1 January 2007.

If the TSC Regulations apply to the Issuer, then, broadly, it will be subject to corporation tax on the cash profit retained by it for each accounting period in accordance with the Transaction Documents. Based on advice received, the Issuer expects to be taxed under the special tax regime for which provision is made by the TSC Regulations.

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

Prospective Noteholders and Certificateholders should note that there is a risk that the Issuer is not taxed under the special tax regime and is instead subject to corporation tax and, if so, then its profits or losses for tax purposes might be different from its cash position and there might be a risk of the Issuer incurring unfunded tax liabilities. In addition, the deduction of interest paid on the Rated Notes could well be disallowed for United Kingdom corporation tax purposes which could cause a significant divergence between the cash profits and the taxable profits of the Issuer. Any unforeseen taxable profits in the Issuer could have an adverse effect on its ability to make payments to the Noteholders and the Certificateholders.

The Issuer believes that the risks described above are the principal risks for the Noteholders and the Certificateholders, but the inability of the Issuer to pay interest and principal on the Rated Notes, principal on the Class Z Notes and the Subordinated Loan Note and any RC Payments on the Certificates may occur for other reasons and the Issuer does not represent that the above statements regarding the risk of holding the Notes and/or the Certificates are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus mitigate some of these risks for the Noteholders and the Certificateholders, there can be no assurance that these measures will be sufficient to ensure full payments to the Noteholders of interest (if any) and principal and to the Certificateholders of any RC Payments on a timely basis or at all.

CERTAIN REGULATORY DISCLOSURES

The following outlines certain matters that may be relevant to some investors. It does not purport to be a comprehensive list of regulatory matters that pertain to investors. All investors are responsible for analysing their own regulatory position.

Please refer to "*Risk Factors – Legal and Regulatory Risks Relating to the Structure and the Notes and the Certificates*" for more information.

UK Securitisation Regulation and EU Securitisation Regulation

Retention Requirements

The Retention Holder (in its capacity as "original lender" for the purposes of the UK Securitisation Regulation and the EU Securitisation Regulation) will:

- (a) retain, on an ongoing basis, a material net economic interest of not less than 5% in the securitisation as required by Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation;
- (b) at all relevant times comply with the requirements of Article 7(1)(e)(iii) of the UK Securitisation Regulation and Article 7(1)(e)(iii) of the EU Securitisation Regulation by confirming in the Investor Reports the risk retention of the Retention Holder as contemplated by Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation;
- (c) not change the manner in which it retains such material net economic interest, except to the extent permitted by the UK Securitisation Regulation and the EU Securitisation Regulation; and
- (d) not sell, hedge or otherwise enter into any credit risk mitigation, short position or any other credit risk hedge with respect to its retained material net economic interest, except to the extent permitted by the UK Securitisation Regulation and the EU Securitisation Regulation.

Transparency requirements

The Issuer (as the securitisation special-purpose entity for the purposes of the UK Securitisation Regulation and the EU Securitisation Regulation) has been designated pursuant to Article 7(2) of the UK Securitisation Regulation as the entity responsible for fulfilling the information requirements under points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the UK Securitisation Regulation and pursuant to Article 7(2) of the EU Securitisation Regulation as the entity responsible for fulfilling the information requirements under points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation. The Issuer has appointed the Servicer and the Cash Manager to assist the Issuer in performing certain of its obligations under Article 7 of the UK Securitisation Regulation and, as though it applied directly to the Issuer, Article 7 of the EU Securitisation Regulation.

As to the information made available to prospective investors by the Issuer, reference is made to the information set out herein and forming part of this Prospectus and to the Investor Reports that are prepared pursuant to the Cash Management Agreement.

For so long as any Notes and the Certificates remain outstanding, the Issuer will:

- (a) procure that the Servicer will prepare each Servicer Report and deliver it to the Cash Manager, the Issuer, the Note Trustee and the Security Trustee no later than 10.00 am (London time) five Business Days before each Interest Payment Date;
- (b) procure that the Cash Manager will, based on the Servicer Reports, prepare each Investor Report and deliver it on each Interest Payment Date:
 - (i) to the Issuer, the Note Trustee, the Security Trustee, the Principal Paying Agent, the Swap Counterparty and, if requested, the Rating Agencies; and

- (ii) to EuroABS for publication on the Securitisation Repository, as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and Article 7(1)(e) of the EU Securitisation Regulation,

provided that, in each case, the Cash Manager shall have deemed to have delivered the Investor Reports to such parties, the Rating Agencies and EuroABS by uploading each Investor Report to the Cash Manager's website at www.pivot.usbank.com;

- (c) procure that the Servicer will prepare certain Loan-By-Loan Information in relation to the Portfolio on a monthly basis and deliver it simultaneously with the Investor Report to be published in the relevant Interest Payment Date:
 - (i) to the Cash Manager, the Issuer, the Note Trustee and the Security Trustee; and
 - (ii) by e-mail to EuroABS for publication on the Securitisation Repository, as required by and in accordance with Articles 7(1)(a) and 22(4) of the UK Securitisation Regulation and Article 7(1)(a) of the EU Securitisation Regulation;
- (d) publish without delay details of any information required to be reported in accordance with Article 7(1)(f) or Article 7(1)(g) (as applicable) of the UK Securitisation Regulation and Article 7(1)(f) or Article 7(1)(g) (as applicable) of the EU Securitisation Regulation;
- (e) make available via the Securitisation Repository the documents as required by and in accordance with (x) Articles 7(1)(a), 7(1)(b) and 7(1)(d) of the UK Securitisation Regulation and (y) Articles 7(1)(a), 7(1)(b) and 7(1)(c) of the EU Securitisation Regulation prior to the pricing date of the Notes and in final form no later than 15 days after the Closing Date;
- (f) procure that the STS Notification is made available within 15 Business Days as of the Closing Date for the purposes of the UK Securitisation Regulation via the FCA STS register website at <https://data.fca.org.uk/#/sts/stssecuritisations> (or its successor website);
- (g) make available via the Securitisation Repository (i) to potential investors prior to pricing of the Notes and (ii) to investors and, upon request, potential investors on an ongoing basis, a liability cash flow model prepared by the Seller (either directly or indirectly through an entity which generally provides such liability cash flow models to investors);
- (h) make available, to the extent required by Article 22(1) of the UK Securitisation Regulation, static and dynamic historical performance data in relation to motor vehicle receivables originated by the Seller covering a period of at least 5 years, as provided to it by the Seller;
- (i) make available, for so long as the Notes are listed on the London Stock Exchange, copies of the memorandum and articles of association of the Issuer; and
- (j) make available the information set out in paragraphs (a) to (i) above available to the relevant competent authorities, investors in the Notes and/or the Certificates and, upon request, to potential investors, as required pursuant to Article 29 of the UK Securitisation Regulation,

provided that any reference to the EU Securitisation Regulation above is made with the understanding that the EU Securitisation Regulation does not apply directly to the Seller, the Servicer, the Cash Manager or the Issuer, none of which is a party incorporated in any member state of the European Union.

The Cash Manager shall provide one form of Investor Report for the purposes of both the UK Securitisation Regulation and the EU Securitisation Regulation until such time as the Issuer determines and notifies the Cash Manager in writing that the forms of Investor Report as required by the UK Securitisation Regulation and the EU Securitisation Regulation have deviated from one another. Following such notification, the Cash Manager will consult with the Servicer and the Issuer and will use reasonable endeavours to amend the format of the Investor Reports as may be required, subject in all cases to commercial agreement between the Cash Manager, the Issuer and the Servicer.

For the purposes of Article 22(5) of the UK Securitisation Regulation, the Seller (in its capacity as "originator" for the purposes of the UK Securitisation Regulation) is responsible for compliance with Article 7 of the UK Securitisation Regulation.

Any events which trigger changes in the Priorities of Payments and any change in the Priorities of Payments which will materially adversely affect the repayment of the Notes and the Certificates shall be disclosed without undue delay to the extent required under Article 21(9) of the UK Securitisation Regulation.

Any material changes from Startline's prior underwriting policies and Credit and Collection Procedures shall be disclosed without undue delay to the extent required under Article 20(10) of the UK Securitisation Regulation and the Transaction Documents.

The Securitisation Repository and the contents thereof do not form part of this Prospectus.

Investors to assess compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 5 of the UK Securitisation Regulation and any corresponding national measures which may be relevant to investors or Article 5 of the EU Securitisation Regulation and any corresponding national measures which may be relevant to investors (as applicable) and none of the Issuer, the Note Trustee, the Security Trustee, the Seller, the Servicer, the Cash Manager, the Arranger, the Lead Manager or any of the other Transaction Parties makes any representation that any such information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

Please refer to the section entitled "*Risk Factors – Legal and Regulatory Risks relating to the Structure and the Notes and the Certificates – UK Securitisation Regulation and EU Securitisation Regulation*" for further information on the implications of the UK Securitisation Regulation and the EU Securitisation Regulation.

UK STS Status

The Seller confirms that it will file an STS Notification with the FCA confirming that the Transaction meets the requirements of Articles 19 to 22 of the UK Securitisation Regulation and is an STS Securitisation pursuant to Article 18 of the UK Securitisation Regulation. Such STS Securitisations appear on the list of STS-compliant securitisations established and maintained by the FCA in accordance with Article 27(5) of the UK Securitisation Regulation. The STS Notification and accompanying explanation from the Seller of the Transaction's compliance with the requirements of Articles 19 to 22 of the UK Securitisation Regulation (compliance with such articles being required to qualify as an STS Securitisation) will be available for inspection at the website set out above.

Verification of data

The Seller has caused the compliance of all Receivables in the Portfolio with the Eligibility Criteria and a sample of the Receivables included in the Provisional Portfolio together with the data disclosed in respect of those Receivables to be verified by one or more appropriate and independent third parties. A sample of Receivables selected from a pool of HP payment plans originated by the Seller (and which is representative of the Portfolio) as of 31 May 2021 has been subject to an agreed upon procedures review conducted by a third-party and completed on or about 8 October 2021. This independent third party has also performed agreed upon procedures in order to check the compliance of all Receivables in the Provisional Portfolio with the Eligibility Criteria and that the stratification tables disclosed in respect of the Receivables are accurate. The third party undertaking the review has reported the factual findings to the parties to the engagement letter. The third party undertaking the review only accepts a duty of care to the parties to the engagement letters governing the performance of the agreed upon procedures and to the fullest extent permitted by law shall have no responsibility to anyone else in respect of the work it has performed or the reports it has produced save where terms are expressly agreed. The Seller has reviewed the reports of such independent third parties and is of the opinion that there were no significant adverse findings in such reports.

Liability cashflow model

The Seller will make available a liability cashflow model via the Securitisation Repository. The Seller shall procure that such liability cashflow model: (a) precisely represents the contractual relationship between the Receivables and the payments flowing between the Seller, investors in the Notes and Certificates, other third parties and the Issuer; and (b) is made available (i) to potential investors prior to pricing of the Notes and the Certificates and (ii) to investors and, upon request, potential investors on an ongoing basis.

Authorised verification agent

The Seller has used the services of Prime Collateralised Securities (PCS) UK Limited as an authorised verification agent authorised under Article 28 of the UK Securitisation Regulation to assess whether the Transaction complies with the requirements for an STS Securitisation and prepare the STS Assessments. It is expected that the STS Assessments prepared by the Authorised Verification Agent will be available on the website of such agent (<https://pcsmarket.org/sts-verification-transactions/>) together with a detailed explanation of its scope (<https://pcsmarket.org/disclaimer/>). For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus.

Retention Financing

On or about the Closing Date, the Retention Holder intends to enter into financing arrangements by way of a repo transaction (the "**Retention Financing**") in respect of the Retained Interest that it is required to acquire in order to comply with the UK Securitisation Regulation and the EU Securitisation Regulation and will transfer title to the Retained Interest in connection with the Retention Financing. The Retention Financing would be provided directly or indirectly to the Retention Holder by the Repo Counterparty. The Retention Financing will be on full-recourse terms. The Retention Financing will be documented under a Global Master Repurchase Agreement (or equivalent agreement). Although the Retention Holder will transfer legal and beneficial title to the Retained Interest to the Repo Counterparty as part of the Retention Financing, the Retention Holder will retain the credit risk in the Retained Interest but not legal ownership of them.

None of the Issuer, the Retention Holder, the Arranger, the Lead Manager or any other Transaction Party or any of their respective Affiliates makes any representation, warranty or guarantee that the Retention Financing will comply with the UK Securitisation Regulation and the EU Securitisation Regulation.

See the section entitled "*Risk Factors – Legal and Regulatory Risks Relating to the Structure, the Notes and the Certificates – Financing of the Retained Interest*" for further information.

Volcker Rule

The Issuer is of the view that currently it is not, and immediately following the issuance of the Notes and the Certificates and the application of the proceeds thereof it will not be, a "covered fund" as defined in the regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended from time to time, commonly known as the "Volcker Rule". In making this determination, the Issuer intends to qualify based on the exemption from the definition of "investment company" provided by Section 3(c)(5)(A) of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Any prospective investors, including U.S. or foreign banks or subsidiaries or other affiliates thereof, should consult their own legal advisers regarding such matters and other effects of the Volcker Rule. Any prospective investor in the Notes and/or the Certificates, including a US or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

TRIGGERS TABLES

RATING TRIGGERS TABLE

| <u>Transaction Party</u> | <u>Required Ratings/Triggers</u> | <u>Possible effects of Trigger being breached</u> |
|--------------------------|---|---|
| Account Bank | <p>Either:</p> <p>(a)</p> <p style="padding-left: 40px;">(i) the rating assigned to it by Moody's (under the short-term rating scale) in respect of its short-term, unsecured and unsubordinated debt or counterparty obligations or counterparty risk assessment is "Prime-1" or above and the rating assigned to it by Moody's (under the long-term rating scale) in respect of its long-term, unsecured and unsubordinated debt or counterparty obligation or counterparty risk assessment is "A2" or above; and</p> <p style="padding-left: 40px;">(ii) the rating assigned to it by S&P (under the short-term rating scale) in respect of its short-term, unsecured and unsubordinated debt or counterparty obligations or counterparty risk assessment is "A-1" or above and the rating assigned to it by S&P (under the long-term rating scale) in respect of its long-term, unsecured and unsubordinated debt or counterparty obligation or counterparty risk assessment is "A" or above,</p> <p>or if the Account Bank does not have such ratings, it must be guaranteed by an</p> | <p>The Issuer and the Servicer will be required, within 60 calendar days, to:</p> <p>(a) use all reasonable endeavours to open replacement account(s) with a Qualified Institution and enter into a new account bank agreement on terms substantially similar to those set out in the Account Bank Agreement and, following the opening of such replacement accounts, promptly close the Issuer Account(s) held with the Account Bank;</p> <p>(b) use all reasonable endeavours to obtain a guarantee of the obligations of such Account Bank under the Account Bank Agreement from a Qualified Institution; or</p> <p>(c) take such other remedial action as may be acceptable to the Rating Agencies in order to maintain the ratings of the Rated Notes.</p> |

| <u>Transaction Party</u> | <u>Required Ratings/Triggers</u> | <u>Possible effects of Trigger being breached</u> |
|--------------------------|--|---|
| | <p>institution having such ratings); or</p> <p>(b) such other ratings which are acceptable to the Rating Agencies from time to time.</p> | |

Swap Counterparty

Moody's rating requirements

Initial Moody's Required Rating

With respect to Moody's:

- (a) the rating assigned to it by Moody's (under the short-term rating scale) in respect of its short-term, unsecured and unsubordinated debt or counterparty obligations or counterparty risk assessment is "Prime-1" or above and the rating assigned to it by Moody's (under the long-term rating scale) in respect of its long-term, unsecured and unsubordinated debt or counterparty obligation or counterparty risk assessment is "A2" or above; or
- (b) if such entity does not have a rating assigned to it by Moody's (under the short-term rating scale) in respect of its short-term, unsecured and unsubordinated debt or counterparty obligations or counterparty risk assessment, the rating assigned to it by Moody's (under the long-term rating scale) in respect of its long-term, unsecured and unsubordinated debt or counterparty obligations or counterparty risk assessment is "A1" or above,

the "**Initial Moody's Required Rating**".

For as long as the Swap Counterparty (or its guarantor) does not have the Initial Moody's Required Rating but does have at least the Subsequent Moody's Required Rating, then the Swap Counterparty must (a) post collateral and may (b)(i) procure a transfer to an eligible replacement of its obligations under the Swap Agreement (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 rating of the Rated Notes by Moody's.

Subsequent Moody's Required Rating

With respect to Moody's:

- (a) the rating assigned to it by Moody's (under the short-term rating scale) in respect of its short-term, unsecured and unsubordinated debt or

For as long as the Swap Counterparty (or its guarantor) does not have at least the Subsequent Moody's Required Rating, then the Swap Counterparty must post collateral and shall further (i) procure a transfer to an eligible replacement of the obligations under

| <u>Transaction Party</u> | <u>Required Ratings/Triggers</u> | <u>Possible effects of Trigger being breached</u> |
|--------------------------|---|---|
| | <p>counterparty obligation or counterparty risk assessment is "Prime-2" or above and the rating assigned to it by Moody's (under the long-term rating scale) in respect of its long-term, unsecured and unsubordinated debt or counterparty obligations or counterparty risk assessment is "A3" or above;</p> <p>(b) if such entity does not have a rating assigned to it by Moody's (under the short-term rating scale) in respect of its short-term, unsecured and unsubordinated debt or counterparty obligation or counterparty risk assessment, the rating assigned to it by Moody's (under the long-term rating scale) in respect of its long-term, unsecured and unsubordinated debt or counterparty obligation or counterparty risk assessment is "A3" or above; or</p> <p>(c) its long-term, unsecured and unsubordinated debt or counterparty obligations or counterparty risk assessment is equal to or higher than the highest rated outstanding Notes,</p> | <p>the Swap Agreement 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 rating of the Rated Notes by Moody's.</p> |

the "**Subsequent Moody's Required Rating**".

S&P rating requirements

S&P Global Ratings' 'Counterparty Risk Framework: Methodology And Assumptions', (published on 8 March 2019) provide for four different options (each, a "**Collateral Option**") for selecting applicable frameworks containing transfer ratings triggers, and the contractual requirements that should apply on the occurrence of the loss of a ratings requirement by the Swap Counterparty. Subject to certain conditions specified in the Swap Agreement, the Swap Counterparty may change the applicable Collateral Option. Collateral Option "Adequate" is expected to apply on the Closing Date.

Initial S&P Required Rating

The Swap Counterparty or any guarantor in respect of the Swap Counterparty must have a long-term issuer credit rating or resolution counterparty rating of at least:

Subject to the terms of the Swap Agreement, if Collateral Option "Strong" or "Adequate" applies at the relevant time, the Swap Counterparty will be obliged to (a) post collateral and may (b)(i) procure a transfer to an

| <u>Transaction Party</u> | <u>Required Ratings/Triggers</u> | <u>Possible effects of Trigger being breached</u> |
|--------------------------|--|--|
| | <ul style="list-style-type: none"> the rating assigned by S&P to the highest rated outstanding Rated Notes; "A-" (if Collateral Option "Strong" applies at the relevant time); or "BBB" (if Collateral Option "Adequate" applies at the relevant time). | <p>eligible replacement of the obligations under the Swap Agreement, 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 rating of the Rated Notes by S&P.</p> |

Subsequent S&P Required Rating

The Swap Counterparty or any guarantor in respect of the Swap Counterparty must have a long-term issuer credit rating or resolution counterparty rating at least:

- if Collateral Option "Strong", applies at the relevant time and:
 - the highest rated outstanding Rated Notes have a rating of "AAA" or "AA+", "BBB+" or above;
 - the highest rated outstanding Rated Notes have a rating of "AA" or "AA-", "BBB" or above; or
 - the highest rated outstanding Rated Notes have a rating of "A+", "A" or "A-", "BBB-" or above; or
 - the highest rated outstanding Rated Notes have a rating of "BBB+", "BBB" or "BBB-", "BB+" or above; or
 - the highest rated outstanding Rated Notes have a rating of "BB+", "BB", "BB-", "B+" or above; or
 - the highest rated outstanding Rated Notes have a rating of

The Swap Counterparty will be obliged to take one of the following actions: (a) to procure a transfer to an eligible replacement of its obligations under the Swap Agreement or (b) procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement or (c) take such other action as required to maintain or restore the rating of the Rated Notes by S&P.

In addition, other than if Collateral Option "Weak" applies, as long as the remedial actions of limb (a) to (b) have not been put into place, to post or continue to post collateral.

| <u>Transaction Party</u> | <u>Required Ratings/Triggers</u> | <u>Possible effects of Trigger being breached</u> |
|--------------------------|---|---|
| | <p>"B+", "B", "B-", "CCC+" or above; and</p> <ul style="list-style-type: none"> • if Collateral Option "Adequate", applies at the relevant time and: <ul style="list-style-type: none"> • the highest rated outstanding Rated Notes have a rating of "AAA" or "AA+", "A-" or above; • the highest rated outstanding Rated Notes have a rating of "AA" or "AA-", "BBB+" or above; or • the highest rated outstanding Rated Notes have a rating of "A+" or "A", "BBB" or above; or • the highest rated outstanding Rated Notes have a rating of "A-" or "BBB+", "BBB-" or above; • the highest rated outstanding Rated Notes have a rating of "BBB" or "BBB-", "BB+" or above; • the highest rated outstanding Rated Notes have a rating of "BB+" or "BB", "BB-" or above; • the highest rated outstanding Rated Notes have a rating of "BB-" or "B+", "B" or above; and • the highest rated outstanding Rated Notes have a rating of "B" or "B-", "CCC+" or above. | |

NON-RATING TRIGGERS TABLE

| <u>Trigger</u> | <u>Description of Trigger</u> | <u>Consequence of trigger</u> |
|-------------------------|--|--|
| Perfection Event | <p>Any of the following events:</p> <p>(a) the Seller (or the Servicer on behalf of the Seller) fails to pay any sum due from it to the Issuer in respect of the Purchased Receivables within five Business Days of the due date thereof or the date of demand, if payable on demand, in the currency and in the manner specified herein, and such failure is not remedied within ten Business Days following the earlier of the Issuer giving notice thereof to the Seller and the Seller becoming aware of such failure to pay; or</p> <p>(b) the Seller being required to perfect the Issuer's legal title to the Purchased Receivables (or procure the perfection of the Issuer's legal title to the Purchased Receivables) by an order of a court of competent jurisdiction or by any regulatory authority of which the Seller is a member or any organisation with whose instructions it is customary for the Seller to comply; or</p> <p>(c) it becoming necessary by law to perfect the Issuer's legal title to the Purchased Receivables, (or procure the perfection of the Issuer's legal title to the Purchased Receivables); or</p> <p>(d) the occurrence of a Servicer Termination Event; or</p> <p>(e) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or</p> <p>(f) the occurrence of an Insolvency Event in respect of the Seller; or</p> <p>(g) the occurrence of a Severe Deterioration Event in respect of the Seller; or</p> | <p>A number of perfection acts may occur, including:</p> <p>(a) Customers being notified of the sale of the Purchased Receivables to the Issuer;</p> <p>(b) legal title to the Portfolio being transferred to the Issuer; and</p> <p>(c) Customers being directed to pay amounts outstanding in respect of the Purchased Receivables directly to the Issuer.</p> |

| Trigger | Description of Trigger | Consequence of trigger |
|--|---|--|
| | <p>(h) it becoming necessary for enforcement of the Issuer's rights related to the Purchased Receivables, provided that if no Event of Default has occurred and is continuing, the Issuer will seek the approval of the Seller, such approval not to be unreasonably delayed or withheld.</p> | |
| <p>Servicer Termination Event</p> | <p>Any of the following events occurs:</p> <p>(a) the Servicer fails to pay any amount due under the Servicing Agreement on the due date or on demand, if so payable, or to direct (or to procure the direction of) any movement of Collections as required under the Servicing Agreement and the other Transaction Documents, and such failure has continued unremedied for a period of seven Business Days after the earlier of written notice of the same being received by the Servicer or the Servicer becoming aware of such failure; or</p> <p>(b) the Servicer (i) fails to observe or perform in any respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party and such failure results in a Material Adverse Effect on the Purchased Receivables and continues unremedied for a period of 60 days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer from the Issuer or, after delivery of an Enforcement Notice or notice that the Security Trustee has taken any action to enforce the Security, the Security Trustee requiring the same to be remedied or (ii) fails to maintain its FSMA authorisation or any other regulatory licence or approval</p> | <p>Termination of the appointment of the Servicer.</p> <p>See the section entitled "<i>Principal Transaction Documents – Servicing Agreement – Resignation and Termination of the Servicer</i>" for further information.</p> |

| Trigger | Description of Trigger | Consequence of trigger |
|--|--|--|
| | <p>required under the terms of the Servicing Agreement and such failure continues unremedied for a period of 60 days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer;</p> <p>(c) the occurrence of an Insolvency Event in relation to the Servicer; or</p> <p>(d) any of the warranties given by the Servicer pursuant to the Servicing Agreement prove to be untrue, incomplete or inaccurate and such default results in a Material Adverse Effect on the Purchased Receivables and (if capable of remedy) continues unremedied for a period of 60 days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer.</p> | |
| <p>Cash Manager Termination Event</p> | <p>Any of the following events occurs:</p> <p>(a) provided the Cash Manager has been properly put in funds therefor, default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by it under the Cash Management Agreement and such default continues unremedied for a period of seven Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer (prior to the delivery of an Enforcement Notice) or the Security Trustee (after the delivery of an Enforcement Notice), as the case may be, requiring the same to be remedied; or</p> <p>(b) the Cash Manager does not provide the Investor Report within 5 Business Days of the</p> | <p>Termination of the appointment of the Cash Manager.</p> <p>See the section entitled "<i>Principal Transaction Documents – Cash Management Agreement – Resignation and Termination of the Cash Manager</i>" for further information.</p> |

| Trigger | Description of Trigger | Consequence of trigger |
|--------------------------|--|--|
| | <p>date it is due to be provided under the Cash Management Agreement (save where such failure is caused by computer software, hardware or system failure or by a delay in delivery of the Servicer Report by the Servicer to the Cash Manager); or</p> <p>(c) default is made by the Cash Manager in the performance or observance of any of its other material covenants and obligations under the Cash Management Agreement and such default (if capable of remedy) continues unremedied for a period of 60 days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer (prior to the delivery of an Enforcement Notice) or the Security Trustee (after the delivery of an Enforcement Notice), as the case may be, requiring the same to be remedied; or</p> <p>(d) it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement; or</p> <p>(e) an Insolvency Event with respect to the Cash Manager occurs; or</p> <p>(f) a FATCA Deduction is imposed on any payment made by the Cash Manager under the Cash Management Agreement, which cannot be avoided by reasonable measures.</p> | |
| Events of Default | <p>In summary, the occurrence of any of the following:</p> <p>(a) an Insolvency Event occurring in respect of the Issuer;</p> <p>(b) a default occurring in relation to the payment of interest on the Controlling Class of Notes</p> | <p>The Notes and the Certificates may be declared immediately due and payable by the Note Trustee in its absolute discretion or in compliance with the directions of the Controlling Class (or if there are no Notes outstanding, the Certificateholders) acting by way of an Extraordinary Resolution (and subject to the Note Trustee having</p> |

| Trigger | Description of Trigger | Consequence of trigger |
|---------|--|---|
| | <p>on any Interest Payment Date or, following redemption in full of the Notes, any RC Payment due in respect of the Certificates (and such default is not remedied within 14 Business Days of its occurrence);</p> | <p>been indemnified and/or secured and/or prefunded to its satisfaction).</p> |
| | <p>(c) the Issuer defaulting in the payment of principal on the Controlling Class of Notes when due, and such default continuing for a period of 7 Business Days;</p> | |
| | <p>(d) the Issuer failing to perform or observe any of its other material obligations under the Notes, the Certificates or the Transaction Documents and such failure continuing for a period of 30 calendar days following written notice from the Note Trustee or any other Secured Party, provided that the Note Trustee (acting on the instructions of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders)) has certified in writing to the Issuer that such event is, in the opinion of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders), materially prejudicial to the interests of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders); and</p> | |
| | <p>(e) the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge, the Issuer Security Power of Attorney or any Security created thereunder ceasing, for any reason, to be in full force and effect or being declared null and void, the validity or enforceability thereof being contested by the Issuer, or the Issuer denying that it has any or further liability or</p> | |

| Trigger | Description of Trigger | Consequence of trigger |
|----------------|-------------------------------|-------------------------------|
|----------------|-------------------------------|-------------------------------|

obligation thereunder or in
respect thereto.

FEES

The table below sets out the principal on-going transaction fees. Each of these fees is subject to change at any time without Noteholder or Certificateholder notification or approval, including upon the appointment of any successor Transaction Party pursuant to the applicable Transaction Document.

| <u>Type</u> | <u>Amount</u> | <u>Priority</u> | <u>Frequency</u> |
|----------------------------|---|--|---|
| Servicing Fee | 1.00% per annum of the aggregate Principal Outstanding Balance of the Purchased Receivables as at the beginning of the preceding Interest Period (or in the case of the first Interest Payment Date, as at the Cut-Off Date) (inclusive of VAT, if any) | Senior to Noteholders and Certificateholders | Monthly in arrear on each Interest Payment Date |
| Other expenses/fees | Approximately £250,000 per annum (inclusive of VAT, if any) | Senior to Noteholders and Certificateholders | Various |

THE SELLER, SERVICER AND SUBORDINATED LOAN NOTE SUBSCRIBER

General

Startline Motor Finance Limited ("**Startline**") was established as a private limited company in England and Wales on 21 November 2012, with registered number 08302453, and has its registered office at 6th Floor, 60 Gracechurch Street, London, EC3V 0HR. Startline is indirectly majority-owned by investment funds managed by The Baupost Group, L.L.C..

Its head office is based in Glasgow, where its credit, collection, recoveries, information technology, engineering and data teams are based. As at 30 September 2021, Startline employed approximately 155 staff.

Startline provides a range of retail motor finance products to assist customers with vehicle ownership. It originates its business through a number of "introducers" (described in more detail below), and has a broad geographic spread of customers throughout England, Scotland and Wales, supported by a nationwide client relationship team.

Startline is authorised and regulated by the Financial Conduct Authority ("**FCA**"). It maintains the regulatory authorisations necessary to enter into, and administer, retail motor finance products in the United Kingdom, including those falling within the Portfolio.

Financing and Securitisation Experience

To finance its business, Startline has maintained warehouse financing facilities since February 2015. As at the Closing Date, Startline has a warehouse financing facility under which the Warehouse Lender provides senior financing.

In addition, its current warehouse financing facility constitutes a private securitisation for the purposes of the UK Securitisation Regulation.

Business Strategy

Startline was established with the aim of offering an efficient, service-led approach to the consumer point-of-sale, near prime, motor finance market, utilising technology and people to enhance underwriting and portfolio servicing.

Startline's business strategy includes:

- **Relationships:** offering strong service levels and an emphasis on establishing and maintaining excellent long-standing working relationships with its network of introducers, together with competitive rates for near prime customers;
- **Speed:** offering fast decisions, while maintaining strong risk discipline through Startline's own proprietary developed scorecard and underwriting systems, coupled with a highly trained credit decisions team which enables it to deliver a portfolio which balances risk and return;
- **Efficiency:** through Startline's teams and supported by its systems, delivering market leading service levels to customers and introducers; and
- **Performance:** delivering a homogenous portfolio with excellent arrears and default performance.

The Business and Portfolio

Startline provides motor finance to retail customers in the near prime market for the purposes of purchasing used or new motor vehicles at point-of-sale. The types of vehicle that can be financed include cars and a limited number of light commercial vehicles known as "lifestyle vehicles" powered by petrol, hybrid or diesel fuel types.

Startline offers two types of motor finance product: hire purchase ("**HP**") and personal contract purchase ("**PCP**") payment plans. It commenced origination of its retail motor finance products in October 2013. By 30 April 2021, Startline had financed approximately £1 billion of HP and PCP payment plans and the total

vehicles subject to financing by Startline as at that date was approximately 66,000 vehicles. As at May 2021, approximately 98.9% of the HP payment plans originated by Startline related to the financing of used cars. During 2020, in a declining UK used car market, Startline grew its market share by 36%.

The Portfolio includes Receivables arising out of HP payment plans and does not include any receivables relating to PCP payment plans. 100% of the HP payment plans in the Portfolio relate to the financing of used cars. For more details about the pool of Receivables, see "*The Provisional Portfolio*".

Hire Purchase Agreements

HP is a type of motor vehicle financing. The customer identifies the vehicle that it wishes to purchase and Startline agrees to purchase the relevant vehicle at point-of-sale from the relevant seller. In consideration for the purchase of that vehicle, Startline and the customer enter into an agreement (a "**Hire Purchase Agreement**") under which the customer agrees to make equal scheduled monthly instalment payments to Startline for the use or "hire" of the vehicle for a specified term. Each monthly instalment payment includes an interest and principal component. The customer agrees to pay a fixed interest rate and the principal balance (representing Startline's contribution to the purchase price and other costs relating to the purchase of the vehicle) is amortised over the term of the Hire Purchase Agreement. All Hire Purchase Agreements are fully amortising and do not include any guaranteed future values.

Startline retains title to the vehicle during the term of the Hire Purchase Agreement, but at the end of the term, the customer is able to obtain full ownership of the vehicle by payment of an Option to Purchase Fee to Startline and, upon payment of the nominal fee, title to the vehicle transfers from Startline to the customer.

Origination Channels and Distribution Network

Startline originates its business indirectly through a network of third party introducers. Startline is introduced to potential customers that wish to purchase a used or new car on vehicle finance. The types of introducer can be broken down into four categories: franchised dealers, independent dealers, online dealers and brokers (the "**introducers**"). Startline does not advertise its services directly to customers.

Startline has a targeted approach to introducers. It negotiates pricing and commercial terms that take account of each introducer's overall commercial strategy, whilst ensuring compliance with the FCA's and Finance & Leasing Association's ("**FLA**") guidelines and policies. An introducer approval document is completed for each new introducer, which includes an overview of the introducer, FCA permission checks, ICO checks, financial accounts and know your customer checks. If approved, Startline and the introducer enter into formal legal documentation. Startline will also ensure a full IT and operational set up is completed with the new introducer and periodic reviews and monitoring (including, compliance monitoring, business mix, pricing reviews and complaints monitoring) are conducted by Startline after onboarding of the relevant introducer is completed. Startline has considered the findings of the FCA Motor Finance Report of March 2019, and other FCA guidance, in determining its relationship with, and monitoring of, introducers.

The introducers are responsible for collecting the customer's application information which is input into Startline's or the dealer's or broker's own point-of-sale system. Some of Startline's introducers have access to a "Lite Scorecard" which enables them to efficiently identify applications most likely to satisfy the more detailed Startline underwriting and credit assessment (summarised below). In accordance with the FCA's policy statement PS20/8, Startline does not pay its introducers any commission that would be deemed discretionary commission models. Instead, Startline pays commission to the commission either on a single rate that is a percentage of advance or by applying a rate determined by reference to a risk model that is controlled by Startline's scorecard (and therefore is not discretionary to the introducer).

As at May 2021, Startline worked with approximately 52 introducers in the UK, with a breakdown of origination of approximately 35% from franchised dealers, 27% from independent dealers, 38% from online dealers and the remainder from brokers.

Application Process

Startline ensures that, prior to any contract being entered into, the appropriate disclosures and explanations are provided to prospective customers. These requirements are principally contained in the Consumer Credit Act 1974 and the FCA Consumer Credit Sourcebook ("**CONC**"). These disclosures are made by Startline's introducers and Startline regularly monitors their compliance with these requirements.

Startline requires completion of an application form by each customer. The application form will contain certain information about the prospective customer (such as information about their employment and status as a home owner) for the purpose of assessing creditworthiness. All new applications are captured electronically, online, via dealer or broker point-of-sale technology. The information obtained from the application is processed by the Startline credit team and in accordance with the credit assessment processes described below. An application is accepted or rejected after applying Startline's underwriting and credit scoring processes.

If an application is accepted, the customer will either sign the Hire Purchase Agreement and related document pack through Startline's e-signing process, which includes the completion of certain security questions, or if the customer is unable to do this for any reason, the Hire Purchase Agreement and document pack is issued to the customer for physical signing, with additional security conditions applied. The document pack is checked manually against a system generated check-sheet, with each document pack reviewed by two members of the Startline new business team. If any conditions are identified as not being satisfied or are incorrect through the checking process, the relevant introducer will be advised automatically. In addition, if there are any suspicions on the validity of the proof of identification of a customer, the application is passed to the Startline fraud team for review.

On the day the completed document pack is returned to Startline and it has been checked and all conditions satisfied, Startline's automatic payment solution uploads the payment details of the successful application to the HSBC banking system and payments are made electronically to the introducers through HSBC by same day payment under a controlled process.

The contract details, together with any other relevant information, are then automatically transferred to Startline's in-life management system and used for future contract servicing. A copy of the Hire Purchase Agreement is retained for a period of 6 years from the date of completion of the relevant contract so that appropriate legal remedies may be pursued against the customer if necessary.

Underwriting and Credit Assessment

Startline's underwriting and credit assessment approach is based on four pillars:

- collateral;
- affordability;
- repayment propensity;
- stability,

which is known as "**CARS**". Startline uses a proprietary credit model to assess the credit worthiness of a customer wishing to enter into a Hire Purchase Agreement. The credit model comprises policy rulesets and a proprietary credit scorecard. Policy rulesets include fraud and responsible lending rules that automatically decline customers.

The credit decision-making process can be summarised, as follows:

- (a) **Initial Business Rules:** Startline applies its initial proprietary business rules to ensure minimum eligibility requirements are satisfied (such as UK address, minimum age and minimum/maximum loan amount).
- (b) **Proprietary credit rules:** if the customer passes the minimum eligibility requirements, the application is then assessed using the Startline proprietary scorecard. The Portfolio will be constituted by Receivables relating to Hire Purchase Agreements originated applying Startline's second and third generation proprietary scorecards.

Each scorecard has been developed in conjunction with TransUnion. The second generation scorecard was implemented in the fourth quarter of 2015 and was developed using a TransUnion data set that was aligned with the Startline proposal and portfolio profile. This scorecard was replaced in the fourth quarter of 2020 with a third generation card that was developed using Startline outcome data augmented with a bureau data set that included a reject reference data set.

The performance of the scorecard is monitored on a monthly basis by Startline's risk analytics teams and on a quarterly basis by its risk management committee ("**RMC**").

The scorecard assesses the likelihood of default and maps a customer to an internal risk score. The scorecard is supported by a multi-layer decision tree which is intended to deliver automatic decision-making capability. The customer, based on their scorecard's derived risk score, is either declined or accepted and mapped to one of ten score bands. The pricing to be offered to that customer is then set based on its mapping under the score bands.

In certain circumstances, Startline's credit rules allow for lending to customers who may have had impairments to their credit profile, such as a county court judgment, subject to specific conditions and restrictions and where Startline is satisfied that the customer has shown financial stability and has been a responsible debtor since the occurrence of the relevant event. No Receivable in respect of which a customer had a county court judgment against it at origination will be included in the Portfolio.

- (c) **Trace:** Startline applies credit bureau data to validate customer address details. As at the date of this Offering Circular, Startline uses TransUnion as its primary third party credit bureau provider.
- (d) **Affordability Assessment:** Startline performs an affordability check which includes (i) an automated income validation, and (ii) an income and expenditure (I&E) assessment. If the automated income validation fails, a proof of income request is automatically made to the customer (unless an exception is applied for those cases where the proposal is "obviously affordable"). The I&E assessment examines the ability of the customer to afford the proposed instalments using an affordability assessment tool provided by TransUnion. Consideration is given to an applicant's ability to afford their credit commitments, including the expected cost of the Startline loan, as well as other credit, cost of living and vehicle costs. The scorecard also includes additional affordability and credit metrics to enhance the assessment.
- (e) **Asset Check:** following the affordability assessment, the proposed vehicle will be subject to vehicle valuation checks using market recognised providers (e.g., Glass's or CAP), having regard to vehicle age and mileage.
- (f) **Fraud indicators:** as a final step in the credit decision process, Startline will use third party credit bureau data, in conjunction with application data, to identify issues or highlight where further fraud checks are required, including for the purposes of anti-money laundering, politically exposed persons and sanctions checks.

As at May 2021, more than 70 per cent. of applications receive an automated accept or decline credit decision following the process summarised above. The remaining 30 per cent. were subjected to a referral and manual review by manual underwriters. The manual underwriters have undertaken extensive training to assess each referred application in accordance with Startline's policies and procedures to reach a manual credit decision. This process of manual underwriting significantly enhances the credit performance of the agreements underwritten by Startline in the near prime area of the UK motor finance market.

A customer's internal credit score, the customer's profile and the introducer of the customer together define the pricing. The terms on which Startline will provide financing are generally consistent between origination channels, and, include maximum LTV, maximum financing term, restricted vehicle types, maximum car age and mileage.

The Portfolio was originated in the ordinary course of Startline's business in accordance with the underwriting and credit assessment processes set out above which have been applied irrespective of whether the Receivables were to be securitised.

The assessment of a customer's creditworthiness meets equivalent requirements as those set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU.

Fraudulent Applications and Ongoing Monitoring

All applications received are assessed against the Credit Industry Fraud Avoidance System ("**CIFAS**") (accessed via TransUnion) and where there is a match, if the application has met all other credit

requirements, it is passed for manual assessment. Such referred cases are handled by a senior underwriter or, where appropriate, are passed to the fraud team which also supports the business where further checks are required.

In addition, Startline monitors all arrears and defaults cases and where there is suspicion of fraud the case is escalated to the fraud team to investigate.

If a fraud is detected, the application will be declined and logged with CIFAS.

In addition all staff at Startline receive regular fraud prevention training as well as annual anti-money laundering training.

Servicing and Collections

Historic Outsourcing

Startline originally outsourced the ongoing administration and servicing of its motor finance products to Link Financial Outsourcing. In 2018, Startline completed a full strategic assessment of its servicing and administration capabilities and, based on quality and time drivers, decided to migrate the administration and servicing in-house which was completed in the last quarter of 2019.

Regulatory Compliance

Startline, as a company regulated by the FCA, ensures that customers are treated fairly throughout the term of their motor finance product. The customer services' team are available to answer enquiries from customers whether by email, letter or phone in connection with the existing financing agreements as well as other questions. The collections' team is responsible for ensuring that those agreements which fall into arrears are identified immediately and that the customer is made aware that the arrears are outstanding.

Startline must comply with the CONC and act in accordance with the lending code of the FCA each time it offers a motor finance product to a customer, alongside other guidance and rules as set out by the FCA.

Collections Strategy and Process

All customer agreements are set up at origination to pay automatically by direct debit and customers have the opportunity to amend the due date to align with their own income arrangements.

Arrears

If a customer misses a direct debit payment, Startline automatically re-presents the direct debit application request and notifies the customer that this will be the case. If payment fails for a second time, Startline will contact the customers by SMS or email to notify them that payments can be made via Startline's customer portal or website.

A customer is considered to be in arrears if more than one scheduled payment has been outstanding for more than one day and the amount in arrears is greater than £70, but the related Receivable will not be treated as "defaulted" by Startline until it is more than 90 days in arrears at month end, unless other metrics warrant the acceleration of the default (e.g. fraud).

If a customer does fall into arrears, Startline has a contact strategy that uses a combination of SMS, calls, emails and letter activity and which escalates (after taking account of any regulatory considerations and subject to the level of customer engagement) as customers go further into arrears.

The collections' strategy has been designed to comply with all statutory requirements (including, by way of delivery of regulatory notices such as notice of sums in arrears, annual statements and notice of default sums). Startline's focus is to provide customers with a sustainable and affordable solution with the aim of returning customers to satisfy payments when due. If appropriate, Startline may offer certain forbearance options to customers (described in more detail below) and may also provide customers with details of not-for-profit debt advice services as further support whilst in arrears.

Default and Termination Notice

If contact with the customer has been unsuccessful or where the customer has not worked with Startline to support an appropriate solution, a statutory default notice would usually be issued. Default is defined as any Receivable where more than £70 remains outstanding for greater than 90 days as at month end (unless the Receivable is subject to investigation by the Financial Ombudsman Services ("FOS") or other corresponding regulator review, in which case the period may be extended to greater than 120 days as at month end, or for those Receivables where the Hire Purchase Agreement has less than six months remaining, the customer may be offered a payment plan of up to four months post the original term rather than being characterised as defaulted). A default may also arise for certain other reasons described in Startline's policies and procedures. Startline endeavours to support customers through their financial difficulties, and only considers termination and repossession once all other options have been exhausted.

The termination of an agreement with a customer can only take place when the date shown on the relevant default notice has expired. When the default notice is issued, information is also provided to the customer detailing the options available to them and the associated costs and impact on their credit file. Once a termination notice is issued, the priority for Startline is to recover the vehicle as quickly as possible as this maximises recovery value and provides the best outcome for the customer. This is best secured through a cooperative vehicle return (which Startline achieves this in approximately 60% of cases), otherwise Startline will commence efforts to repossess a vehicle. In a small number of cases, customers will recommence meeting normal monthly instalments post issue of a termination notice and, where this is the case, an arrangement is agreed to repay any arrears. Startline will monitor the agreement for a period and, if there are no further issues, rescind the termination notice. In all cases, Startline makes every effort to ensure that the best outcome for the customer is achieved.

All servicing work is done within Startline's processes and systems. Startline continues to seek ways to maximise efficiencies and effectiveness in how this activity is managed, such as by implementing a behavioural scorecard and enhanced portal functionality, with a view to improving the journey and outcomes of its customers.

Vulnerable Customers

Under the FCA's definition a vulnerable consumer is someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care. Startline recognises that vulnerability can impact its customers at any time whether temporary or permanent. The situations and circumstances of vulnerable individuals are diverse, complex and dynamic: the experience of vulnerability is unpredictable, and it can change over time. Startline's staff and collections agents are trained to identify those customers which are vulnerable and to utilise the relevant forbearance options where appropriate (see "*The Seller, Servicer and Subordinated Loan Note Subscriber – Forbearance*" below).

Forbearance

Startline uses forbearance options, which are formally defined within the relevant policy, to support customers that are vulnerable or in financial difficulty. The forbearance options include:

- (a) **Reduced Payment** – customers are permitted to reduce monthly contractual instalments up to a maximum of six months and any arrears can be spread over an approved time period. There is no restriction on the number of separate repayment arrangements that can be applied assuming it remains in the customer's best interest.
- (b) **Deferments / Payment Break** – in exceptional cases a customer may be given a deferment / payment break for a maximum of four instalments over the term of the Hire Purchase Agreement. For extraordinary COVID-related forbearance terms, please see below.
- (c) **Breathing Space** – if requested, a customer may be provided with up to 60 calendar days breathing space. During this time, Startline will cease all communication with the customer, except in respect of any required statutory notice, and no additional charges will be applied to the customer account. Customers will receive professional debt advice to design a plan to support getting their finances back on track.

Where forbearance is assessed as appropriate, this must be approved in line with delegated authority levels. These agreements are then managed within segmented queues within collections by a specialised team. In accordance with FCA guidance and notices, Startline ensures that forbearance options presented are always appropriate and affordable, and that staff are aware, and offer the full range, of forbearance options to customers. Specifically in respect of deferrals / payment holidays, these are subject to independent oversight via monthly reporting to the Chief Risk Officer and quarterly reporting to the Risk Management Committee.

Repossessions and Recoveries

As noted in the "*The Seller, Servicer and Subordinated Loan Note Subscriber – Servicing and Collections*" section above, Startline must comply with CONC and the FLA's lending code when considering a possible financial solution with a customer. Startline is under a duty to treat all of its customers fairly and exercise forbearance, in particular with vulnerable customers. Startline is also under a duty to ensure that agents acting on its behalf comply with CONC.

The purpose of the Startline recoveries team is to assist the Collections function in reducing the overall loss position for Startline and, where relevant, the Customer by ensuring that an effective asset recovery, auction sales and post write-off collections process is maintained.

The recoveries procedures undertaken by the Startline recoveries team depends on whether the customer is cooperative or non-cooperative and can be summarised as follows:

- *Cooperative* – asset collection occurs – the Startline recoveries team works with the customer to obtain a cooperative solution and Startline instructs agents to collect the affected vehicle.
- *Non-cooperative* – asset repossession occurs – the Startline recoveries team reviews cases for consideration and instruct agents to repossess vehicles. The recoveries team will also support asset recoveries where court orders are required (see below).

The repossession of a vehicle takes place when all other efforts to recover the debt have been exhausted. repossession activity is managed by Startline, and supported by DWF LLP where required, working together to ensure all legal and regulatory requirements have been met. Startline works with professional recovery agents who comply with the FLA Vehicle Recovery and Collection Industry Standards. Startline has also contracted the services of tracing and recovery agencies and maintains relationships with the agencies and a range of solicitors, insurance firms and recovery pounds, as well as the police. For terminated agreements, where the customer has already paid over one third of the amount due under their agreement, the vehicle becomes "protected goods", and therefore cannot be repossessed without a court order. Startline may also issue proceedings for return of goods orders via a court. Once an agreement has been terminated, repossession of the vehicle will normally take place as soon as practically possible.

It is normal practice for a repossession agent to deliver the vehicle to an approved auction house. There a repossessed vehicle will be assessed, and a condition report provided to Startline to understand the impact on the vehicle value. Following this, taking into account all information available, Startline will decide upon a particular disposal strategy. The strategy typically will be one of the following: sale through an approved auction house; trade sale through Startline's dealer trading partners. The disposal strategy will be based on Startline's recoveries team's view on the best method to maximise recovery value net of costs.

Voluntary Terminations

The CCA allows a customer with a regulated agreement to terminate its agreement and return its vehicle to a lender when they have paid, or will pay, 50% of the total amount payable under the agreement.

Startline complies with the FCA regulatory requirements by presenting a clear understanding of the voluntary termination process and ensuring the customer is advised of any charges for damage to the vehicle beyond fair wear and tear that may apply. This ensures Startline is treating its customers fairly and communicating in a way which is clear, fair and not misleading, which in turn allows customers to make an informed decision in respect of the voluntary termination process.

Startline can make a reasonable claim (following an inspection of the vehicle) for any damage to the vehicle beyond fair wear and tear. The collections' team will deal with any enquiry from a customer regarding a voluntary termination.

Startline's Response to the COVID-19 Pandemic

Overview

Following the outbreak of the COVID-19 pandemic, Startline committed itself to supporting all customers impacted by COVID-19 and assisted those customers faced with temporary disruption to income. Startline was an early adopter and, after taking legal advice, commenced offering a forbearance concession to customers in the form of payment deferrals and reduced payments from late March 2020, ahead of the FCA guidance taking effect on 27 April 2020 and then the updated guidance taking effect from 25 November 2020 (the "**FCA COVID Payment Deferral Guidance**"). Startline considered the FCA COVID Payment Deferral Guidance and applied it pragmatically to ensure that it acted in the best interests of its customers.

Startline took note of further FCA guidance in respect of residential mortgages issued on 20 March 2020, and the direction of travel of the regulators more generally, and immediately started to introduce structural changes to its business, including its operations, funding, underwriting and collections functions in order to respond to the exceptional circumstances arising out of the pandemic. Startline continues to monitor these measures as the effect of the COVID-19 pandemic on its customers, business partners and the economy as a whole becomes more apparent.

Startline Management took the decision not to furlough staff in origination areas when COVID restrictions were first introduced. Instead, a significant portion of staff from these areas was retrained to enable them to support the customer service and collection teams to handle the extraordinary volumes of customer requests for support, in line with recommendations in the FCA's updated Tailored Support Guidance taking effect from 27 January 2021 (the "**Tailored Support Guidance**"). Redeployed staff were moved back to origination roles as forbearance requests reduced and new business volumes started to increase and, at the same time, a specialised support team was specifically created to manage all COVID forbearance cases (the "**Specialist Support Team**").

Origination

The COVID-19 pandemic has affected many Startline customers and business partners, including its network of brokers and dealers and Startline's aim has been to respond with appropriate steps first, to support existing customers and business partners, whilst at the same time developing and implementing plans to continue to acquire new customers and partners, taking into account the changes in the market as a result of the COVID-19 pandemic. New lending volumes were significantly lower initially, but the level of demand in the market improved. As pandemic measures continue to unwind into the third quarter of 2021.

Risk and Underwriting

Startline has been actively monitoring, assessing and analysing customer income and expenditure information, customer feedback and behaviour, and macro-economic indicators since the start of the COVID-19 pandemic, to address the increased risks associated with the current macro-economic climate and any resultant potential increase to credit losses.

In addition, under the FCA COVID Payment Deferral Guidance, customers seeking payment deferrals due to the COVID-19 pandemic had their credit profiles protected so the support did not adversely impact their profile. In order to address this, Startline assessed its scorecards and the credit bureau variables they utilise to derive a credit score to ascertain the impact. Furthermore, Startline was able to leverage a variety of other data points in order to assess a credit proposal (such as the affordability score and profile characteristics). In further prudent measures, Startline increased its minimum required credit score, stress tested the income of non-essential worker applicants to 80 per cent. of stated levels and rolled out an "open banking" solution (provided by Credit Kudos and explained in more detail below), which was applied as part of a risk-based approach during underwriting.

Startline will continue to monitor customer credit risk and may take further action to update its credit underwriting approach where appropriate as the COVID-19 pandemic develops and its effects become more apparent.

Servicing and Collections

Startline's approach to handling customers experiencing financial difficulties as a result of COVID-19, as required by the FCA and in accordance with CONC, the FCA Principles under the FCA Handbook, the FCA COVID Payment Deferral Guidance and FCA Tailored Support Guidance, is summarised in this section. Startline has continued to update its procedures during the COVID-19 pandemic to respond to changing circumstances, as well as the FCA guidance as that has developed, and may develop in the future, upon which all relevant staff are trained.

In immediate response to the emerging COVID crisis in March 2020, Startline revised its procedures in respect of forbearance where customers were citing COVID as the reason, and this was initially rolled out to the collections team. As events progressed, the volume of customers requesting support increased dramatically. As a result, Startline increased the volume of staff available to support customer requests, redeploying staff from the origination functions, and also made changes to the delegated authority levels which allowed a wider cross section of staff to approve support on low risk cases. Procedures were also amended to allow customers to request forbearance via email. This decision was taken after witnessing high demand for such support measures from customers whose income was impacted by COVID-19 restrictions. In addition, Startline had observed that the FCA required lenders in other lending sectors to grant payment breaks (the first FCA guidance for other lending sectors began to be issued from late March/early April 2020).

As a result of the significant increase in staff available to support customers and the revised procedures, Startline was able to quickly address the backlog in requests. This provided management with the opportunity to create a specialised support team with responsibility of managing all COVID forbearance cases from June 2020. Responsibilities included new requests for support as well as requests to extend existing support. Startline took the approach of assessing each customer request for support due to COVID-19 on a case-by-case basis, with the intention being to ensure that any support or forbearance provided to the customer was in the best interests of that customer and ensuring vulnerable customers were identified and handled appropriately. All forbearance granted was confirmed in writing advising customers to contact Startline in the event they required further support.

To ensure effective oversight, a new reporting suite was introduced which enabled management to monitor key metrics such as demand and forbearance granted and the latter was further examined by origination vintage and pre-existing arrears. This reporting was produced by the risk analytics team and issued weekly to key management including the executive team. Performance reporting on this cohort demonstrates that in excess of 84% of customers who received support have since resumed normal monthly instalments with no further adverse impact.

In June 2020, Startline introduced an "open banking" solution provided by Credit Kudos, to improve its access to information, including income shock indicators (i.e., flags for recent loss or reduction in income), predicted and historical monthly income, a breakdown of essential and non-essential expenditure, predictive and historical spending analysis, as well as comprehensive views of balances, recurring expenditures and loan repayments. Startline made every effort to complete an open banking assessment of all requests for support from that date onwards. This helped Startline support the customer base and ensure that forbearance was the best solution for the relevant customer.

Startline continues to employ the Specialist Support Team to engage with customers. In accordance with FCA guidance, after 31 March 2021, first-time applicants, or returning applicants not in an active payment deferral, are not entitled to payment deferrals under the FCA COVID Payment Deferral Guidance, but may be entitled to tailored support under the FCA Tailored Support Guidance.

The overall impact of the COVID-19 pandemic on the performance of the Purchased Receivables arising out of Hire Purchase Agreements in the Portfolio is difficult to predict and will develop over time. Startline currently envisages that this will most likely be driven by macroeconomic conditions, including the size of any increase in unemployment. As a result, Startline will continue to review (and may update) its collections policies to respond to any such changes (including any updates to the FCA's guidance) as the COVID-19 pandemic develops or its effects become more apparent. See "*Risk Factors – The COVID-19 pandemic may exacerbate certain risks in relation to the Notes and the Certificates*" for further details.

Recoveries and Repossessions

In accordance with the FCA Tailored Support Guidance, terminations and repossessions were not actioned before 31 January 2021, other than in exceptional circumstances set out in the guidance. Terminations and repossessions after 31 January 2021, relating to customers experiencing financial difficulties as a result of circumstances relating to COVID-19, and who need the vehicle, will only be pursued in accordance with certain requirements, including the following: the repossession action is regarded as a last resort; government public health guidelines will be observed, and applicable details will be provided to customers before a repossession agent attends to collect the vehicle; particular care will be exercised when dealing with vulnerable customers; if a customer is in an active forbearance plan (including payment deferral), repossession action will not be commenced or continued; customers will be helped to understand what debt help or money guidance is available, and given reasonable opportunity and time to obtain and act on this before repossession action is taken and compliance with default notices/protected goods etc. requirements as applicable under the CCA will be observed, and where relevant customers will be made aware of their voluntary termination right. If a customer fails to engage, and Startline has made all reasonable attempts to engage, repossession action is not prohibited, even if the customer would otherwise be eligible for further COVID-19 support under the FCA Tailored Support Guidance.

Environmental, Social, Governance

Startline monitors its energy consumption as a result of the activities carried out at its offices.

| Type of Energy | Usage (kwh) | Emissions (kg CO ₂) | Average employee numbers | Emissions per employee (kg CO ₂) |
|----------------|-------------|---------------------------------|--------------------------|--|
| Electricity | 120,467 | 27,833 | 120 | 231 |

Startline also takes its social responsibility seriously and participates in a number of internal and external initiatives:

- (a) **Living Wage Employer:** Startline maintains Living Wage accreditation which formally recognises and celebrates employers who choose to go further than the government minimum.
- (b) **Charitable Events:** Startline supports its local community through a variety of staff and business charity events.
- (c) **Startline Academy:** Startline are committed to the development and wellbeing of staff through the Startline Academy and look to promote from within in the first instance for all positions.
- (d) **Diversity & Inclusion:** Startline works with Vercida Group to deliver diversity and inclusion training for all staff and to review its business processes.

In respect of the vehicle fleet, Startline expects to fund electric vehicles within the next 12 to 18 months from Closing Date. The current CO₂ emissions for the fleet relating to the Portfolio are set out in the section entitled "*The Provisional Portfolio – Composition of the Receivables – Emissions Data*".

THE PROVISIONAL PORTFOLIO

General

Information contained in this section is based on the Provisional Portfolio as at the Provisional Cut-Off Date and relates to the Receivables which will satisfy the Eligibility Criteria as at the Closing Date, on which date the Receivables which comprise the Portfolio will be transferred by the Seller.

The Portfolio is comprised of Receivables originated by the Seller and, subject to subsequent repayments, redemptions or changes in eligibility, is expected to be purchased by the Issuer on the Closing Date. All Receivables in the Portfolio are derived from Hire Purchase Agreements.

The Receivables which comprise the Portfolio will be purchased by the Issuer from Startline as Seller pursuant to the terms of the Receivables Sale and Purchase Deed to be entered into on the Closing Date.

Type of assets in the securitised Portfolio

The Portfolio is comprised solely of motor vehicle hire purchase agreements originated by Startline Motor Finance Limited in England, Wales and Scotland for the sale of Vehicles. Monthly payments are required to be made under the Hire Purchase Agreements and such obligations constitute direct obligations of the Customers. On the Closing Date, Startline will sell the Receivables arising under the Hire Purchase Agreements pursuant to the Receivables Sale and Purchase Deed described in the section entitled "*Principal Transaction Documents – Receivables Sale and Purchase Deed*".

The Issuer's assets will be:

- the Purchased Receivables and Collections on the Purchased Receivables applied after the Cut-Off Date;
- rights under the Purchased Hire Purchase Agreements;
- proceeds from claims on insurance policies covering the Vehicles or the Customers;
- rights under the Collection Account Trust to the Issuer Trust Amounts;
- rights in the Issuer Accounts; and
- rights under the Transaction Documents.

The Receivables sold to the Issuer will not include the portion of the outstanding balance which relates to any amount paid by a Customer and applied on or before the Cut-Off Date.

The Receivables comprise full recourse claims against Customers in respect of payments due under Hire Purchase Agreements for the provision of credit for the purchase of Vehicles.

Although the Customer is the registered keeper of the Vehicle, Startline retains title to the Vehicles. The Hire Purchase Agreements contain provisions obliging the Customer to purchase the Vehicle at the end of the hire period, normally on payment of an Option to Purchase Fee.

The Hire Purchase Agreements are governed by English law.

Origination, Underwriting and Purchasing

Startline, as the originator, has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation which broadly include:

- (a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits,
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures,
- (c) diversification of credit portfolios given Startline's target market and overall credit strategy, and

- (d) policies and procedures in relation to risk mitigation techniques.

The Portfolio was originated in the ordinary course of Startline's business in accordance with the processes set out above which were applied irrespective of whether the Receivables were to be securitised.

Selection of Receivables

The Receivables were selected by Startline from its portfolio of retail Hire Purchase Agreements that meet the Eligibility Criteria using selection procedures that Startline believes not to be adverse to Noteholders and Certificateholders. The Eligibility Criteria include, as at the Cut-Off Date, that:

Key characteristics of the Receivable

In respect of the Receivable:

- (a) it is denominated and payable in GBP Sterling;
- (b) it has a Principal Outstanding Balance of not less than £10 and not greater than £50,000;
- (c) it has an original term to maturity of not less than 12 months and not more than 60 months;
- (d) as at its date of origination, its Loan-to-Value Ratio was not greater than 130 per cent.;
- (e) the interest that accrues with respect to it is calculated by reference to a fixed rate of interest;
- (f) it is payable by the Customer in fixed monthly payments and has a final payment which is not greater than the amount of any monthly payment preceding it, disregarding any option to purchase fees or other fees (provided the total of such fees does not exceed £400);
- (g) it has been originated in connection with the financing of the purchase of a single Vehicle by the Customer;
- (h) to the best of the Seller's knowledge, it is not an exposure in default within the meaning of Article 178(1) of CRR and the related Customer is not a "credit-impaired debtor or guarantor" falling within Articles 20(11)(a), (b) or (c) of the Securitisation Regulations as at that date;
- (i) it is not:
 - (i) or any payment relating to it, due but unpaid for more than 30 days past its due date for payment;
 - (ii) a Defaulted Receivable or a VT Receivable;
- (j) where its proceeds have been applied to fund GAP insurance, the Seller has transferred the insurance premia due and payable under the applicable insurance policy to the relevant introducer;
- (k) no right of cancellation or withdrawal has arisen which has not yet expired or, where such right of cancellation or withdrawal has not yet expired, so far as the Seller is aware, the Customer under such contract has not exercised that right;
- (l) it has been originated by the Seller in the ordinary course of its business at the point of sale by a Dealer or a Broker in accordance with the Seller's Credit and Collection Procedures;
- (m) it does not arise out of and is not connected with any fraud or illegal activity;
- (n) it is not voidable at the instance of a Customer due to fraud, undue influence, duress or misrepresentation (excluding, for the avoidance of doubt, any rights of cancellation or rejection under the CCA, CRA or DMR);
- (o) it is not, and neither is the related Hire Purchase Agreement, subject to any equity, lien, right of rescission, litigation, dispute (excluding, for the avoidance of doubt, any Customer complaints not involving the threat of legal proceedings), claim, counterclaim, set-off, compensation, settlement,

right of retention or defence against the Seller (except the discharge in bankruptcy of such Customer) and the Customer has not otherwise asserted any such right or claim;

- (p) no withholding tax is applicable to any payments made under it and the related Hire Purchase Agreement;
- (q) no stamp duty, stamp duty reserve tax, transfer or registration charges or other similar Tax is payable by the Issuer in connection with the transfer to it of the Receivable or the related Ancillary Rights;
- (r) neither the Purchased Receivable nor any of the related Ancillary Rights relating to it, is or includes, stock or a marketable security (as such terms are defined for the purposes of section 122 of the Stamp Act 1891), a chargeable security (as such term is defined for the purposes of section 99 of the Finance Act 1986) or a chargeable interest (as such term is defined for the purposes of section 48 of the Finance Act 2003, section 4 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 or section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013);

Key characteristics of the Hire Purchase Agreement

The Hire Purchase Agreement to which the Receivable relates:

- (a) has been entered into on the terms of the Seller's Standard Documentation;
- (b) is expressed to be governed by the laws of England and Wales;
- (c) constitutes the legal, valid, binding and enforceable obligations of the related Customer (subject to any rights of cancellation by a Customer under the CCA and any laws from time to time in effect relating to bankruptcy, liquidation, or any other laws or other procedures affecting generally the enforcement of creditors' rights);
- (d) is evidenced by a scanned executed copy of the agreement, or (where applicable), valid electronic acceptance;
- (e) does not contain:
 - (i) any restriction on assignment (or where there is a restriction, consent to assignment has been obtained),
 - (ii) any confidentiality provisions that will prevent disclosure of information about such agreement and the relevant Customer, to the Servicer or the Issuer or the delivery to these entities of a copy of such agreement (or where there is a restriction, consent to disclosure has been obtained); and
 - (iii) any information which, if disclosed to the Issuer pursuant to the terms of the Transaction Documents, would cause the Seller or any other person to breach any relevant data protection legislation;
- (f) is in full force and effect, has not been repudiated, rescinded or otherwise terminated and the Seller has not received any notice from the Customer purporting to repudiate, rescind or otherwise terminate the Hire Purchase Agreement;
- (g) has not (other than those actions or provisions solely relating to the description of the Vehicle as a result of replacement of motor vehicles pursuant to the Credit and Collection Procedures) been waived, amended, modified or refinanced or its term extended in any respect since the date of its origination, other than a Permitted Variation;
- (h) whether alone or with any related agreement, does not give to any "unfair relationship" between the creditor and the debtor for the purposes of sections 140A to 140C of the CCA;

Key characteristics of the Customer

The Customer to which the Receivable relates:

- (a) is an individual who, at origination, has provided his or her most recent billing address as an address in England, Wales or Scotland;
- (b) is not a governmental authority or organisation or other public body;
- (c) is not an employee of the Seller;
- (d) has made at least one payment in respect of the Receivable;
- (e) is the primary debtor of the Receivable;
- (f) is the debtor of no more than two Purchased Receivables originated by the Seller and the total aggregate Principal Outstanding Balance of such Purchased Receivables resulting from the Hire Purchase Agreement does not exceed £100,000;
- (g) is not a Sanctioned Person;
- (h) so far as the Seller is aware, is not subject to bankruptcy or insolvency proceedings;
- (i) has been given instructions to pay instalments and other amounts due in respect of the Receivable directly into the Collection Account;

Key characteristics of the Dealer or Broker

The Dealer or Broker to which the Receivable relates:

- (a) has a trading address in England, Wales or Scotland;
- (b) so far as the Seller is aware, to the extent that Dealer or Broker and any other person who carried on, in relation to the related Hire Purchase Agreement, any "credit brokerage" as defined in section 145(2) of the CCA (in relation to Related Underlying Agreements originated prior to 1 April 2014) or article 36A of the RAO (in relation to Related Underlying Agreements originated on or after 1 April 2014), has at the times relevant to the Hire Purchase Agreement held the requisite CCA Licence or FCA permission to carry on credit brokerage;

Key characteristics of the Vehicle

The Vehicle to which the Receivable relates:

- (a) was, at the commencement of the related Hire Purchase Agreement, a used passenger or light commercial vehicle, which is not a motorcycle;
- (b) has been delivered to the relevant Customer;
- (c) is legally and beneficially owned by the Seller, subject to the Customer's option to purchase under the terms of the relevant Hire Purchase Agreement;
- (d) is registered, and the Seller's interest in the Vehicle is recorded, in a nationally recognised agency that records interests in vehicles;
- (e) has not been repossessed by the Seller and the Seller has not given any notice, nor applied for any court order, under the CCA, in order to repossess the Vehicle;
- (f) its maintenance and repair is the responsibility of the Customer (with no obligation of the Seller to repair and maintain the Vehicle); and
- (g) is required by the terms of the relevant Hire Purchase Agreement to be covered by a comprehensive collision insurance policy arranged by the Customer.

For more details about the Eligibility Criteria of the Receivables, see the section entitled "Overview of the Notes, the Certificates and the Transaction – Eligibility Criteria".

As a consequence of the Eligibility Criteria being applied to the Seller's wider portfolio, no Receivables that, as of the Cut-Off Date, had undergone a debt restructuring process as a result of delinquencies were selected for the Portfolio.

Composition of the Receivables

The following tables show the characteristics and distributions of some pool characteristics of the Provisional Portfolio on the Provisional Cut-Off Date. The percentages in the following tables may not sum to 100% due to rounding.

Key Characteristics of the Provisional Portfolio

| | |
|---|------------------|
| Number of Receivables | 47,806 |
| Number of Customers | 47,806 |
| Original Principal Outstanding Balance | £ 393,234,730.23 |
| Aggregate Principal Outstanding Balance | £ 292,875,469.85 |
| Average Principal Outstanding Balance | £ 6,126.33 |
| WA Nominal Interest Rate (%) | 17.74% |
| WA Seasoning (in months) | 14.18 |
| WA Remaining Term (in months) | 42.34 |
| WA Original LTV (%) | 94.24% |

| Vehicle Type | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|---------------|-----------------------|---------------|-------------------------------|---------------|
| New Car | 0 | 0.0% | £ 0.00 | 0.0% |
| Used Car | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| Customer Type | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|---------------|-----------------------|---------------|-------------------------------|---------------|
| Corporate | 0 | 0.0% | £ 0.00 | 0.0 |
| SME | 0 | 0.0% | £ 0.00 | 0.0 |
| Self-employed | 0 | 0.0% | £ 0.00 | 0.0 |
| Individuals | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| Product Type | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|---------------|-----------------------|---------------|-------------------------------|---------------|
| Hire Purchase | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| Amortisation Type | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|-------------------|-----------------------|---------------|-------------------------------|---------------|
| Fully | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| Initial Principal Outstanding Balance | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|--|------------------------------|-------------------|--------------------------------------|-------------------|
| 0 to < £ 2,000 | 0 | 0.0% | £ 0.00 | 0.0% |
| 2,000 to < £ 4,000 | 4,218 | 8.8% | £ 9,004,804.58 | 3.1% |
| 4,000 to < £ 6,000 | 9,886 | 20.7% | £ 34,934,874.69 | 11.9% |
| 6,000 to < £ 8,000 | 11,773 | 24.6% | £ 60,141,567.09 | 20.5% |
| 8,000 to < £ 10,000 | 9,452 | 19.8% | £ 63,874,857.40 | 21.8% |
| 10,000 to < £ 12,000 | 5,958 | 12.5% | £ 49,407,977.05 | 16.9% |
| 12,000 to < £ 14,000 | 3,181 | 6.7% | £ 31,793,052.34 | 10.9% |
| 14,000 to < £ 16,000 | 1,859 | 3.9% | £ 21,816,833.83 | 7.4% |
| 16,000 to < £ 18,000 | 750 | 1.6% | £ 10,141,545.67 | 3.5% |
| 18,000 to < £ 20,000 | 404 | 0.8% | £ 6,157,374.11 | 2.1% |
| 20,000 to < £ 22,000 | 220 | 0.5% | £ 3,506,178.05 | 1.2% |
| 22,000 to < £ 24,000 | 34 | 0.1% | £ 627,615.47 | 0.2% |
| 24,000 to < £ 26,000 | 40 | 0.1% | £ 803,182.02 | 0.3% |
| 26,000 to < £ 28,000 | 19 | 0.0% | £ 399,537.68 | 0.1% |
| >= £ 28,000 | 12 | 0.0% | £ 266,069.87 | 0.1% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |
| Minimum Value | 2,500.00 | | | |
| Maximum Value | 30,890.00 | | | |
| Weighted Average | 9,911.71 | | | |

| Remaining Principal Outstanding Balance | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|--|------------------------------|-------------------|--------------------------------------|-------------------|
| 0 to < £ 2,000 | 3,609 | 7.5% | £ 4,560,594.26 | 1.6% |
| 2,000 to < £ 4,000 | 10,799 | 22.6% | £ 33,296,270.66 | 11.4% |
| 4,000 to < £ 6,000 | 11,698 | 24.5% | £ 58,295,504.12 | 19.9% |
| 6,000 to < £ 8,000 | 9,734 | 20.4% | £ 67,609,604.66 | 23.1% |
| 8,000 to < £ 10,000 | 5,897 | 12.3% | £ 52,516,439.54 | 17.9% |
| 10,000 to < £ 12,000 | 3,126 | 6.5% | £ 34,029,842.13 | 11.6% |
| 12,000 to < £ 14,000 | 1,602 | 3.4% | £ 20,694,998.75 | 7.1% |
| 14,000 to < £ 16,000 | 755 | 1.6% | £ 11,201,404.23 | 3.8% |
| 16,000 to < £ 18,000 | 343 | 0.7% | £ 5,795,759.32 | 2.0% |
| 18,000 to < £ 20,000 | 172 | 0.4% | £ 3,254,179.47 | 1.1% |
| 20,000 to < £ 22,000 | 31 | 0.1% | £ 650,721.69 | 0.2% |
| 22,000 to < £ 24,000 | 20 | 0.0% | £ 455,409.89 | 0.2% |
| 24,000 to < £ 26,000 | 14 | 0.0% | £ 347,690.15 | 0.1% |
| 26,000 to < £ 28,000 | 4 | 0.0% | £ 107,893.17 | 0.0% |
| >= £ 28,000 | 2 | 0.0% | £ 59,157.81 | 0.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |
| Minimum Value | 32.62 | | | |
| Maximum Value | 29,658.43 | | | |
| Weighted Average | 8,031.62 | | | |

| Original Term (in months) | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|--------------------------------------|------------------------------|-----------------------|--|-------------------|
| 12 to < 18 | 23 | 0.0% | £ 50,074.08 | 0.0% |
| 18 to < 24 | 107 | 0.2% | £ 248,537.71 | 0.1% |
| 24 to < 30 | 853 | 1.8% | £ 2,130,115.30 | 0.7% |
| 30 to < 36 | 818 | 1.7% | £ 2,346,918.86 | 0.8% |
| 36 to < 42 | 3,488 | 7.3% | £ 11,752,002.75 | 4.0% |
| 42 to < 48 | 1,904 | 4.0% | £ 7,847,001.14 | 2.7% |
| 48 to < 54 | 7,455 | 15.6% | £ 36,147,413.24 | 12.3% |
| 54 to < 60 | 2,583 | 5.4% | £ 15,031,535.05 | 5.1% |
| = 60 | 30,575 | 64.0% | £ 217,321,871.72 | 74.2% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |
| Minimum Value | 12.00 | | | |
| Maximum Value | 60.00 | | | |
| Weighted Average | 56.52 | | | |

| Remaining Term (in months) | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|-----------------------------------|------------------------------|-----------------------|--|-------------------|
| 0 to < 6 | 832 | 1.7% | £ 504,894.78 | 0.2% |
| 6 to < 12 | 1,553 | 3.2% | £ 2,416,102.69 | 0.8% |
| 12 to < 18 | 3,056 | 6.4% | £ 7,848,782.13 | 2.7% |
| 18 to < 24 | 4,809 | 10.1% | £ 17,296,810.22 | 5.9% |
| 24 to < 30 | 4,923 | 10.3% | £ 22,059,323.52 | 7.5% |
| 30 to < 36 | 6,319 | 13.2% | £ 33,960,636.71 | 11.6% |
| 36 to < 42 | 5,940 | 12.4% | £ 37,096,474.70 | 12.7% |
| 42 to < 48 | 7,267 | 15.2% | £ 54,766,326.88 | 18.7% |
| 48 to < 54 | 6,498 | 13.6% | £ 54,195,447.90 | 18.5% |
| 54 to < 60 | 6,609 | 13.8% | £ 62,730,670.32 | 21.4% |
| = 60 | 0 | 0.0% | £ 0.00 | 0.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |
| Minimum Value | 1.00 | | | |
| Maximum Value | 59.00 | | | |
| Weighted Average | 42.34 | | | |

| Seasoning (in months) | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|----------------------------------|------------------------------|-----------------------|--|-------------------|
| 0 to < 6 | 8,498 | 17.8% | £ 71,262,611.33 | 24.3% |
| 6 to < 12 | 9,633 | 20.2% | £ 70,957,192.13 | 24.2% |
| 12 to < 18 | 9,754 | 20.4% | £ 64,799,935.56 | 22.1% |
| 18 to < 24 | 5,038 | 10.5% | £ 27,023,326.05 | 9.2% |
| 24 to < 30 | 5,414 | 11.3% | £ 26,119,201.40 | 8.9% |
| 30 to < 36 | 3,918 | 8.2% | £ 16,121,279.84 | 5.5% |
| 36 to < 42 | 3,378 | 7.1% | £ 11,334,254.21 | 3.9% |
| 42 to < 48 | 1,922 | 4.0% | £ 4,752,573.32 | 1.6% |
| 48 to < 54 | 251 | 0.5% | £ 505,096.01 | 0.2% |
| 54 to < 60 | 0 | 0.0% | £ 0.00 | 0.0% |
| = 60 | 0 | 0.0% | £ 0.00 | 0.0% |

| | | | | |
|------------------|---------------|---------------|-------------------------|---------------|
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |
| Minimum Value | 1.00 | | | |
| Maximum Value | 50.00 | | | |
| Weighted Average | 14.18 | | | |

| Contractual Interest Rate (%) – APR | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|--|------------------------------|-------------------|--------------------------------------|-------------------|
| 0 to < 2% | 0 | 0.0% | £ 0.00 | 0.0% |
| 2 to < 4% | 0 | 0.0% | £ 0.00 | 0.0% |
| 4 to < 6% | 3 | 0.0% | £ 8,802.12 | 0.0% |
| 6 to < 8% | 36 | 0.1% | £ 105,148.66 | 0.0% |
| 8 to < 10% | 734 | 1.5% | £ 2,817,556.19 | 1.0% |
| 10 to < 12% | 8,200 | 17.2% | £ 55,164,764.07 | 18.8% |
| 12 to < 14% | 915 | 1.9% | £ 5,590,231.12 | 1.9% |
| 14 to < 16% | 4,909 | 10.3% | £ 35,244,317.79 | 12.0% |
| 16 to < 18% | 3,277 | 6.9% | £ 22,457,704.74 | 7.7% |
| 18 to < 20% | 20,358 | 42.6% | £ 117,841,663.01 | 40.2% |
| 20 to < 22% | 1,907 | 4.0% | £ 9,489,385.27 | 3.2% |
| 22 to < 24% | 3,311 | 6.9% | £ 21,143,468.27 | 7.2% |
| 24 to < 26% | 1,883 | 3.9% | £ 11,114,246.14 | 3.8% |
| 26 to < 28% | 2,221 | 4.6% | £ 11,746,560.70 | 4.0% |
| 28 to < 30% | 51 | 0.1% | £ 146,913.31 | 0.1% |
| >= 30% | 1 | 0.0% | £ 4,708.46 | 0.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |
| Minimum Value | 5.79 | | | |
| Maximum Value | 30.00 | | | |
| Weighted Average | 17.74 | | | |

| Effective Interest Rate (%) – IRR | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|--|------------------------------|-------------------|--------------------------------------|-------------------|
| 0 to < 2% | 0 | 0.0% | £ 0.00 | 0.0% |
| 2 to < 4% | 0 | 0.0% | £ 0.00 | 0.0% |
| 4 to < 6% | 3 | 0.0% | £ 8,802.12 | 0.0% |
| 6 to < 8% | 41 | 0.1% | £ 123,713.13 | 0.0% |
| 8 to < 10% | 1,899 | 4.0% | £ 9,220,763.76 | 3.1% |
| 10 to < 12% | 7,108 | 14.9% | £ 49,036,309.20 | 16.7% |
| 12 to < 14% | 4,491 | 9.4% | £ 32,148,952.42 | 11.0% |
| 14 to < 16% | 3,148 | 6.6% | £ 20,592,794.06 | 7.0% |
| 16 to < 18% | 11,545 | 24.1% | £ 69,103,534.48 | 23.6% |
| 18 to < 20% | 12,118 | 25.3% | £ 68,516,743.02 | 23.4% |
| 20 to < 22% | 3,313 | 6.9% | £ 21,168,902.74 | 7.2% |
| 22 to < 24% | 2,436 | 5.1% | £ 12,730,439.25 | 4.3% |
| 24 to < 26% | 1,703 | 3.6% | £ 10,219,807.21 | 3.5% |
| 26 to < 28% | 1 | 0.0% | £ 4,708.46 | 0.0% |
| 28 to < 30% | 0 | 0.0% | £ 0.00 | 0.0% |
| >= 30% | 0 | 0.0% | £ 0.00 | 0.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| | | | | |
|------------------|-------|--|--|--|
| Minimum Value | 5.64 | | | |
| Maximum Value | 26.10 | | | |
| Weighted Average | 16.35 | | | |

| Year of Origination | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|----------------------------|------------------------------|-------------------|--------------------------------------|-------------------|
| 2017 | 653 | 1.4% | £ 1,299,731.85 | 0.4% |
| 2018 | 5,867 | 12.3% | £ 18,879,102.88 | 6.4% |
| 2019 | 9,936 | 20.8% | £ 46,597,273.15 | 15.9% |
| 2020 | 15,659 | 32.8% | £ 100,691,920.41 | 34.4% |
| 2021 | 15,691 | 32.8% | £ 125,407,441.56 | 42.8% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| Customer Initial Downpayment | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|-------------------------------------|------------------------------|-------------------|--------------------------------------|-------------------|
| 0 to < 5% | 25,691 | 53.7% | £ 158,241,735.52 | 54.0% |
| 5 to < 10% | 7,174 | 15.0% | £ 46,143,394.68 | 15.8% |
| 10 to < 20% | 8,336 | 17.4% | £ 51,793,079.72 | 17.7% |
| 20 to < 30% | 3,501 | 7.3% | £ 20,665,332.21 | 7.1% |
| 30 to < 40% | 1,626 | 3.4% | £ 9,254,820.26 | 3.2% |
| 40 to < 50% | 827 | 1.7% | £ 4,164,302.89 | 1.4% |
| 50 to < 60% | 409 | 0.9% | £ 1,725,750.76 | 0.6% |
| 60 to < 70% | 155 | 0.3% | £ 600,578.29 | 0.2% |
| 70 to < 80% | 67 | 0.1% | £ 210,619.28 | 0.1% |
| 80 to < 90% | 17 | 0.0% | £ 58,599.79 | 0.0% |
| >= 90% | 3 | 0.0% | £ 17,256.45 | 0.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| | | | | |
|------------------|-------|--|--|--|
| Minimum Value | 0.00 | | | |
| Maximum Value | 94.64 | | | |
| Weighted Average | 8.21 | | | |

| Original Loan to Value (%) | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|-----------------------------------|------------------------------|-------------------|--------------------------------------|-------------------|
| 10 to < 20% | 3 | 0.0% | £ 6,948.73 | 0.0% |
| 20 to < 30% | 54 | 0.1% | £ 150,655.54 | 0.1% |
| 30 to < 40% | 155 | 0.3% | £ 520,369.88 | 0.2% |
| 40 to < 50% | 384 | 0.8% | £ 1,580,162.60 | 0.5% |
| 50 to < 60% | 907 | 1.9% | £ 4,273,160.91 | 1.5% |
| 60 to < 70% | 1,776 | 3.7% | £ 9,491,507.81 | 3.2% |
| 70 to < 80% | 3,719 | 7.8% | £ 21,456,353.03 | 7.3% |
| 80 to < 90% | 8,086 | 16.9% | £ 48,607,444.46 | 16.6% |
| 90 to < 100% | 14,518 | 30.4% | £ 89,830,587.00 | 30.7% |
| 100 to < 110% | 11,693 | 24.5% | £ 77,320,872.87 | 26.4% |
| 110 to < 120% | 6,184 | 12.9% | £ 38,035,928.68 | 13.0% |
| 120 to < 130% | 312 | 0.7% | £ 1,552,432.80 | 0.5% |
| 130 to < 140% | 15 | 0.0% | £ 49,045.54 | 0.0% |
| 140 to < 150% | 0 | 0.0% | £ 0.00 | 0.0% |
| >= 150% | 0 | 0.0% | £ 0.00 | 0.0% |

| | | | | |
|------------------|---------------|---------------|-------------------------|---------------|
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |
| Minimum Value | 15.00 | | | |
| Maximum Value | 130.00 | | | |
| Weighted Average | 94.24 | | | |

| Car Makers | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|-------------------|------------------------------|-------------------|--------------------------------------|-------------------|
| Vauxhall | 8,397 | 17.6% | £ 41,981,594.88 | 14.3% |
| Ford | 7,354 | 15.4% | £ 41,671,854.95 | 14.2% |
| BMW | 3,207 | 6.7% | £ 25,895,501.89 | 8.8% |
| Audi | 2,806 | 5.9% | £ 22,324,970.26 | 7.6% |
| Mercedes-Benz | 2,265 | 4.7% | £ 21,087,581.34 | 7.2% |
| Nissan | 3,318 | 6.9% | £ 20,955,098.35 | 7.2% |
| Volkswagen | 2,619 | 5.5% | £ 16,424,656.81 | 5.6% |
| Renault | 2,047 | 4.3% | £ 11,336,337.20 | 3.9% |
| Other | 15,793 | 33.0% | £ 91,197,874.17 | 31.1% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| Car Valuation at Contract Origination | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|--|------------------------------|-------------------|--------------------------------------|-------------------|
| £ 0 to < £ 5,000 | 6,349 | 13.3% | £ 16,066,219.86 | 5.5% |
| £ 5,000 to < £ 10,000 | 26,184 | 54.8% | £ 135,356,866.16 | 46.2% |
| £ 10,000 to < £ 15,000 | 11,514 | 24.1% | £ 95,608,277.77 | 32.6% |
| £ 15,000 to < £ 20,000 | 2,792 | 5.8% | £ 32,007,521.29 | 10.9% |
| £ 20,000 to < £ 30,000 | 893 | 1.9% | £ 12,623,432.11 | 4.3% |
| £ 30,000 to < £ 40,000 | 66 | 0.1% | £ 1,108,773.06 | 0.4% |
| £ 40,000 to < £ 50,000 | 6 | 0.0% | £ 88,784.98 | 0.0% |
| >= £50,000 | 2 | 0.0% | £ 15,594.62 | 0.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| Regional Concentration | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|-------------------------------|------------------------------|-------------------|--------------------------------------|-------------------|
| East Midlands | 3,842 | 8.0% | £ 22,727,542.99 | 7.8% |
| East of England | 3,337 | 7.0% | £ 19,342,505.36 | 6.6% |
| London | 4,029 | 8.4% | £ 27,987,701.35 | 9.6% |
| North East | 2,075 | 4.3% | £ 12,456,371.46 | 4.3% |
| North West | 6,180 | 12.9% | £ 38,289,163.08 | 13.1% |
| Scotland | 9,564 | 20.0% | £ 60,786,558.05 | 20.8% |
| South East | 4,552 | 9.5% | £ 26,796,586.78 | 9.1% |
| South West | 2,494 | 5.2% | £ 13,742,051.47 | 4.7% |
| Wales | 2,490 | 5.2% | £ 14,364,523.43 | 4.9% |
| West Midlands | 4,973 | 10.4% | £ 30,599,768.51 | 10.4% |
| Yorkshire and the Humber | 4,264 | 8.9% | £ 25,733,731.72 | 8.8% |
| Unknown | 6 | 0.0% | £ 48,965.65 | 0.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| C ustomer's Employment Status | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|--------------------------------------|------------------------------|-------------------|--------------------------------------|-------------------|
| Employed | 40,002 | 83.7% | £ 248,502,767.05 | 84.8% |
| Unemployed | 2,860 | 6.0% | £ 12,827,168.35 | 4.4% |
| Self-employed | 3,838 | 8.0% | £ 25,959,808.58 | 8.9% |
| Pensioner | 1,106 | 2.3% | £ 5,585,725.87 | 1.9% |
| Other (including Commercials) | 0 | 0.0% | £ 0.00 | 0.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| P ayment Method | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|------------------------|------------------------------|-------------------|--------------------------------------|-------------------|
| Direct Debit | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |
| Cheque | 0 | 0.0% | £ 0.00 | 0.0% |
| Cash | 0 | 0.0% | £ 0.00 | 0.0% |
| Other | 0 | 0.0% | £ 0.00 | 0.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| V ehicle Engine Type | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|-----------------------------|------------------------------|-------------------|--------------------------------------|-------------------|
| Diesel | 23,767 | 49.7% | £ 159,138,875.24 | 54.3% |
| Petrol | 23,392 | 48.9% | £ 127,629,511.46 | 43.6% |
| Hybrid | 320 | 0.7% | £ 3,048,650.49 | 1.0% |
| Unknown | 327 | 0.7% | £ 3,058,432.66 | 1.0% |
| Total: | 47,806 | 100.0% | £ 292,875,469.85 | 100.0% |

| C O2 Emission (g/km) | Number of Receivables | % of Total | Principal Outstanding Balance | % of Total |
|-----------------------------|------------------------------|-------------------|--------------------------------------|-------------------|
| 0 to <50 | 404 | 0.8% | £ 3,709,074.18 | 1.3% |
| 50 to <75 | 8 | 0.0% | £ 97,613.52 | 0.0% |
| 75 to <100 | 7,854 | 16.4% | £ 44,167,544.82 | 15.1% |
| 100 to <110 | 8,527 | 17.8% | £ 53,619,537.07 | 18.3% |
| 110 to <120 | 8,762 | 18.3% | £ 55,880,142.47 | 19.1% |
| 120 to <130 | 7,993 | 16.7% | £ 46,034,681.68 | 15.7% |
| 130 to <140 | 5,639 | 11.8% | £ 33,811,376.52 | 11.5% |
| 140 to <150 | 3,360 | 7.0% | £ 20,949,603.59 | 7.2% |
| 150 to <160 | 2,394 | 5.0% | £ 14,936,016.12 | 5.1% |
| 160 to <175 | 1,338 | 2.8% | £ 9,064,752.39 | 3.1% |
| 175 to <200 | 775 | 1.6% | £ 5,296,687.69 | 1.8% |
| >= 200 | 435 | 0.9% | £ 3,355,667.75 | 1.1% |
| Unknown | 317 | 0.7% | £ 1,952,772.05 | 0.7% |
| Total: | 47,806 | 100.0% | 292,875,469.85 | 100.0% |

Environmental performance

To the extent the administrative records of the Seller contain any information related to the environmental performance of the Purchased Receivables then such information shall be made available in accordance with Article 22(4) of the UK Securitisation Regulation.

Other characteristics of the Receivables

The Receivables are homogeneous for purposes of Article 20(8) of the UK Securitisation Regulation, on the basis that all Receivables in the Portfolio: (i) have been underwritten by the Seller in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential borrower's credit risk; (ii) are entered into on the terms of substantially similar standard documentation for motor vehicle receivables; (iii) are serviced by the Servicer pursuant to the Servicing Agreement in accordance with the same servicing procedures with respect to monitoring, collections and administration of the Receivables; and (iv) are granted to individuals.

The Receivables, as at the Closing Date, do not include: (i) any transferable securities for purposes of Article 20(8) of the UK Securitisation Regulation; (ii) any securitisation positions for purposes of Article 20(9) of the UK Securitisation Regulation; or (iii) any derivatives for purposes of Article 21(2) of the UK Securitisation Regulation, in each case on the basis that the Receivables have been entered into on the terms of substantially similar standard documentation for motor vehicle receivables.

The Receivables do not include, at the time of selection for inclusion in the Portfolio, any exposures to credit impaired debtors or guarantors or exposures in default within the meaning of Article 178(1) of the UK CRR, in each case for the purposes of Article 20(11) of the UK Securitisation Regulation.

The Receivables have been transferred after selection for inclusion in the portfolio without undue delay for purposes of Article 20(11) of the UK Securitisation Regulation.

For the purposes of Article 243 of the CRR:

- (a) at the time of inclusion in the Transaction, the aggregate "Current Value" of all Receivables to a single Customer in the Portfolio does not exceed 2 per cent. of the aggregate Principal Outstanding Balance of the Portfolio as at the Cut-Off Date;
- (b) at the time of inclusion in the Transaction, under the "Standardised Approach" and taking into account any eligible credit risk mitigation, each Receivable has a standardised risk weight equal to or smaller than 75 per cent. on an exposure value-weighted average basis for the Portfolio as determined in accordance with the rules of the UK CRR.

HISTORICAL PERFORMANCE DATA

The historical performance data set out hereafter relate to the portfolio of Receivables granted by the Seller to Customers, relating to used or new vehicles.

No regard has been given as to whether or not this portfolio of Receivables would have satisfied the Receivables Warranties applicable to the Purchased Receivables at any time.

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. Data as of the Provisional Cut-Off Date.

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 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:

- (a) the cumulative defaulted amount (Defaulted Receivables only or VT Receivables only, as applicable) recorded between the beginning of the quarter when such Receivables were originated and the end of the relevant month of that quarter, to
- (b) the initial outstanding amount of such Receivables.

Recovery Rates

The cumulative recovery rate in respect of a month for a generation of Defaulted Receivables (being all loans defaulted during the same quarter), is calculated as the ratio of:

- (a) the cumulative recovered amounts recorded between the beginning of the quarter when such Receivables were defaulted and the end of the relevant month of that quarter, to
- (b) the gross defaulted amount of such Receivables.

Prepayment Rates

For a given month, the annualised prepayment rate (APPR) is calculated from the monthly prepayment rate (MPPR) according to the following formula: $APPR = 1 - (1 - MPPR)^{12}$.

The monthly prepayment rate (MPPR) is calculated as the ratio of:

- (a) the principal amounts prepaid during the month, to
- (b) the outstanding principal balance of all Receivables (Defaulted Receivables and VT Receivables excluded) at the end of the previous month.

Delinquency Rates

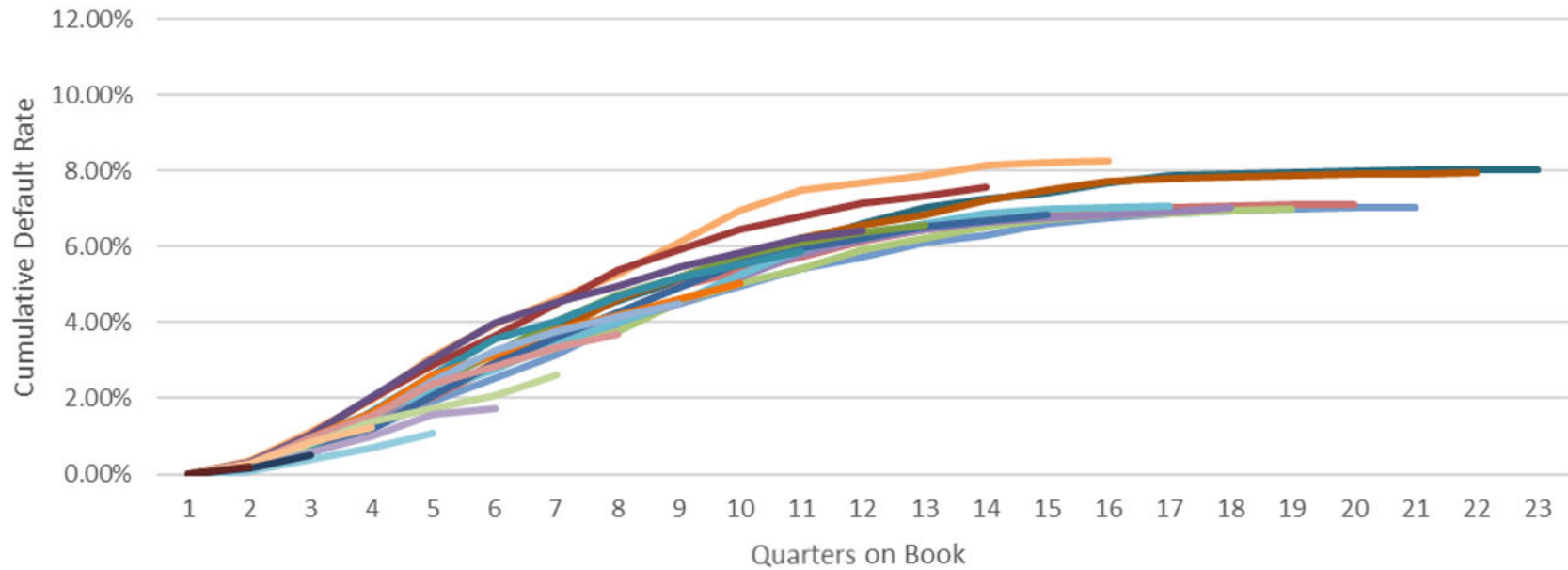
For a given month and a given delinquency bucket (e.g. 1 instalment delinquent), the delinquency rate is calculated as the ratio of:

- (a) the outstanding principal balance of all delinquent receivables (in the same delinquency bucket) at the end of the month the month, to
- (b) the outstanding principal balance of all Receivables (Defaulted Receivables and VT Receivables excluded) at the end of the month.

(1) **Static cumulative default rates by quarter (after quarters of origination) – Defaulted Receivables only**

| Quarter of Origination | Financed Amount | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Q9 | Q10 | Q11 | Q12 | Q13 | Q14 | Q15 | Q16 | Q17 | Q18 | Q19 | Q20 | Q21 | Q22 | Q23 |
|------------------------|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2016 Q1 | £ 27,208,104.16 | 0.00% | 0.23% | 0.80% | 1.37% | 2.41% | 3.19% | 3.98% | 4.56% | 5.11% | 5.49% | 6.10% | 6.62% | 7.03% | 7.27% | 7.43% | 7.68% | 7.87% | 7.91% | 7.97% | 8.00% | 8.02% | 8.03% | 8.03% |
| 2016 Q2 | £ 30,888,037.69 | 0.00% | 0.14% | 0.67% | 1.40% | 2.07% | 2.95% | 3.77% | 4.60% | 5.20% | 5.73% | 6.25% | 6.56% | 6.85% | 7.23% | 7.51% | 7.71% | 7.81% | 7.84% | 7.90% | 7.92% | 7.92% | 7.94% | |
| 2016 Q3 | £ 30,733,244.36 | 0.00% | 0.07% | 0.59% | 1.19% | 1.93% | 2.53% | 3.14% | 3.97% | 4.48% | 4.96% | 5.43% | 5.72% | 6.10% | 6.31% | 6.62% | 6.76% | 6.87% | 6.95% | 6.99% | 7.02% | 7.05% | | |
| 2016 Q4 | £ 28,553,208.60 | 0.00% | 0.12% | 0.57% | 1.34% | 2.06% | 2.85% | 3.59% | 4.24% | 4.96% | 5.36% | 5.73% | 6.15% | 6.46% | 6.62% | 6.87% | 6.96% | 7.03% | 7.08% | 7.10% | 7.11% | | | |
| 2017 Q1 | £ 37,127,915.17 | 0.00% | 0.19% | 0.69% | 1.66% | 2.32% | 2.85% | 3.34% | 3.78% | 4.53% | 5.05% | 5.43% | 5.92% | 6.23% | 6.55% | 6.72% | 6.83% | 6.89% | 6.95% | 6.98% | | | | |
| 2017 Q2 | £ 36,309,737.05 | 0.00% | 0.15% | 0.54% | 1.30% | 2.21% | 2.89% | 3.63% | 4.02% | 4.51% | 5.18% | 5.81% | 6.18% | 6.47% | 6.67% | 6.77% | 6.85% | 6.93% | 7.02% | | | | | |
| 2017 Q3 | £ 35,522,777.99 | 0.02% | 0.21% | 1.04% | 1.63% | 2.19% | 2.78% | 3.45% | 3.98% | 4.54% | 5.26% | 5.90% | 6.31% | 6.60% | 6.87% | 7.00% | 7.04% | 7.08% | | | | | | |
| 2017 Q4 | £ 29,693,348.16 | 0.00% | 0.33% | 1.11% | 1.96% | 3.11% | 3.96% | 4.62% | 5.28% | 6.11% | 6.96% | 7.48% | 7.69% | 7.89% | 8.13% | 8.23% | 8.28% | | | | | | | |
| 2018 Q1 | £ 36,511,079.66 | 0.00% | 0.12% | 0.72% | 1.20% | 2.09% | 2.93% | 3.60% | 4.25% | 4.93% | 5.59% | 5.95% | 6.24% | 6.55% | 6.67% | 6.83% | | | | | | | | |
| 2018 Q2 | £ 42,358,728.98 | 0.00% | 0.22% | 1.06% | 2.02% | 2.89% | 3.65% | 4.50% | 5.37% | 5.94% | 6.44% | 6.82% | 7.15% | 7.32% | 7.59% | | | | | | | | | |
| 2018 Q3 | £ 42,210,340.69 | 0.00% | 0.17% | 0.76% | 1.51% | 2.42% | 3.20% | 4.04% | 4.73% | 5.18% | 5.76% | 6.11% | 6.38% | 6.58% | | | | | | | | | | |
| 2018 Q4 | £ 33,059,147.96 | 0.00% | 0.30% | 1.05% | 2.02% | 3.04% | 3.99% | 4.53% | 4.95% | 5.46% | 5.85% | 6.23% | 6.41% | | | | | | | | | | | |
| 2019 Q1 | £ 41,206,583.38 | 0.00% | 0.18% | 0.71% | 1.65% | 2.62% | 3.56% | 4.05% | 4.68% | 5.18% | 5.52% | 5.87% | | | | | | | | | | | | |
| 2019 Q2 | £ 42,327,730.68 | 0.00% | 0.15% | 0.94% | 1.63% | 2.62% | 3.13% | 3.80% | 4.19% | 4.60% | 5.04% | | | | | | | | | | | | | |
| 2019 Q3 | £ 40,864,559.08 | 0.00% | 0.11% | 0.83% | 1.50% | 2.45% | 3.28% | 3.78% | 4.16% | 4.50% | | | | | | | | | | | | | | |
| 2019 Q4 | £ 34,540,705.15 | 0.00% | 0.29% | 0.94% | 1.54% | 2.37% | 2.84% | 3.34% | 3.68% | | | | | | | | | | | | | | | |
| 2020 Q1 | £ 41,716,156.52 | 0.00% | 0.13% | 0.81% | 1.37% | 1.75% | 2.09% | 2.61% | | | | | | | | | | | | | | | | |
| 2020 Q2 | £ 40,483,038.79 | 0.00% | 0.10% | 0.56% | 1.00% | 1.58% | 1.73% | | | | | | | | | | | | | | | | | |
| 2020 Q3 | £ 58,164,718.13 | 0.00% | 0.07% | 0.39% | 0.69% | 1.09% | | | | | | | | | | | | | | | | | | |
| 2020 Q4 | £ 44,550,249.88 | 0.01% | 0.26% | 0.86% | 1.23% | | | | | | | | | | | | | | | | | | | |
| 2021 Q1 | £ 60,624,989.44 | 0.01% | 0.17% | 0.50% | | | | | | | | | | | | | | | | | | | | |
| 2021 Q2 | £ 60,656,236.05 | 0.02% | 0.20% | | | | | | | | | | | | | | | | | | | | | |
| 2021 Q3 | £ 58,158,201.09 | 0.00% | | | | | | | | | | | | | | | | | | | | | | |

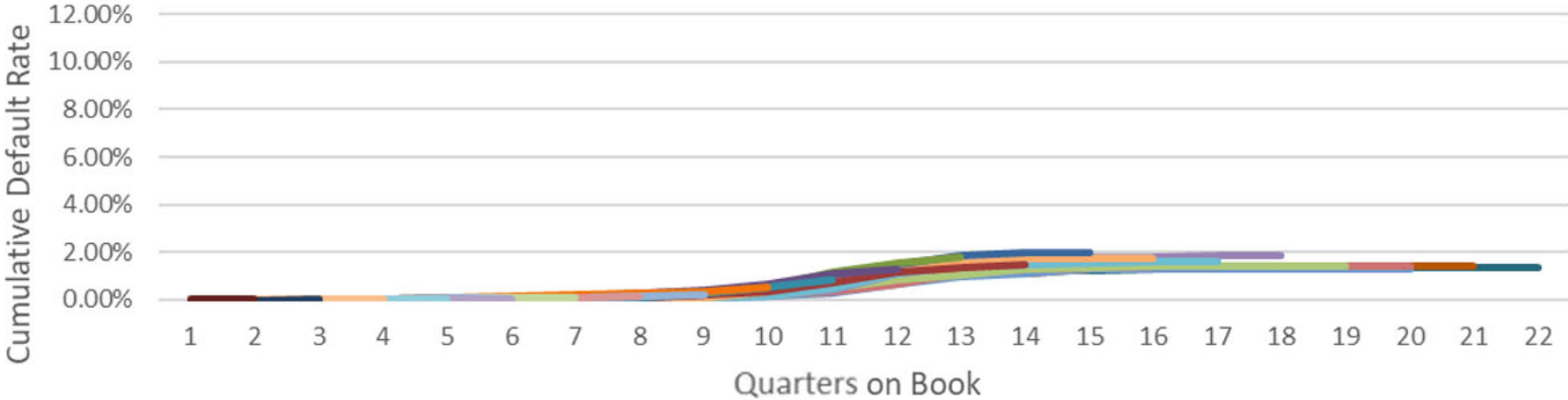
Static default rate - defaults only



(2) Static cumulative default rates by quarter (after quarters of origination) – VT Receivables only

| Quarter of Origination | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Q9 | Q10 | Q11 | Q12 | Q13 | Q14 | Q15 | Q16 | Q17 | Q18 | Q19 | Q20 | Q21 | Q22 | Q23 | |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2016 Q1 | 0.00% | 0.00% | 0.00% | 0.01% | 0.06% | 0.06% | 0.07% | 0.08% | 0.14% | 0.22% | 0.32% | 0.75% | 1.03% | 1.20% | 1.25% | 1.29% | 1.35% | 1.35% | 1.35% | 1.35% | 1.35% | 1.35% | 1.35% | 1.35% |
| 2016 Q2 | 0.00% | 0.00% | 0.00% | 0.02% | 0.02% | 0.02% | 0.03% | 0.08% | 0.15% | 0.23% | 0.52% | 0.90% | 1.07% | 1.12% | 1.26% | 1.35% | 1.41% | 1.41% | 1.42% | 1.42% | 1.42% | 1.42% | 1.42% | 1.42% |
| 2016 Q3 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% | 0.02% | 0.04% | 0.08% | 0.17% | 0.28% | 0.66% | 0.95% | 1.13% | 1.26% | 1.30% | 1.31% | 1.31% | 1.31% | 1.31% | 1.31% | 1.31% | 1.31% | 1.31% |
| 2016 Q4 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% | 0.03% | 0.05% | 0.08% | 0.21% | 0.33% | 0.67% | 1.08% | 1.29% | 1.37% | 1.42% | 1.42% | 1.42% | 1.42% | 1.42% | 1.42% | 1.42% | 1.42% | 1.42% |
| 2017 Q1 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.02% | 0.05% | 0.11% | 0.22% | 0.48% | 0.83% | 1.04% | 1.27% | 1.37% | 1.42% | 1.42% | 1.43% | 1.43% | | | | | |
| 2017 Q2 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% | 0.02% | 0.08% | 0.21% | 0.40% | 1.10% | 1.44% | 1.65% | 1.80% | 1.82% | 1.85% | 1.85% | | | | | | |
| 2017 Q3 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.02% | 0.03% | 0.11% | 0.14% | 0.46% | 1.10% | 1.39% | 1.48% | 1.56% | 1.59% | 1.59% | | | | | | | |
| 2017 Q4 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% | 0.04% | 0.08% | 0.11% | 0.34% | 0.87% | 1.34% | 1.52% | 1.70% | 1.73% | 1.75% | | | | | | | | |
| 2018 Q1 | 0.00% | 0.00% | 0.00% | 0.00% | 0.03% | 0.05% | 0.06% | 0.09% | 0.24% | 0.51% | 1.06% | 1.49% | 1.89% | 1.96% | 2.02% | | | | | | | | | |
| 2018 Q2 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.06% | 0.21% | 0.34% | 0.72% | 1.14% | 1.35% | 1.46% | | | | | | | | | | |
| 2018 Q3 | 0.00% | 0.00% | 0.00% | 0.01% | 0.01% | 0.01% | 0.02% | 0.14% | 0.30% | 0.51% | 1.13% | 1.57% | 1.78% | | | | | | | | | | | |
| 2018 Q4 | 0.00% | 0.00% | 0.05% | 0.05% | 0.05% | 0.08% | 0.13% | 0.25% | 0.41% | 0.68% | 1.08% | 1.29% | | | | | | | | | | | | |
| 2019 Q1 | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% | 0.03% | 0.06% | 0.10% | 0.29% | 0.54% | 0.82% | | | | | | | | | | | | | |
| 2019 Q2 | 0.00% | 0.00% | 0.00% | 0.04% | 0.08% | 0.15% | 0.20% | 0.26% | 0.37% | 0.55% | | | | | | | | | | | | | | |
| 2019 Q3 | 0.00% | 0.00% | 0.00% | 0.00% | 0.06% | 0.08% | 0.11% | 0.14% | 0.22% | | | | | | | | | | | | | | | |
| 2019 Q4 | 0.00% | 0.00% | 0.00% | 0.00% | 0.03% | 0.03% | 0.09% | 0.17% | | | | | | | | | | | | | | | | |
| 2020 Q1 | 0.00% | 0.00% | 0.00% | 0.01% | 0.03% | 0.06% | 0.08% | | | | | | | | | | | | | | | | | |
| 2020 Q2 | 0.00% | 0.00% | 0.01% | 0.03% | 0.03% | 0.04% | | | | | | | | | | | | | | | | | | |
| 2020 Q3 | 0.00% | 0.00% | 0.01% | 0.01% | 0.02% | | | | | | | | | | | | | | | | | | | |
| 2020 Q4 | 0.00% | 0.00% | 0.00% | 0.00% | | | | | | | | | | | | | | | | | | | | |
| 2021 Q1 | 0.00% | 0.00% | 0.02% | | | | | | | | | | | | | | | | | | | | | |
| 2021 Q2 | 0.00% | 0.00% | | | | | | | | | | | | | | | | | | | | | | |
| 2021 Q3 | 0.00% | | | | | | | | | | | | | | | | | | | | | | | |

Static VT Rates

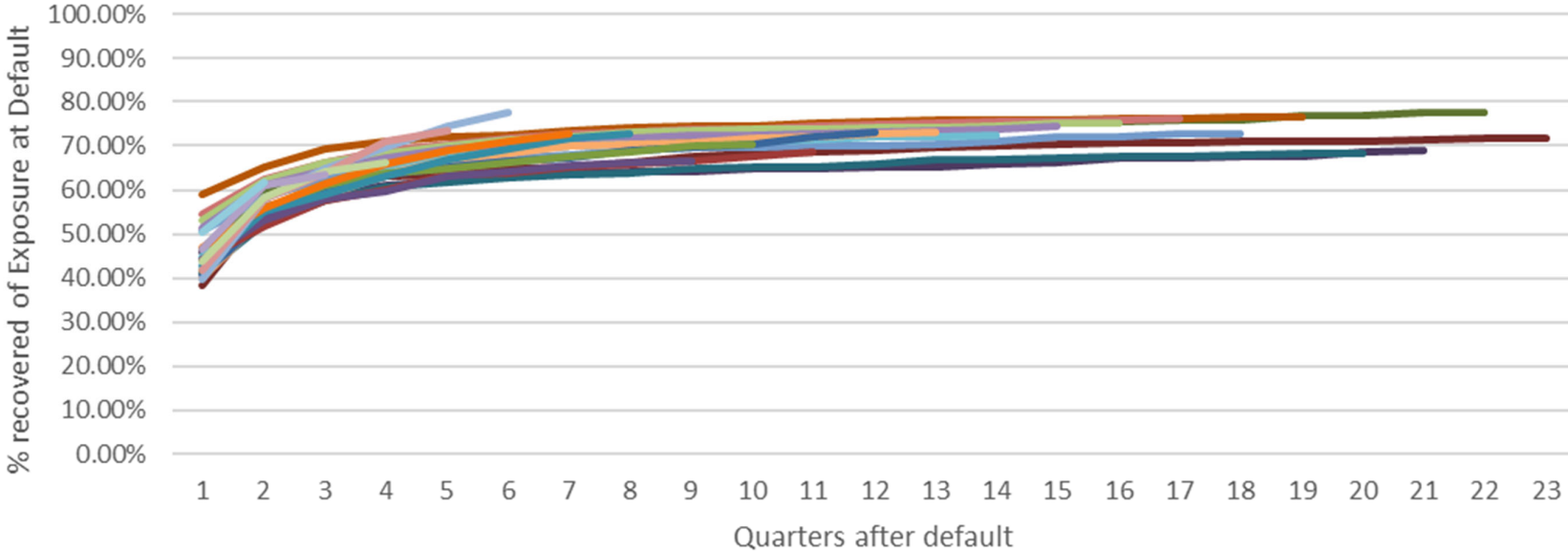


- 2016Q1 2016Q2 2016Q3 2016Q4 2017Q1 2017Q2 2017Q3 2017Q4
- 2018Q1 2018Q2 2018Q3 2018Q4 2019Q1 2019Q2 2019Q3 2019Q4
- 2020Q1 2020Q2 2020Q3 2020Q4 2021Q1 2021Q2 2021Q3

(3) Recoveries from defaults (as a percentage of defaults that occurred in a defined quarter) – Defaulted Receivables only

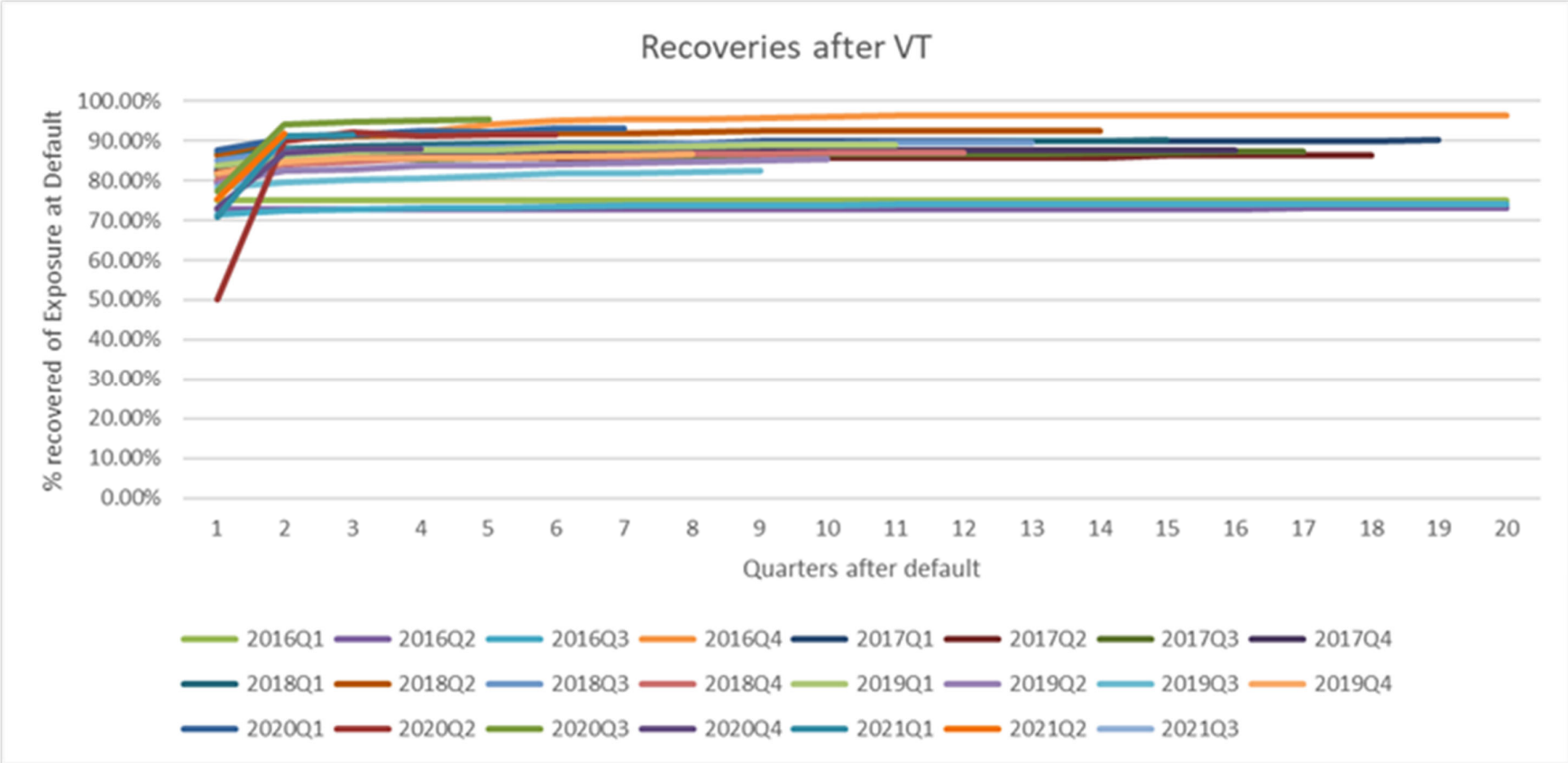
| Quarter of Origination | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Q9 | Q10 | Q11 | Q12 | Q13 | Q14 | Q15 | Q16 | Q17 | Q18 | Q19 | Q20 | Q21 | Q22 | Q23 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2016 Q1 | 38.45% | 55.96% | 59.30% | 62.96% | 63.58% | 64.71% | 65.27% | 66.08% | 67.43% | 68.16% | 68.55% | 68.92% | 69.63% | 69.97% | 70.32% | 70.52% | 70.66% | 70.86% | 70.99% | 71.14% | 71.30% | 71.65% | 71.88% |
| 2016 Q2 | 46.45% | 59.46% | 63.90% | 65.70% | 67.29% | 69.38% | 69.90% | 70.75% | 71.32% | 72.10% | 73.62% | 74.25% | 74.55% | 74.86% | 75.34% | 75.39% | 75.78% | 75.91% | 76.78% | 76.89% | 77.40% | 77.51% | |
| 2016 Q3 | 45.82% | 56.37% | 58.78% | 60.97% | 62.13% | 63.43% | 63.76% | 64.03% | 64.29% | 64.72% | 64.96% | 65.11% | 65.30% | 65.98% | 66.08% | 67.31% | 67.38% | 67.48% | 67.75% | 68.59% | 68.89% | | |
| 2016 Q4 | 41.06% | 52.40% | 57.71% | 60.75% | 61.76% | 62.92% | 63.38% | 63.75% | 64.73% | 65.13% | 65.27% | 65.91% | 66.87% | 67.07% | 67.32% | 67.44% | 67.74% | 67.86% | 68.10% | 68.27% | | | |
| 2017 Q1 | 58.82% | 65.11% | 69.40% | 70.98% | 71.97% | 72.36% | 73.30% | 74.15% | 74.53% | 74.56% | 75.29% | 75.52% | 75.80% | 75.89% | 76.01% | 76.19% | 76.32% | 76.55% | 76.66% | | | | |
| 2017 Q2 | 50.68% | 58.38% | 62.74% | 64.93% | 66.67% | 67.23% | 68.05% | 69.01% | 69.48% | 69.81% | 70.02% | 70.15% | 70.42% | 71.01% | 71.93% | 72.18% | 72.74% | 72.85% | | | | | |
| 2017 Q3 | 54.47% | 62.44% | 66.24% | 68.89% | 70.42% | 71.61% | 72.58% | 73.06% | 73.67% | 73.83% | 74.48% | 74.88% | 75.26% | 75.42% | 75.56% | 75.91% | 76.05% | | | | | | |
| 2017 Q4 | 53.01% | 61.99% | 66.16% | 68.34% | 69.98% | 71.49% | 72.13% | 73.12% | 73.45% | 73.70% | 73.82% | 73.95% | 74.24% | 74.39% | 74.98% | 75.28% | | | | | | | |
| 2018 Q1 | 51.29% | 60.92% | 64.35% | 67.26% | 69.47% | 70.36% | 71.23% | 71.83% | 72.29% | 72.43% | 72.69% | 72.95% | 73.30% | 73.79% | 74.57% | | | | | | | | |
| 2018 Q2 | 44.81% | 55.91% | 60.46% | 64.95% | 67.09% | 68.91% | 70.05% | 70.29% | 70.50% | 71.18% | 71.36% | 71.92% | 72.13% | 72.40% | | | | | | | | | |
| 2018 Q3 | 39.94% | 53.84% | 58.59% | 63.35% | 66.87% | 68.33% | 69.83% | 70.38% | 70.84% | 71.72% | 71.94% | 72.83% | 73.00% | | | | | | | | | | |
| 2018 Q4 | 40.92% | 53.64% | 60.73% | 63.34% | 65.10% | 66.50% | 67.17% | 68.85% | 69.66% | 70.18% | 71.98% | 72.98% | | | | | | | | | | | |
| 2019 Q1 | 44.06% | 51.77% | 57.69% | 60.17% | 63.35% | 63.96% | 65.18% | 65.82% | 66.57% | 67.66% | 68.58% | | | | | | | | | | | | |
| 2019 Q2 | 41.76% | 55.61% | 61.13% | 63.97% | 64.85% | 66.15% | 67.52% | 68.67% | 69.87% | 70.40% | | | | | | | | | | | | | |
| 2019 Q3 | 44.05% | 53.16% | 58.08% | 59.68% | 63.06% | 64.26% | 65.52% | 66.32% | 66.68% | | | | | | | | | | | | | | |
| 2019 Q4 | 42.76% | 55.05% | 58.97% | 62.98% | 66.82% | 69.21% | 71.54% | 72.72% | | | | | | | | | | | | | | | |
| 2020 Q1 | 46.96% | 55.74% | 61.33% | 65.74% | 69.11% | 71.17% | 72.60% | | | | | | | | | | | | | | | | |
| 2020 Q2 | 39.67% | 57.82% | 64.86% | 69.62% | 74.39% | 77.52% | | | | | | | | | | | | | | | | | |
| 2020 Q3 | 41.62% | 57.98% | 63.92% | 71.01% | 73.40% | | | | | | | | | | | | | | | | | | |
| 2020 Q4 | 43.69% | 58.35% | 64.06% | 66.12% | | | | | | | | | | | | | | | | | | | |
| 2021 Q1 | 46.44% | 61.12% | 63.57% | | | | | | | | | | | | | | | | | | | | |
| 2021 Q2 | 50.27% | 61.65% | | | | | | | | | | | | | | | | | | | | | |
| 2021 Q3 | 24.80% | | | | | | | | | | | | | | | | | | | | | | |

Recoveries after default



(4) Recoveries from defaults (as a percentage of defaults that occurred in a defined quarter) – VT Receivables only

| Quarter of Origination | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Q9 | Q10 | Q11 | Q12 | Q13 | Q14 | Q15 | Q16 | Q17 | Q18 | Q19 | Q20 | Q21 | Q22 | Q23 | |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2016 Q1 | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | 74.95% | |
| 2016 Q2 | 72.72% | 72.72% | 72.72% | 72.72% | 72.72% | 72.72% | 72.72% | 72.72% | 72.72% | 72.72% | 72.72% | 72.72% | 72.72% | 72.72% | 72.72% | 72.72% | 73.17% | 73.17% | 73.17% | 73.17% | 73.17% | 73.17% | 73.17% | |
| 2016 Q3 | 71.31% | 72.36% | 72.88% | 73.02% | 73.22% | 73.38% | 73.59% | 73.74% | 73.79% | 73.85% | 73.90% | 73.95% | 74.01% | 74.03% | 74.03% | 74.03% | 74.03% | 74.03% | 74.03% | 74.03% | 74.03% | 74.03% | 74.03% | 74.03% |
| 2016 Q4 | 82.20% | 90.46% | 91.07% | 92.06% | 94.03% | 95.13% | 95.26% | 95.51% | 95.85% | 96.02% | 96.22% | 96.24% | 96.26% | 96.26% | 96.26% | 96.26% | 96.26% | 96.26% | 96.26% | 96.26% | 96.26% | 96.26% | 96.26% | 96.26% |
| 2017 Q1 | 82.71% | 86.94% | 87.52% | 87.90% | 88.15% | 88.39% | 88.95% | 89.20% | 89.79% | 89.92% | 89.99% | 90.01% | 90.01% | 90.01% | 90.01% | 90.01% | 90.01% | 90.03% | 90.18% | | | | | |
| 2017 Q2 | 82.26% | 85.44% | 85.53% | 85.59% | 85.61% | 85.63% | 85.66% | 85.68% | 85.70% | 85.72% | 85.76% | 85.78% | 85.79% | 85.81% | 86.20% | 86.22% | 86.24% | 86.26% | | | | | | |
| 2017 Q3 | 81.63% | 84.64% | 85.27% | 85.45% | 85.63% | 86.10% | 86.49% | 85.23% | 86.69% | 86.73% | 86.74% | 86.79% | 86.80% | 86.99% | 87.00% | 87.19% | 87.27% | | | | | | | |
| 2017 Q4 | 79.42% | 86.65% | 86.90% | 87.12% | 87.25% | 87.33% | 87.40% | 87.47% | 87.49% | 87.70% | 87.71% | 87.72% | 87.73% | 87.74% | 87.74% | 87.76% | | | | | | | | |
| 2018 Q1 | 86.68% | 87.91% | 88.72% | 88.99% | 89.14% | 89.22% | 89.32% | 89.37% | 89.37% | 89.39% | 89.54% | 89.70% | 89.80% | 89.94% | 90.25% | | | | | | | | | |
| 2018 Q2 | 86.43% | 90.66% | 91.21% | 91.45% | 91.76% | 91.91% | 91.98% | 92.00% | 92.37% | 92.39% | 92.42% | 92.46% | 92.60% | 92.63% | | | | | | | | | | |
| 2018 Q3 | 84.93% | 87.37% | 87.79% | 87.90% | 88.42% | 88.59% | 88.65% | 89.16% | 89.30% | 89.33% | 89.42% | 89.53% | 89.62% | | | | | | | | | | | |
| 2018 Q4 | 80.11% | 84.16% | 84.61% | 85.56% | 85.83% | 85.86% | 86.01% | 86.69% | 86.75% | 86.83% | 86.91% | 86.95% | | | | | | | | | | | | |
| 2019 Q1 | 83.84% | 85.72% | 87.21% | 87.55% | 87.64% | 88.30% | 88.32% | 88.56% | 88.79% | 88.81% | 88.92% | | | | | | | | | | | | | |
| 2019 Q2 | 79.17% | 82.31% | 82.71% | 83.63% | 83.89% | 84.12% | 84.38% | 84.70% | 85.09% | 85.21% | | | | | | | | | | | | | | |
| 2019 Q3 | 78.22% | 79.64% | 80.31% | 80.59% | 81.13% | 81.67% | 81.70% | 82.19% | 82.37% | | | | | | | | | | | | | | | |
| 2019 Q4 | 81.72% | 84.61% | 85.57% | 85.66% | 85.86% | 86.12% | 86.49% | 86.64% | | | | | | | | | | | | | | | | |
| 2020 Q1 | 87.59% | 90.42% | 91.42% | 92.36% | 92.32% | 92.98% | 93.02% | | | | | | | | | | | | | | | | | |
| 2020 Q2 | 50.14% | 89.93% | 92.05% | 91.23% | 91.41% | 91.50% | | | | | | | | | | | | | | | | | | |
| 2020 Q3 | 77.28% | 94.22% | 94.82% | 95.06% | 95.25% | | | | | | | | | | | | | | | | | | | |
| 2020 Q4 | 73.05% | 87.09% | 87.81% | 88.12% | | | | | | | | | | | | | | | | | | | | |
| 2021 Q1 | 70.79% | 91.26% | 91.64% | | | | | | | | | | | | | | | | | | | | | |
| 2021 Q2 | 75.19% | 91.91% | | | | | | | | | | | | | | | | | | | | | | |
| 2021 Q3 | 53.18% | | | | | | | | | | | | | | | | | | | | | | | |



(5) **Delinquencies**

| Date | 0 Arrears | 1 Down | 2 Down | 3 Down | 4+ Down | Principal Outstanding Balance |
|-------------|------------------|---------------|---------------|---------------|----------------|--------------------------------------|
| Jan-16 | £ 98,669,322 | £ 3,934,448 | £ 1,698,187 | £ 571,315 | £ 0 | £ 104,873,271 |
| Feb-16 | £ 104,765,234 | £ 3,693,403 | £ 1,411,356 | £ 684,969 | £ 0 | £ 110,554,962 |
| Mar-16 | £ 111,022,487 | £ 4,125,747 | £ 1,783,488 | £ 523,616 | £ 0 | £ 117,455,337 |
| Apr-16 | £ 116,176,968 | £ 4,788,692 | £ 1,639,302 | £ 717,884 | £ 0 | £ 123,322,846 |
| May-16 | £ 123,959,320 | £ 4,201,119 | £ 1,363,064 | £ 489,241 | £ 0 | £ 130,012,745 |
| Jun-16 | £ 129,836,054 | £ 4,829,279 | £ 1,535,601 | £ 589,785 | £ 0 | £ 136,790,720 |
| Jul-16 | £ 135,578,494 | £ 3,697,964 | £ 2,075,661 | £ 643,387 | £ 0 | £ 141,995,506 |
| Aug-16 | £ 141,074,436 | £ 4,714,733 | £ 1,531,877 | £ 655,195 | £ 0 | £ 147,976,242 |
| Sep-16 | £ 146,722,384 | £ 5,555,868 | £ 1,785,385 | £ 583,551 | £ 0 | £ 154,647,188 |
| Oct-16 | £ 153,988,744 | £ 5,202,897 | £ 1,701,917 | £ 822,391 | £ 0 | £ 161,715,949 |
| Nov-16 | £ 157,457,771 | £ 5,813,750 | £ 1,758,316 | £ 923,377 | £ 0 | £ 165,953,214 |
| Dec-16 | £ 153,945,815 | £ 11,201,855 | £ 2,223,714 | £ 880,360 | £ 3,815 | £ 168,255,560 |
| Jan-17 | £ 165,925,031 | £ 6,466,335 | £ 2,137,541 | £ 898,314 | £ 0 | £ 175,427,222 |
| Feb-17 | £ 171,684,250 | £ 6,235,481 | £ 1,928,464 | £ 970,304 | £ 0 | £ 180,818,499 |
| Mar-17 | £ 178,151,381 | £ 6,616,170 | £ 1,968,983 | £ 752,540 | £ 0 | £ 187,489,075 |
| Apr-17 | £ 183,825,374 | £ 5,190,430 | £ 2,652,830 | £ 978,995 | £ 0 | £ 192,647,628 |
| May-17 | £ 189,590,816 | £ 6,078,418 | £ 2,228,252 | £ 775,446 | £ 0 | £ 198,672,931 |
| Jun-17 | £ 192,646,538 | £ 7,294,606 | £ 2,334,391 | £ 1,451,374 | £ 0 | £ 203,726,910 |
| Jul-17 | £ 198,694,641 | £ 6,969,540 | £ 2,157,475 | £ 854,941 | £ 0 | £ 208,676,597 |
| Aug-17 | £ 202,094,090 | £ 8,032,855 | £ 2,626,858 | £ 854,636 | £ 0 | £ 213,608,439 |
| Sep-17 | £ 206,786,510 | £ 6,902,415 | £ 3,255,955 | £ 1,134,012 | £ 0 | £ 218,078,891 |
| Oct-17 | £ 210,120,433 | £ 7,452,957 | £ 2,464,814 | £ 1,054,069 | £ 0 | £ 221,092,274 |
| Nov-17 | £ 212,869,169 | £ 8,550,557 | £ 2,478,247 | £ 1,068,765 | £ 0 | £ 224,966,739 |
| Dec-17 | £ 211,378,415 | £ 9,419,891 | £ 3,233,806 | £ 1,340,671 | £ 0 | £ 225,372,783 |
| Jan-18 | £ 214,851,863 | £ 9,417,029 | £ 3,419,263 | £ 1,408,324 | £ 0 | £ 229,096,478 |
| Feb-18 | £ 218,054,141 | £ 9,281,783 | £ 3,775,933 | £ 1,331,702 | £ 0 | £ 232,443,560 |
| Mar-18 | £ 223,072,257 | £ 7,763,963 | £ 3,903,437 | £ 1,687,511 | £ 0 | £ 236,427,168 |
| Apr-18 | £ 226,239,934 | £ 8,654,677 | £ 3,029,028 | £ 1,509,728 | £ 1 | £ 239,433,368 |
| May-18 | £ 231,489,460 | £ 9,633,341 | £ 3,202,491 | £ 1,552,765 | £ 0 | £ 245,878,056 |
| Jun-18 | £ 233,977,763 | £ 12,270,718 | £ 3,520,344 | £ 1,514,281 | £ 0 | £ 251,283,106 |
| Jul-18 | £ 242,105,690 | £ 9,594,618 | £ 3,102,607 | £ 1,754,039 | £ 0 | £ 256,556,953 |
| Aug-18 | £ 245,168,649 | £ 10,812,699 | £ 3,600,372 | £ 1,529,373 | £ 0 | £ 261,111,093 |
| Sep-18 | £ 247,255,764 | £ 11,445,456 | £ 4,223,340 | £ 1,949,460 | £ 0 | £ 264,874,020 |
| Oct-18 | £ 250,954,151 | £ 11,092,750 | £ 3,846,727 | £ 1,774,587 | £ 0 | £ 267,668,215 |
| Nov-18 | £ 252,907,920 | £ 11,094,957 | £ 3,801,782 | £ 1,826,136 | £ 0 | £ 269,630,795 |
| Dec-18 | £ 246,522,950 | £ 15,203,186 | £ 4,978,764 | £ 2,375,145 | £ 1 | £ 269,080,047 |
| Jan-19 | £ 251,973,865 | £ 12,778,541 | £ 4,692,638 | £ 2,322,210 | £ 0 | £ 271,767,253 |
| Feb-19 | £ 255,219,069 | £ 12,813,197 | £ 4,825,281 | £ 2,322,197 | £ 0 | £ 275,179,744 |
| Mar-19 | £ 257,508,296 | £ 12,172,039 | £ 5,337,211 | £ 2,537,784 | £ 1 | £ 277,555,331 |
| Apr-19 | £ 260,989,104 | £ 12,643,165 | £ 4,734,085 | £ 2,520,125 | £ 0 | £ 280,886,480 |
| May-19 | £ 265,470,746 | £ 12,411,290 | £ 4,900,250 | £ 2,519,123 | £ 0 | £ 285,301,409 |
| Jun-19 | £ 268,302,090 | £ 10,780,540 | £ 5,624,153 | £ 2,571,926 | £ 0 | £ 287,278,710 |
| Jul-19 | £ 268,466,989 | £ 13,781,700 | £ 5,361,152 | £ 2,324,449 | £ 0 | £ 289,934,290 |
| Aug-19 | £ 271,268,607 | £ 12,326,708 | £ 5,931,911 | £ 2,519,488 | £ 0 | £ 292,046,714 |
| Sep-19 | £ 274,082,938 | £ 13,090,584 | £ 5,338,965 | £ 2,339,876 | £ 0 | £ 294,852,363 |

| Date | 0 Arrears | 1 Down | 2 Down | 3 Down | 4+ Down | Principal Outstanding Balance |
|-------------|------------------|---------------|---------------|---------------|----------------|--------------------------------------|
| Oct-19 | £ 275,013,371 | £ 14,118,839 | £ 5,355,869 | £ 2,481,965 | £ 0 | £ 296,970,045 |
| Nov-19 | £ 289,658,814 | £ 16,517,991 | £ 6,644,379 | £ 3,007,326 | £ 1 | £ 315,828,510 |
| Dec-19 | £ 265,696,960 | £ 19,754,813 | £ 7,820,824 | £ 3,573,250 | £ 1 | £ 296,845,848 |
| Jan-20 | £ 275,349,473 | £ 15,156,594 | £ 5,962,222 | £ 3,234,202 | £ 0 | £ 299,702,490 |
| Feb-20 | £ 280,955,249 | £ 13,095,083 | £ 4,610,026 | £ 2,200,377 | £ 0 | £ 300,860,735 |
| Mar-20 | £ 274,139,036 | £ 17,890,115 | £ 5,041,818 | £ 2,260,586 | £ 2,056 | £ 299,333,611 |
| Apr-20 | £ 266,328,336 | £ 17,878,155 | £ 5,564,808 | £ 2,576,410 | £ 0 | £ 292,347,710 |
| May-20 | £ 269,898,136 | £ 16,474,850 | £ 5,547,458 | £ 2,226,674 | £ 0 | £ 294,147,118 |
| Jun-20 | £ 283,766,810 | £ 15,911,170 | £ 6,403,495 | £ 2,355,690 | £ 1 | £ 308,437,167 |
| Jul-20 | £ 287,441,622 | £ 16,580,966 | £ 6,349,514 | £ 2,386,992 | £ 69,325 | £ 312,828,418 |
| Aug-20 | £ 296,674,240 | £ 14,061,505 | £ 6,273,838 | £ 2,223,541 | £ 1 | £ 319,233,125 |
| Sep-20 | £ 303,633,796 | £ 13,695,004 | £ 5,766,881 | £ 2,371,417 | £ 1 | £ 325,467,099 |
| Oct-20 | £ 308,456,420 | £ 13,026,326 | £ 4,981,239 | £ 2,026,436 | £ 46,630 | £ 328,537,051 |
| Nov-20 | £ 311,500,616 | £ 12,487,065 | £ 4,508,591 | £ 1,799,485 | £ 62,376 | £ 330,358,135 |
| Dec-20 | £ 307,843,647 | £ 15,796,819 | £ 5,084,641 | £ 2,106,510 | £ 173,733 | £ 331,005,351 |
| Jan-21 | £ 319,250,192 | £ 12,757,875 | £ 4,576,261 | £ 1,708,485 | £ 62,063 | £ 338,354,876 |
| Feb-21 | £ 326,166,581 | £ 12,242,238 | £ 4,108,880 | £ 1,387,956 | £ 87,961 | £ 343,993,616 |
| Mar-21 | £ 333,182,275 | £ 12,246,886 | £ 3,981,562 | £ 1,596,598 | £ 110,749 | £ 351,118,071 |
| Apr-21 | £ 340,770,947 | £ 11,770,925 | £ 3,744,633 | £ 1,209,487 | £ 116,418 | £ 357,612,410 |
| May-21 | £ 348,239,396 | £ 10,805,961 | £ 3,180,816 | £ 1,132,515 | £ 114,175 | £ 363,472,863 |
| Jun-21 | £ 350,175,958 | £ 12,484,670 | £ 3,839,526 | £ 1,159,510 | £ 96,561 | £ 367,756,226 |
| Jul-21 | £ 354,195,785 | £ 13,097,687 | £ 3,669,878 | £ 1,127,117 | £ 83,753 | £ 372,174,221 |
| Aug-21 | £ 357,828,848 | £ 13,082,905 | £ 3,729,088 | £ 977,871 | £ 108,717 | £ 375,727,430 |
| Sep-21 | £ 360,521,031 | £ 15,155,548 | £ 4,538,569 | £ 1,416,207 | £ 112,228 | £ 381,743,583 |

(6) **New Business**

| Date | Principal Outstanding Balance |
|-------------|--------------------------------------|
| Jan-16 | £ 8,110,797 |
| Feb-16 | £ 8,760,303 |
| Mar-16 | £ 10,337,004 |
| Apr-16 | £ 9,537,049 |
| May-16 | £ 10,505,614 |
| Jun-16 | £ 10,845,374 |
| Jul-16 | £ 9,041,532 |
| Aug-16 | £ 10,618,506 |
| Sep-16 | £ 11,073,206 |
| Oct-16 | £ 11,720,632 |
| Nov-16 | £ 9,607,641 |
| Dec-16 | £ 7,224,935 |
| Jan-17 | £ 12,659,363 |
| Feb-17 | £ 11,537,006 |
| Mar-17 | £ 12,931,546 |
| Apr-17 | £ 11,658,188 |
| May-17 | £ 12,767,240 |
| Jun-17 | £ 11,884,310 |
| Jul-17 | £ 11,761,228 |
| Aug-17 | £ 12,267,889 |
| Sep-17 | £ 11,493,661 |
| Oct-17 | £ 10,697,624 |
| Nov-17 | £ 11,452,241 |
| Dec-17 | £ 7,543,484 |
| Jan-18 | £ 11,800,490 |
| Feb-18 | £ 12,075,872 |
| Mar-18 | £ 12,634,718 |
| Apr-18 | £ 12,365,168 |
| May-18 | £ 14,659,427 |
| Jun-18 | £ 15,334,134 |
| Jul-18 | £ 14,745,408 |
| Aug-18 | £ 14,283,456 |
| Sep-18 | £ 13,181,476 |
| Oct-18 | £ 13,277,098 |
| Nov-18 | £ 11,712,461 |
| Dec-18 | £ 8,069,589 |
| Jan-19 | £ 13,626,898 |
| Feb-19 | £ 13,413,311 |
| Mar-19 | £ 14,166,374 |
| Apr-19 | £ 13,866,815 |
| May-19 | £ 15,103,675 |
| Jun-19 | £ 13,357,240 |
| Jul-19 | £ 14,071,314 |
| Aug-19 | £ 12,998,749 |
| Sep-19 | £ 13,794,497 |

| Date | Principal Outstanding Balance |
|-------------|--------------------------------------|
| Oct-19 | £ 13,705,214 |
| Nov-19 | £ 11,616,078 |
| Dec-19 | £ 9,219,414 |
| Jan-20 | £ 16,272,349 |
| Feb-20 | £ 14,170,065 |
| Mar-20 | £ 11,273,743 |
| Apr-20 | £ 2,854,525 |
| May-20 | £ 11,649,813 |
| Jun-20 | £ 25,978,701 |
| Jul-20 | £ 20,313,137 |
| Aug-20 | £ 18,310,576 |
| Sep-20 | £ 19,541,005 |
| Oct-20 | £ 17,656,996 |
| Nov-20 | £ 13,653,235 |
| Dec-20 | £ 13,240,019 |
| Jan-21 | £ 19,708,578 |
| Feb-21 | £ 18,738,948 |
| Mar-21 | £ 22,177,463 |
| Apr-21 | £ 20,703,571 |
| May-21 | £ 20,756,579 |
| Jun-21 | £ 19,196,086 |
| Jul-21 | £ 19,873,035 |
| Aug-21 | £ 19,023,267 |
| Sep-21 | £ 19,261,899 |

(7) Prepayments

| Prepayments | Performing Capital Balance | Principal Prepayment Amount | Annualised Prepayment Rate |
|--------------------|-----------------------------------|------------------------------------|-----------------------------------|
| Jan-16 | £ 104,873,271.45 | £ 927,507.53 | 10.1% |
| Feb-16 | £ 110,554,961.77 | £ 1,168,450.07 | 12.0% |
| Mar-16 | £ 117,455,337.08 | £ 1,373,419.72 | 13.2% |
| Apr-16 | £ 123,322,846.25 | £ 1,440,057.00 | 13.1% |
| May-16 | £ 130,012,744.53 | £ 1,565,241.09 | 13.5% |
| Jun-16 | £ 136,790,719.89 | £ 1,631,436.75 | 13.4% |
| Jul-16 | £ 141,995,505.89 | £ 1,557,222.00 | 12.4% |
| Aug-16 | £ 147,976,241.51 | £ 1,665,585.41 | 12.7% |
| Sep-16 | £ 154,647,187.95 | £ 1,557,749.36 | 11.4% |
| Oct-16 | £ 161,715,948.61 | £ 1,693,047.85 | 11.9% |
| Nov-16 | £ 165,953,213.56 | £ 2,263,398.95 | 15.2% |
| Dec-16 | £ 168,255,559.86 | £ 1,581,609.23 | 10.7% |
| Jan-17 | £ 175,427,221.68 | £ 2,139,858.56 | 13.7% |
| Feb-17 | £ 180,818,499.08 | £ 2,595,922.51 | 15.9% |
| Mar-17 | £ 187,489,074.50 | £ 2,638,829.27 | 15.6% |
| Apr-17 | £ 192,647,628.26 | £ 2,650,239.98 | 15.3% |
| May-17 | £ 198,672,931.30 | £ 2,731,875.21 | 15.3% |
| Jun-17 | £ 203,726,910.17 | £ 2,703,567.02 | 14.8% |
| Jul-17 | £ 208,676,597.15 | £ 2,684,568.79 | 14.4% |
| Aug-17 | £ 213,608,438.54 | £ 3,069,104.57 | 15.9% |
| Sep-17 | £ 218,078,891.43 | £ 2,536,343.95 | 13.1% |
| Oct-17 | £ 221,092,273.74 | £ 3,071,051.02 | 15.5% |
| Nov-17 | £ 224,966,738.88 | £ 2,935,126.71 | 14.6% |
| Dec-17 | £ 225,372,782.62 | £ 2,362,169.03 | 11.9% |
| Jan-18 | £ 229,096,478.33 | £ 3,176,828.47 | 15.4% |
| Feb-18 | £ 232,443,559.86 | £ 3,700,386.77 | 17.5% |
| Mar-18 | £ 236,427,167.74 | £ 3,489,304.14 | 16.3% |
| Apr-18 | £ 239,433,368.27 | £ 4,141,767.46 | 18.9% |
| May-18 | £ 245,878,056.44 | £ 2,912,419.99 | 13.3% |
| Jun-18 | £ 251,283,105.72 | £ 4,489,021.47 | 19.5% |
| Jul-18 | £ 256,556,953.07 | £ 3,920,842.49 | 16.9% |
| Aug-18 | £ 261,111,093.07 | £ 4,024,347.49 | 17.0% |
| Sep-18 | £ 264,874,019.96 | £ 3,540,591.96 | 14.9% |
| Oct-18 | £ 267,668,214.89 | £ 3,702,274.25 | 15.4% |
| Nov-18 | £ 269,630,795.09 | £ 2,940,485.77 | 12.3% |
| Dec-18 | £ 269,080,047.31 | £ 1,745,242.11 | 7.5% |
| Jan-19 | £ 271,767,253.48 | £ 4,643,101.20 | 18.7% |
| Feb-19 | £ 275,179,743.54 | £ 3,689,628.90 | 15.0% |
| Mar-19 | £ 277,555,330.87 | £ 5,201,339.60 | 20.3% |
| Apr-19 | £ 280,886,479.71 | £ 2,790,432.90 | 11.3% |
| May-19 | £ 285,301,408.91 | £ 3,313,216.54 | 13.1% |
| Jun-19 | £ 287,278,709.61 | £ 3,431,315.89 | 13.4% |
| Jul-19 | £ 289,934,289.97 | £ 3,512,725.37 | 13.6% |
| Aug-19 | £ 292,046,713.66 | £ 3,066,048.49 | 11.9% |

| Prepayments | Performing Capital Balance | Principal Prepayment Amount | Annualised Prepayment Rate |
|--------------------|-----------------------------------|------------------------------------|-----------------------------------|
| Sep-19 | £ 294,852,362.65 | £ 3,106,413.75 | 11.9% |
| Oct-19 | £ 296,970,044.62 | £ 3,620,392.91 | 13.7% |
| Nov-19 | £ 315,828,510.10 | £ 4,137,305.18 | 14.6% |
| Dec-19 | £ 296,845,848.36 | £ 4,880,353.91 | 18.0% |
| Jan-20 | £ 299,702,490.45 | £ 5,641,453.39 | 20.4% |
| Feb-20 | £ 300,860,735.27 | £ 5,501,804.66 | 19.9% |
| Mar-20 | £ 299,333,610.61 | £ 4,390,198.95 | 16.2% |
| Apr-20 | £ 292,347,709.52 | £ 2,739,854.54 | 10.7% |
| May-20 | £ 294,147,118.01 | £ 2,807,955.62 | 10.9% |
| Jun-20 | £ 308,437,167.03 | £ 4,463,807.92 | 16.0% |
| Jul-20 | £ 312,828,418.20 | £ 5,096,241.99 | 17.9% |
| Aug-20 | £ 319,233,125.24 | £ 4,450,283.56 | 15.5% |
| Sep-20 | £ 325,467,098.70 | £ 5,707,927.35 | 19.1% |
| Oct-20 | £ 328,537,050.82 | £ 5,470,626.58 | 18.2% |
| Nov-20 | £ 330,358,134.64 | £ 4,485,494.18 | 15.1% |
| Dec-20 | £ 331,005,350.66 | £ 4,120,172.25 | 14.0% |
| Jan-21 | £ 338,354,876.10 | £ 4,570,048.02 | 15.1% |
| Feb-21 | £ 343,993,615.95 | £ 4,911,302.47 | 15.8% |
| Mar-21 | £ 351,118,070.65 | £ 6,012,229.21 | 18.7% |
| Apr-21 | £ 357,612,410.10 | £ 5,490,207.86 | 16.9% |
| May-21 | £ 363,472,863.05 | £ 6,023,045.88 | 18.2% |
| Jun-21 | £ 367,756,225.71 | £ 5,777,851.84 | 17.3% |
| Jul-21 | £ 372,174,220.98 | £ 5,704,380.56 | 16.9% |
| Aug-21 | £ 375,727,429.70 | £ 6,020,044.24 | 17.6% |
| Sep-21 | £ 381,743,582.67 | £ 6,258,708.57 | 18.0% |

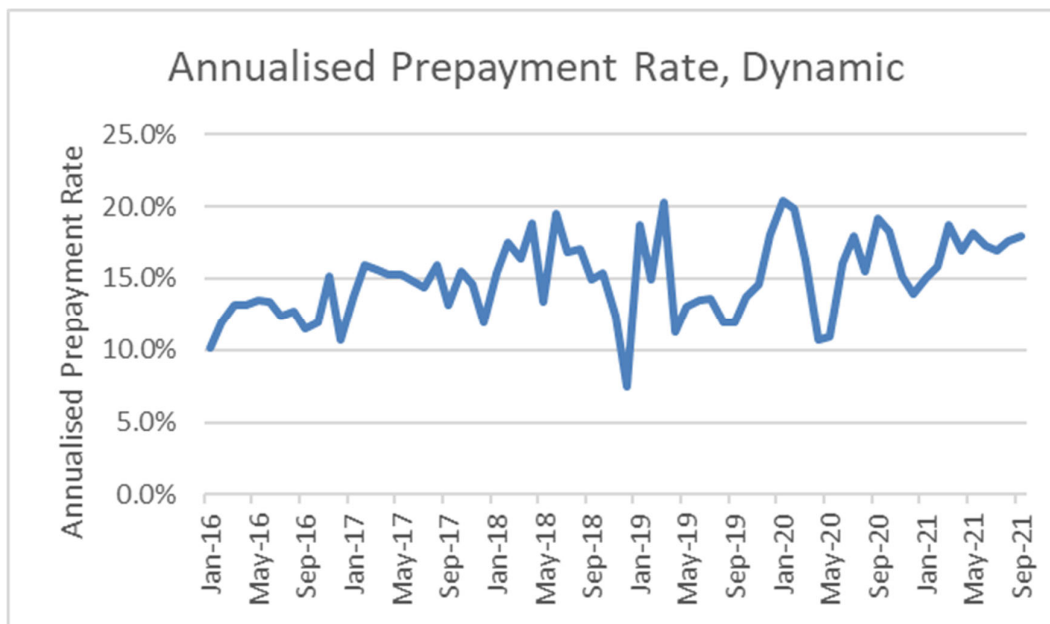
* Annualised Prepayment Rate = $1 - (1 - \text{Monthly Prepayment Rate})^{12}$

(8) **Dynamic Prepayment Data (12m)**

| Prepayments | Annualised Prepayment Rate |
|--------------------|-----------------------------------|
| Jan-16 | 10.1% |
| Feb-16 | 12.0% |
| Mar-16 | 13.2% |
| Apr-16 | 13.1% |
| May-16 | 13.5% |
| Jun-16 | 13.4% |
| Jul-16 | 12.4% |
| Aug-16 | 12.7% |
| Sep-16 | 11.4% |
| Oct-16 | 11.9% |
| Nov-16 | 15.2% |
| Dec-16 | 10.7% |
| Jan-17 | 13.7% |
| Feb-17 | 15.9% |
| Mar-17 | 15.6% |
| Apr-17 | 15.3% |
| May-17 | 15.3% |
| Jun-17 | 14.8% |
| Jul-17 | 14.4% |
| Aug-17 | 15.9% |
| Sep-17 | 13.1% |
| Oct-17 | 15.5% |
| Nov-17 | 14.6% |
| Dec-17 | 11.9% |
| Jan-18 | 15.4% |
| Feb-18 | 17.5% |
| Mar-18 | 16.3% |
| Apr-18 | 18.9% |
| May-18 | 13.3% |
| Jun-18 | 19.5% |
| Jul-18 | 16.9% |
| Aug-18 | 17.0% |
| Sep-18 | 14.9% |
| Oct-18 | 15.4% |
| Nov-18 | 12.3% |
| Dec-18 | 7.5% |
| Jan-19 | 18.7% |
| Feb-19 | 15.0% |
| Mar-19 | 20.3% |
| Apr-19 | 11.3% |
| May-19 | 13.1% |
| Jun-19 | 13.4% |
| Jul-19 | 13.6% |
| Aug-19 | 11.9% |
| Sep-19 | 11.9% |

| Prepayments | Annualised Prepayment Rate |
|-------------|----------------------------|
| Oct-19 | 13.7% |
| Nov-19 | 14.6% |
| Dec-19 | 18.0% |
| Jan-20 | 20.4% |
| Feb-20 | 19.9% |
| Mar-20 | 16.2% |
| Apr-20 | 10.7% |
| May-20 | 10.9% |
| Jun-20 | 16.0% |
| Jul-20 | 17.9% |
| Aug-20 | 15.5% |
| Sep-20 | 19.1% |
| Oct-20 | 18.2% |
| Nov-20 | 15.1% |
| Dec-20 | 14.0% |
| Jan-21 | 15.1% |
| Feb-21 | 15.8% |
| Mar-21 | 18.7% |
| Apr-21 | 16.9% |
| May-21 | 18.2% |
| Jun-21 | 17.3% |
| Jul-21 | 16.9% |
| Aug-21 | 17.6% |
| Sep-21 | 18.0% |

* Annualised Prepayment Rate = $1 - (1 - \text{Monthly Prepayment Rate})^{12}$



THE RETENTION HOLDER

Startline Holdings Limited was incorporated on 7 June 2013 in the Cayman Islands with registered number 728368 and registered office is PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.

The Seller is a wholly-owned subsidiary of Startline Holdings Limited and Startline Holdings Limited has a number of business activities (including, investments in other securitisations, intra-group loans and shareholdings). A number of the directors appointed to the board of directors of Startline Holdings Limited are also officers or employees of the Seller.

THE STANDBY SERVICER

Equiniti Gateway Limited, trading as "EQ Credit Services", standby servicing solution is one of the UK's fastest growing standby servicing providers. Their unique approach ensures a secure, swift and safe return of investor funds with little to no disruption to consumers.

The traditional approach is to conduct a data mapping exercise up front and then migrate the entire operation onto the servicer's system in the event of disaster. However, EQCS have found that there is a far better method that delivers more value throughout the relationship. This involves, at the beginning, instead of a data mapping exercise EQ Credit Services ("EQCS") recommend a discovery project. This does not distract the lender's IT team away from their daily operations. Instead they send their own expert in to look at the entire business model, including assets, products, managers, operations, infrastructure, technology, applications that hold accounts and even a compliance review as added value. This approach is taken because it is easy to buy, easy to consume, lighter touch, gives them genuine insight and de-risks the entire process.

EQCS began providing standby servicing in 2012 as The Nostrum Group Limited, prior to the acquisition by the Equiniti Group. The initial transaction was for a motor finance portfolio and began through a strong relationship with a large bank in the UK. Since then, EQCS have rapidly grown their standby book and now stand behind billions' worth of credit books from mortgages and SME lending to auto finance and peer-to-peer. Standby servicing has become an integral part of the EQCS business as it continues to expand its capabilities. EQCS has experience of managing a full invocation in 2016 when one of its standby servicing customers went into liquidation and EQCS started servicing that portfolio completing a significant remediation programme from the outset. The portfolio was managed on EQCS own platform and is in the final stages of being collected out. Operating primarily in the "hot standby servicing" timeline, EQCS can provide unmatched levels of investor protection and security through its unique approach with a dedicated team to provide on hand support throughout the entirety of the relationship.

Equiniti Gateway Limited is a company incorporated in England and Wales (company number 06729467) and having its registered office at Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH. It is registered with the Financial Conduct Authority (registered number 659783).

**THE NOTE TRUSTEE AND SECURITY TRUSTEE, THE CASH MANAGER AND
THE ACCOUNT BANK, PRINCIPAL PAYING AGENT AND REGISTRAR**

U.S. BANK TRUSTEES LIMITED DESCRIPTION

U.S. Bank Trustees Limited is a limited liability company incorporated under the laws of England and Wales with its registered 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 by 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).

The corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD 4 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 US-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 (such website and the contents thereof do not form part of this Prospectus).

U.S. BANK GLOBAL CORPORATE TRUST LIMITED DESCRIPTION

U.S. Bank Global Corporate Trust Limited is a limited liability company incorporated under the laws of England and Wales with its registered 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 by 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).

The corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD 4 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 US-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 (such website and the contents thereof do not form part of this Prospectus).

ELAVON FINANCIAL SERVICES DAC, UK BRANCH DESCRIPTION

Elavon Financial Services DAC, trading as U.S. Bank Global Corporate Trust, is a bank incorporated under the laws of the Republic of 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 FCA and the PRA.

The worldwide corporate trust business of the U.S. Bancorp group conducts business through Elavon Financial Services DAC from its offices in Dublin at Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, Ireland D18 W2X7 and through its UK Branch in London at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom. In Europe, the corporate trust business is conducted in combination by 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).

The corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD 4 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 US-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 (such website and the contents thereof do not form part of this Prospectus).

THE SWAP COUNTERPARTY

J.P. Morgan AG is a stock corporation (*Aktiengesellschaft*) established and existing in accordance with the laws of the Federal Republic of Germany with registered address at TaunusTurm, Taunustor 1, 60310 Frankfurt am Main, Germany and registered with the Commercial Register B (*Handelsregister B*) of the local court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 16861.

THE CORPORATE SERVICES PROVIDER

CSC Capital Markets UK Limited (registered number 1078001), having its principal address at 10th Floor, 5 Churchill Place, London E14 5HU will be appointed to provide corporate services to the Issuer and Holdings pursuant to the Corporate Services Agreement.

CSC Capital Markets UK Limited has served and is currently serving as corporate service provider and back-up servicer facilitators for a number of securitisation transactions.

THE ISSUER

The Issuer was incorporated under the laws of England and Wales on 15 July 2021 as a public limited company with the name of Satus 2021-1 plc and company number 13512214. The registered office of the Issuer is at 10th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom and its telephone number is +44 (0) 203 855 0285.

The issued share capital of the Issuer is 50,000 ordinary shares of £1 each (one of which is fully paid and 49,999 of which are quarter paid up). Satus 2021-1 Holdings Limited holds the entire issued share capital of the Issuer. The Issuer has no subsidiaries.

Principal Activities

The Issuer is permitted, pursuant to the terms of its articles of association, among other things, to issue the Notes and the Certificates and to acquire the Receivables and the Ancillary Rights.

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities. The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the authorisation and issue of the Notes and the Certificates and of the other documents and matters referred to or contemplated in this Prospectus and the Transaction Documents to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

There is no intention to accumulate surpluses in the Issuer.

Directors and Company Secretary

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

| <u>Name</u> | <u>Business Address</u> | <u>Principal Activities</u> |
|-------------------------------|--|-----------------------------|
| John Paul Nowacki | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| CSC Directors (No. 1) Limited | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| CSC Directors (No. 2) Limited | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |

As at the date of this Prospectus, there are no conflicts or potential conflicts between the directors' personal interests and their obligations to the Issuer.

The company secretary of the Issuer is CSC Corporate Services (UK) Limited.

The directors of CSC Directors (No. 1) Limited and CSC Directors (No. 2) Limited, and their business addresses and principal activities, are:

| <u>Name</u> | <u>Business Address</u> | <u>Principal Activities</u> |
|----------------------------------|--|-----------------------------|
| Charmaine de Castro | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Jonathan Hanly | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Constantinos Kleanthous | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Catherine Mary Elizabeth McGrath | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Lara Nasato | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| John Paul Nowacki | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Vinoy Rajanah Nursiah | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Debra Amy Parsall | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Aline Sternberg | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |

As at the date hereof, the Issuer has no employees, non-executive directors or premises.

Capitalisation Statement

The following shows the capitalisation of the Issuer as at the date of this Prospectus:

Share capital

Issued: 50,000 ordinary shares of £1 each, 49,999 shares issued and paid up as to £0.25 and one share issued and fully paid, corresponding to a total paid up capital of £12,500.75.

Accounting Reference Date

The accounting reference date of the Issuer is 31 December.

HOLDINGS

Holdings was incorporated under the laws of England and Wales on 15 July 2021 as a private limited company with the name Satus 2021-1 Holdings Limited and company number 13512149. The registered office of Holdings is at 10th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom and its telephone number is +44 (0) 203 855 0285.

The share capital of Holdings is one ordinary share of £1 which is issued and is credited as fully paid. The entire issued share capital of Holdings is held on trust for discretionary purposes by CSC Corporate Services (UK) Limited under the terms of a share trust deed dated 26 October 2021.

Principal Activities of Holdings

Pursuant to the terms of its articles of association, Holdings is permitted, among other things, to hold shares in the Issuer.

Holdings has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and those matters referred to or contemplated in this Prospectus and any matters which are incidental or ancillary to the foregoing.

Directors and Company Secretary of Holdings

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

| <u>Name</u> | <u>Business Address</u> | <u>Principal Activities</u> |
|-------------------------------|--|-----------------------------|
| John Paul Nowacki | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| CSC Directors (No. 1) Limited | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| CSC Directors (No. 2) Limited | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |

The company secretary of Holdings is CSC Corporate Services (UK) Limited.

The directors of CSC Directors (No. 1) Limited and CSC Directors (No. 2) Limited, and their business addresses and principal activities, are:

| <u>Name</u> | <u>Business Address</u> | <u>Principal Activities</u> |
|----------------------------------|--|-----------------------------|
| Charmaine de Castro | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Jonathan Hanly | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Constantinos Kleanthous | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Catherine Mary Elizabeth McGrath | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Lara Nasato | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| John Paul Nowacki | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Vinoy Rajanah Nursiah | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Debra Amy Parsall | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |
| Aline Sternberg | 10 th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom | Director |

As at the date hereof, Holdings has no employees, non-executive directors or premises.

DESCRIPTION OF THE NOTES AND THE CERTIFICATES

The following overview is intended only to be an overview and is qualified in its entirety by reference to the "Terms and Conditions of the Notes", the "Terms and Conditions of the Certificates" and to the detailed terms of the trust deed between the Issuer and the Note Trustee by which the Notes and the Certificates are constituted.

Form and Denomination

The issue in the aggregate nominal amount of £295,272,000 consists of registered Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class Z Notes and Certificates. The Notes will be issued in the denominations of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000.

Global Notes and Definitive Certificate

Interests in each Class of Notes will be represented by a Global Note, without interest coupons attached. On the Closing Date, the Global Notes will be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper and will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances, the Global Notes will not be exchangeable for unrestricted registered Definitive Notes and no Definitive Notes will be issued with a denomination above £199,000. If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

Notwithstanding that the Notes are held in accordance with NSS in a manner which would allow for Eurosystem eligibility, this does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. The recognition as eligible collateral is subject to satisfaction of the Eurosystem eligibility criteria and prospective noteholders should consider how such eligibility may be impacted by the UK withdrawal from the EU and the UK no longer being part of the EEA.

The interests in each Class of Notes are transferable according to applicable rules and regulations of Clearstream, Luxembourg and Euroclear. The Global Notes will not be exchangeable for Definitive Notes except in the following circumstances:

- the closure of one of the Clearing Systems;
- an Event of Default; or
- adverse tax consequences to the Issuer as a result of the Notes being in global form.

So long as each Class of Notes is represented by Global Notes and the relevant Clearing Systems so permit, such Notes will be tradable only in the minimum authorised denomination of £100,000 and higher integral multiples of £1,000, up to and including £199,000, under the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

In addition, the Global Notes will contain terms that modify the Conditions of each Class of Notes as they apply to the Global Notes. The following is an overview of certain of those terms:

- Payments of interest (if any), principal or other amounts on a Global Note will be made through Clearstream, Luxembourg and/or Euroclear without any requirement for certification. The record date in respect of the cleared Notes shall be one Clearing System Business Day prior to the relevant Interest Payment Date where "**Clearing System Business Day**" means a day on which each Clearing System for which the cleared Notes are being held is open for business.
- Payments on each Global Note made through Clearstream, Luxembourg and/or Euroclear will be effective to satisfy and discharge the corresponding liabilities of the Issuer.
- For so long as any Class of Notes is represented by a Global Note and such Global Note is held on behalf of Clearstream, Luxembourg or Euroclear, each person (other than Clearstream,

Luxembourg or Euroclear) who is for the time being shown in the records of Clearstream, Luxembourg or Euroclear as the Holder of a particular nominal amount of the relevant Class of Notes (each an "accountholder") will be treated as the Holder of that nominal amount for all purposes (including but not limited to for the purposes of quorum requirements of, or the right to demand a poll or, meetings of the Noteholders and giving notice to the Issuer under Condition 10 (*Events of Default*)) other than regarding payment of principal and interest on the Rated Notes and principal on the Class Z Notes, the right to which will be vested, as against the Issuer, solely in the registered Holder of such Global Note under and subject to its terms. Each accountholder must look solely to Clearstream, Luxembourg or Euroclear for its share of each payment made to the registered Holder of such Global Note.

- While a Class of Notes is represented by a Global Note and such Global Note is deposited with a Common Safekeeper for Clearstream, Luxembourg and Euroclear, notices to Noteholders may be given by delivery of the relevant notice through Clearstream, Luxembourg and Euroclear and such notices will be deemed to have been given to the Noteholders in compliance with Condition 15 (*Notices*) on the date of delivery to Clearstream, Luxembourg and Euroclear. However, for so long as a Class of Notes is listed on the London Stock Exchange and its rules so require, all notices concerning the Notes of such Class will be published on the website of the London Stock Exchange (www.londonstockexchange.com). This website does not form part of this Prospectus.

Although the above sets out the procedures of Euroclear and Clearstream, Luxembourg in order to facilitate the transfers of interests in the Notes among participants of Euroclear and Clearstream, Luxembourg, none of Euroclear or Clearstream, Luxembourg is under an obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Note Trustee, the Security Trustee, the Principal Paying Agent, the Lead Manager or an Affiliate of any of the above, or a person by whom any of the above is controlled for the purposes of the Securities Act, will have any responsibility for the performance by Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

Interests in the Certificates will be represented by a Definitive Certificate, without interest coupons attached. The Certificates will not be issued under NSS or cleared through Euroclear or Clearstream, Luxembourg.

Status and Security

Status of the Notes

The Notes are direct, secured, limited recourse obligations of the Issuer, ranking, as between the Notes of each Class, *pro rata* and *pari passu* without preference among themselves (subject as described in the "*Terms and Conditions of the Notes*").

- (a) The Class A Notes will rank in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes;
- (b) the Class B Notes will rank in priority to the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes but will rank subordinate to the Class A Notes;
- (c) the Class C Notes will rank in priority to the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes but will rank subordinate to the Class A Notes and the Class B Notes;
- (d) the Class D Notes will rank in priority to the Class E Notes, the Class F Notes and the Class Z Notes but will rank subordinate to the Class A Notes, the Class B Notes and the Class C Notes;
- (e) the Class E Notes will rank in priority to the Class F Notes and the Class Z Notes but will rank subordinate to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes;
- (f) the Class F Notes will rank in priority to the Class Z Notes but will rank subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes; and
- (g) the Class Z Notes will rank subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

Status of the Certificates

The Certificates are direct, secured limited recourse obligations of the Issuer, and represent the Issuer's obligation to pay any RC Payments amounts to the Certificateholders.

Each Certificate will rank *pari passu* without preference among the Certificates.

Notes and Certificates held by Startline

Notes and Certificates held by Startline or its Affiliates will not be included for purposes of determining whether a required percentage of a Class of Noteholders or Certificateholders have taken action under any Transaction Document if Startline or its Affiliates hold only some (but not all) of the relevant Class of Notes or Certificates, respectively.

Security

As security for the Notes, the Certificates and other Secured Obligations of the Issuer, the Issuer has entered into the Deed of Charge creating security over its assets in favour of the Security Trustee for itself and on trust for the Secured Parties.

In relation to any Vehicles located in Scotland, the Seller will grant a Scottish Vehicle Sales Proceeds Floating Charge in favour 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 in respect of the Issuer's interest in the Scottish Vehicle Sales Proceeds Floating Charge.

Enforcement of the security

The Security becomes enforceable when the Note Trustee delivers an Enforcement Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager, the Swap Counterparty and the Principal Paying Agent (with a copy to each Rating Agency). Following delivery of an Enforcement Notice, the Note Trustee at its absolute discretion may, and (subject to the Note Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) if so directed by the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) acting by way of an Extraordinary Resolution will, direct the Security Trustee to (subject to the Security Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) take action to enforce the Security.

To the extent that the Note Trustee acts in compliance with such directions of the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) acting by way of an Extraordinary Resolution, it will have no obligation to take the interests of any other party into account or to follow a direction given by any other party. Only the Note Trustee and the Security Trustee may enforce the rights of the Noteholders and the Certificateholders against the Issuer, whether the same arise under general law, the Conditions, the Certificates Conditions, a Transaction Document or otherwise.

Clean-Up Call Option

The Issuer may, at its option, redeem all (but not part only) of the Notes at their aggregate Principal Amount Outstanding, together with interest on an Interest Payment Date if the Seller has exercised its Clean-Up Call Option. For more details, see the sections entitled "*Overview of the Notes, the Certificates and the Transaction – Clean-Up Call Option*", "*Principal Transaction Documents – Receivables Sale and Purchase Deed – Clean-Up Call Option*" and "*Terms and Conditions of the Notes*".

The Seller will give notice to the Issuer of the exercise of its Clean-Up Call Option at least 10 Business Days in advance. The Seller will exercise the option by paying to the Issuer the repurchase price for the Receivables on the date that the repurchase agreement is entered into, and the Issuer will transfer to the Seller without recourse, representation or warranty all of the Issuer's right, title and interest in and to all receivables and all documents relating to such Receivables.

Portfolio Repurchase Option

The Issuer may, at its option, redeem all (but not part only) of the Notes at their aggregate Principal Amount Outstanding, together with interest on an Interest Payment Date if the Seller has exercised its Portfolio Repurchase Option. For more details, see the sections entitled "*Overview of the Notes, the Certificates and*

the Transaction – Portfolio Repurchase Option", *"Principal Transaction Documents – Receivables Sale and Purchase Deed – Portfolio Repurchase Option"* and *"Terms and Conditions of the Notes"*.

The Seller will give notice to the Issuer of the exercise of its Portfolio Repurchase Option at least 10 Business Days in advance. The Seller will exercise the option by paying to the Issuer the repurchase price for the Receivables on the date that the repurchase agreement is entered into, and the Issuer will transfer to the Seller without recourse, representation or warranty all of the Issuer's right, title and interest in and to all receivables and all documents relating to such Receivables.

Optional early redemption for taxation and other reasons

If a change of law occurs after the Closing Date and the Issuer is required to deduct, withhold or account for tax on a payment by it on the Notes or would itself suffer a tax (other than on the Retained Amount) and the Issuer is unable to avoid such withholding or deduction or tax, then the Issuer may, at its option, redeem all of the Notes. For more details about the optional early redemption for taxation and other reasons, see the sections entitled *"Overview of the Notes, the Certificates and the Transaction – Optional early redemption for taxation and other reasons"* and *"Terms and Conditions of the Notes"*.

Taxation

All payments of principal and interest on the Rated Notes, payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates will be made without withholding or deduction for, or on account of, present or future taxes, duties, assessments or governmental charges of any nature by the Issuer or any paying agent unless required by law (or under FATCA), in which case the Issuer or that 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 any paying agent will be obliged to make any additional payments to Noteholders or Certificateholders for such withholding or deduction. If a tax event occurs, it may lead to the early redemption of the Notes.

Events of Default

Each of the following will be an **"Event of Default"** under the Notes and the Certificates:

- an Insolvency Event occurring in respect of the Issuer;
- a default occurring in relation to the payment of interest on the Controlling Class of Notes on any Interest Payment Date or, following redemption in full of the Notes, any RC Payment due in respect of the Certificates (and such default is not remedied within 14 Business Days of its occurrence);
- the Issuer defaulting in the payment of principal on the Controlling Class of Notes when due, and such default continuing for a period of 7 Business Days;
- the Issuer failing to perform or observe any of its other material obligations under the Notes, the Certificates or the Transaction Documents and such failure continuing for a period of 30 calendar days following written notice from the Note Trustee or any other Secured Party, **provided that** the Note Trustee (acting on the instructions of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders)) has certified in writing to the Issuer that such event is, in the opinion of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders), materially prejudicial to the interests of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders); and
- the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge, the Issuer Security Power of Attorney or any Security created thereunder ceasing, for any reason, to be in full force and effect or being declared null and void, the validity or enforceability thereof being contested by the Issuer, or the Issuer denying that it has any or further liability or obligation thereunder or in respect thereto.

Enforcement and Non-Petition

If an Event of Default occurs, the Note Trustee at its absolute discretion may, and (subject to the Note Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) if so directed by the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) acting by way of an

Extraordinary Resolution will, deliver an Enforcement Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager, the Swap Counterparty and the Principal Paying Agent (with a copy to each Rating Agency) declaring the Notes and/or the Certificates (as applicable) immediately due and payable, without further action or formality, at their Principal Amount Outstanding together with accrued interest (if any) and the Security will become enforceable.

Only the Note Trustee may pursue the remedies available under the Trust Deed and only the Security Trustee may take action to enforce payment on the Notes and the Certificates under the Deed of Charge.

None of the Secured Parties may take action, or have rights, against the Issuer to recover any amount still unpaid once the Security is enforced and the net proceeds of such enforcement distributed in accordance with the Post-Enforcement Priority of Payments (for more details see the sections entitled "*Cashflows – Priorities of Payments*", "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*"), and any such liability will be extinguished.

In particular, none of them may, until the expiry of two years and one day after the payment of all sums outstanding under the Notes and the Certificates, petition or take any other step for the winding-up of the Issuer **provided that** the Note Trustee and the Security Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party and may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer.

Voting rights and Noteholder and Certificateholder meetings

The Trust Deed contains provisions for convening separate meetings of each Class of Noteholders to consider matters relating to the Notes and the Certificateholders to consider matters relating to the Certificates, including the modification of any provision of the Conditions, the Certificates Conditions, the Trust Deed or the other Transaction Documents.

A meeting of Noteholders may be convened by the Issuer or by the Note Trustee and shall be convened by the Note Trustee, subject to its being indemnified and/or prefunded and/or secured to its satisfaction upon the request in writing of Noteholders holding not less than one-tenth of the aggregate Principal Amount Outstanding of Notes then outstanding.

A meeting of Certificateholders may be convened by the Issuer or by the Note Trustee and shall be convened by the Note Trustee, subject to its being indemnified and/or prefunded and/or secured to its satisfaction upon the request in writing of Certificateholders holding not less than one-tenth of the Certificates then outstanding.

Amendments and waiver

Condition 12 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*) and Certificates Condition 10 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*) provide that certain modifications or waivers may be agreed by the Note Trustee without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Party.

In particular, the Note Trustee may agree, without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Party, to: (a) amendments or changes that are, in the opinion of the Note Trustee, of a formal, minor or technical nature, made to correct a manifest error, and (b) amendments or changes (but other than in respect of Basic Terms Modification) that are, in the opinion of the Note Trustee, not materially prejudicial to the interests of the Noteholders and the Certificateholders. The Issuer shall notify the Noteholders, the Certificateholders, the Secured Parties and the Rating Agencies of any such amendment.

In addition, the Note Trustee may, in so far as in its opinion the interests of the Noteholders and the Certificateholders will not be materially prejudiced, (a) waive or authorise a breach or proposed breach of the provisions of the Transaction Documents or (b) determine that any event will not be treated as an Event of Default for the purposes of the Trust Deed. The Issuer shall notify the Noteholders and the Certificateholders of any such waiver, authorisation or determination.

In addition, Condition 12(b) (*Amendments and waiver*) and Certificates Condition 10(b) (*Amendments and waiver*) provide that the Note Trustee shall be obliged, and shall direct the Security Trustee, without any

consent or sanction of the Noteholders, the Certificateholders or the other Secured Parties, but subject to the receipt of written consent from each of the Transaction Parties that are a party to the Transaction Document being modified, to concur with the Issuer in making any modification to the Conditions, the Certificates Conditions or any other Transaction Documents (irrespective of whether the same may be materially prejudicial to the interests of the Noteholders and the Certificateholders (but other than for a Basic Terms Modification) **provided that** the Issuer has certified in writing to the Note Trustee and the Security Trustee that such modification is required) in circumstances set forth in Condition 12(b) (*Amendments and waiver*) and Certificates Condition 10(b) (*Amendments and waiver*).

Further, Condition 12(c) (*Additional right of modification*) and Certificates Condition 10(c) (*Additional right of modification*) provide that the Note Trustee shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or any of the other Secured Parties, to concur with the Issuer in making any modification (other than a Basic Terms Modification) to any Transaction Document to which it is a party or in relation to which it holds security (irrespective of whether the same may be materially prejudicial to the interests of the Noteholders and the Certificateholders) to enable the Issuer to change Compounded Daily SONIA or the base rate that applies to the Rated Notes from Compounded Daily SONIA or such base rate that applies at such time to an Alternative Base Rate (and make such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change) to the extent there has been or there is reasonably expected to be a material disruption or cessation to SONIA or the relevant base rate that applies to the Rated Notes at such time, in circumstances set forth in Condition 12(c) (*Additional right of modification*) and Certificates Condition 10(c) (*Additional right of modification*).

In each case the Issuer shall notify the Noteholders, the Certificateholders, the Secured Parties and the Rating Agencies of any such amendment or waiver in accordance with Condition 12 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*) and Certificates Condition 10 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*).

Substitution and exchange

So long as the Note Trustee believes that the interests of the Noteholders and the Certificateholders will not be materially prejudiced, but without the consent of the Noteholders, the Certificateholders or the Secured Parties, subject to the detailed terms of the Trust Deed, the Note Trustee may agree to (i) the substitution of any other company or other entity in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Certificates and replacement for it under the Deed of Charge and the other Transaction Documents, **provided that** the Rating Agencies confirm that such substitution will not adversely affect the then current rating of each Class of Rated Notes, or (ii) the exchange of the Notes and the Certificates for other securities or instruments having substantially the same rights and benefits as the Notes and/or the Certificates, **provided that** the then current rating of each Class of Rated Notes by the Rating Agencies is assigned to any such new securities or instruments.

Entitlement of the Note Trustee

In the exercise of its powers, trusts, authorities or discretions, the Note Trustee (i) will only take into consideration the interests of the Controlling Class if there is a conflict between the interests of the Controlling Class and more junior Classes of Noteholders and/or Certificateholders, (ii) will only take into consideration the interests of the Noteholders or the Certificateholders as a Class and will not take into consideration the consequences of such exercise for individual Noteholders and Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, a particular territory and the Note Trustee will not have the right to require, nor will the Noteholders or the Certificateholders have the right to claim, from the Issuer or any other person indemnification or payment for a Tax consequence of an exercise for individual Noteholders or individual Certificateholders, and (iii) will have regard to the interests of the Noteholders, the Certificateholders and the other Secured Parties, but if in the Note Trustee's sole opinion there is a conflict between their interests it will have regard solely to the interests of the Noteholders for so long as the Notes are outstanding.

Governing Law

The Notes, the Certificates and all non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, the laws of England and Wales.

CASHFLOWS

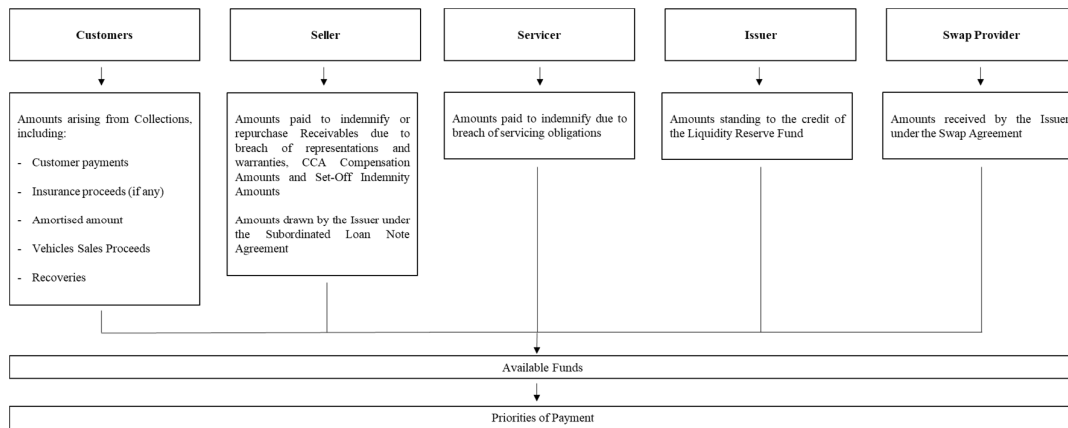
Overview

All Collections in respect of the Purchased Receivables are received from Customers into the Collection Account. The Servicer is required to transfer Collections in respect of the Purchased Receivables from the Collection Account to the Distribution Account within two Business Days of the later of (i) the Servicer applying such Collections to a Customer's account and (ii) the Servicer identifying such Collections as received in the Collection Account (or, in respect of Collections received on or after the Cut-Off Date but prior to the Closing Date, within 2 Business Days following the Closing Date), or as otherwise directed by the Issuer or (following the delivery of an Enforcement Notice) the Security Trustee.

On each Interest Payment Date, amounts representing Collections for the relevant Calculation Period together with other items comprising the Available Principal Collections and Available Interest Collections shall be applied by the Cash Manager in accordance with the applicable Priority of Payments.

Available Funds for Payment

The following diagram is a non-exhaustive summary of the sources of funds available to the Issuer to make payments on each Interest Payment Date.



The Issuer will issue the Notes and the Certificates constituted under a trust deed between the Issuer and the Note Trustee. The Notes and the Certificates do not represent obligations of Startline or any other party other than the Issuer. Payments of interest on the Rated Notes, principal on the Class Z Notes and the Subordinated Loan Note and any RC Payments on the Certificates will be made from Available Interest Collections and payments of principal on the Rated Notes will be made from Available Principal Collections, together the "**Available Funds**", which for any Interest Payment Date generally will comprise:

- (a) Collections on the Receivables for the prior Collection Period;
- (b) payments due to the Issuer under the Swap Agreement;
- (c) the Senior Liquidity Reserve Fund and the Junior Liquidity Reserve Fund;
- (d) interest earned on the Distribution Account and the Liquidity Reserve Account; and
- (e) (on each Interest Payment Date immediately prior to the occurrence of a Swap Termination Shortfall caused by a Partial Swap Unwind) an amount equal to the Swap Termination Shortfall drawn down by the Issuer under the Subordinated Loan Note Issuance Agreement.

For each Interest Payment Date, "**Available Interest Collections**" are:

- (a) the aggregate Interest Collections for Purchased Receivables during the immediately preceding Collection Period;
- (b) the aggregate Recoveries for all Purchased Receivables during the immediately preceding Collection Period;
- (c) interest earned on the Issuer Accounts (other than the Swap Collateral Account) during the immediately preceding Collection Period;
- (d) any amounts received from the Swap Counterparty under the Swap Agreement (including any amount to be applied as Swap Collateral Account Surplus in accordance with the Swap Collateral Account Priority of Payments but excluding any other amounts standing to the credit of the Swap Collateral Account to be applied in accordance with the Swap Collateral Account Priority of Payments);
- (e) any Interest Collections (other than those Interest Collections referred to in (a) above) that have not been applied on the immediately preceding Interest Payment Date;
- (f) any Surplus Available Principal Collections on such Interest Payment Date;
- (g) any Principal Addition Amount;
- (h) the Senior Liquidity Reserve Fund Release Amount;
- (i) the Senior Liquidity Reserve Fund Excess Amount;
- (j) the Junior Liquidity Reserve Fund Release Amount;
- (k) the Junior Liquidity Reserve Fund Excess Amount;
- (l) (without double counting) where the Seller repurchases the Final Receivables in accordance with the terms of the Receivables Sale and Purchase Deed in respect of an exercise by the Seller of the Clean-Up Call Option or the Portfolio Repurchase Option, such amount of the Final Repurchase Price received by the Issuer on such Interest Payment Date representing amounts other than the Principal Outstanding Balance of the Final Receivables as at such Interest Payment Date;
- (m) (on each Interest Payment Date immediately prior to the occurrence of a Swap Termination Shortfall caused by a Partial Swap Unwind) an amount equal to the Swap Termination Shortfall drawn down by the Issuer under the Subordinated Loan Note Issuance Agreement; and
- (n) any other amounts received by the Issuer in respect of the Purchased Receivables which is not in respect of the Principal Element of such Purchased Receivables,

but, for the avoidance of doubt, excluding any Retained Amount retained by the Issuer on any previous Interest Payment Date and any payments received by the Issuer in error which have been identified and communicated to the Issuer and the Cash Manager by the Servicer.

For each Interest Payment Date, "**Available Principal Collections**" are:

- (a) the aggregate Principal Collections for all Purchased Receivables during the immediately preceding Collection Period;
- (b) the amount, if any, to be credited to the Principal Deficiency Ledger pursuant to items (viii), (xi), (xiii), (xv), (xvii) and (xx) of the Pre-Enforcement Interest Priority of Payments on such Interest Payment Date;
- (c) any Principal Collections (other than those Principal Collections referred to in (a) above) that have not been applied on the immediately preceding Interest Payment Date;
- (d) (without double counting) where the Seller repurchases the Final Receivables in accordance with the terms of the Receivables Sale and Purchase Deed in respect of an exercise by the Seller of the

Clean-Up Call Option or the Portfolio Repurchase Option, such amount of the Final Repurchase Price received by the Issuer on such Interest Payment Date representing the Principal Outstanding Balance of the Final Receivables as at such Interest Payment Date;

- (e) (on the first Interest Payment Date only) the residual issuance proceeds credited to the Distribution Account on the Closing Date; and
- (f) any other amounts received by the Issuer in respect of the Purchased Receivables which is in respect of the Principal Element of such Purchased Receivables.

For more details about the Available Interest Collections and Available Principal Collections, see the section entitled "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*".

Payments of Interest

Interest will accrue on the Rated Notes at the Compounded Daily SONIA plus the Margin for each Class of Rated Notes, in each case, specified at the beginning of this Prospectus, and will be due to the Noteholders on each Interest Payment Date. The Issuer will make interest payments (if any) on each Interest Payment Date to the Noteholders of record on the Clearing System Business Day prior to such Interest Payment Date.

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

- (a) in the case of the Class A Notes, 0.70%;
- (b) in the case of the Class B Notes, 1.20%;
- (c) in the case of the Class C Notes, 1.60%;
- (d) in the case of the Class D Notes, 1.90%;
- (e) in the case of the Class E Notes, 3.20%; and
- (f) in the case of the Class F Notes, 5.40%,

in each case, the sum being subject to a floor of zero.

Interest due and payable on the Controlling Class may not be deferred (excluding in respect of amounts previously deferred or accrued interest thereon). Interest due and payable on:

- (a) the Class B Notes may be deferred until the next Interest Payment Date to the extent the Class B Notes are not the Controlling Class;
- (b) the Class C Notes may be deferred until the next Interest Payment Date to the extent the Class C Notes are not the Controlling Class;
- (c) the Class D Notes may be deferred until the next Interest Payment Date to the extent the Class D Notes are not the Controlling Class;
- (d) the Class E Notes may be deferred until the next Interest Payment Date to the extent the Class E Notes are not the Controlling Class; and
- (e) the Class F Notes may be deferred until the next Interest Payment Date to the extent the Class F Notes are not the Controlling Class,

in each case, in accordance with the Conditions, and such failure will not constitute an Event of Default until the Final Legal Maturity Date or any earlier date on which the relevant Class of Rated Notes is to be redeemed in full in accordance with the Conditions, and such amounts would only become due and payable on the Final Legal Maturity Date or such earlier date.

Where a Class of Rated Notes becomes the Controlling Class, such failure (excluding in respect of amounts previously deferred or accrued interest thereon) will constitute an Event of Default.

Interest will not accrue on the Class Z Notes, the Subordinated Loan Note and the Certificates.

The Issuer will make interest payments on the Rated Notes on each Interest Payment Date from Available Interest Collections. Interest payments will not be made on the Class A Notes until the Retained Amount, the amounts due to the Security Trustee and the Note Trustee, the amounts due to the Agents, the amounts due to any third party creditors of the Issuer and the amounts due to the relevant Transaction Parties (including the Servicing Fee) are paid in full. Interest payments will not be made on:

- (a) the Class B Notes until all interest due on the Class A Notes is paid in full;
- (b) the Class C Notes until all interest due on the Class A Notes and the Class B Notes is paid in full;
- (c) the Class D Notes until all interest due on the Class A Notes, the Class B Notes and the Class C Notes is paid in full;
- (d) the Class E Notes until all interest due on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes is paid in full;
- (e) the Class F Notes until all interest due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes is paid in full.

If the amount of Available Interest Collections is insufficient to pay all interest due on a Class of Rated Notes on an Interest Payment Date, each Holder of Rated Notes of that Class will receive its *pro rata* share of the funds that are available.

For more details about the Pre-Enforcement Priorities of Payments, see the sections entitled "*Overview of the Notes, the Certificates and the Transaction*", "*Cashflows – Priorities of Payments*", "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*".

If an Enforcement Notice is delivered, interest due on a Class of Rated Notes will not be paid until all items ranking senior to payments of interest due on that Class of Rated Notes pursuant to the Post-Enforcement Priority of Payments are paid in full. Interest due on:

- (a) the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will then not be paid until both interest and principal on all the Class A Notes is paid or repaid in full (as applicable);
- (b) the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will then not be paid until both interest and principal on all the Class A Notes and the Class B Notes is paid or repaid in full (as applicable);
- (c) the Class D Notes, the Class E Notes and the Class F Notes will then not be paid until both interest and principal on all the Class A Notes, the Class B Notes and the Class C Notes is paid or repaid in full (as applicable);
- (d) the Class E Notes and the Class F Notes will then not be paid until both interest and principal on all the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes is paid or repaid in full (as applicable); and
- (e) the Class F Notes will then not be paid until both interest and principal on all the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and the Class E Notes is paid or repaid in full (as applicable).

For more details about the Post-Enforcement Priority of Payments, see the sections entitled "*Cashflows – Priorities of Payments*", "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*" below.

Junior Liquidity Reserve Fund

The amounts standing to the credit of the Junior Liquidity Reserve Fund from time to time will serve as liquidity support for the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, and certain senior expenses ranking in priority thereto throughout the life of the transaction.

On any Interest Payment Date where a Senior Expenses Shortfall and/or a Junior Interest Collections Shortfall arises, the Issuer shall withdraw an amount equal to the Senior Expenses Shortfall and/or the Junior Interest Collections Shortfall (or, if the amount standing to the credit of the Junior Liquidity Reserve Fund is less than the relevant Senior Expenses Shortfall and/or Junior Interest Collections Shortfall, the amount standing to the credit of the Junior Liquidity Reserve Fund) from the amount standing to the credit of the Junior Liquidity Reserve Fund and apply such amount as Available Interest Collections.

The Junior Liquidity Reserve Fund will be funded on the Interest Payment Date immediately following the redemption in full of the Class B Notes up to the Junior Liquidity Reserve Fund Required Amount and thereafter replenished in accordance with the Pre-Enforcement Interest Priority of Payments.

Senior Liquidity Reserve Fund

The amounts standing to the credit of the Senior Liquidity Reserve Fund from time to time will serve as liquidity support for the Class A Notes and the Class B Notes, and certain senior expenses ranking in priority thereto throughout the life of the transaction.

On any Interest Payment Date where a Senior Expenses Shortfall (following application of the Junior Liquidity Reserve Fund Release Amount) and/or a Senior Interest Collections Shortfall arises, the Issuer shall withdraw an amount equal to the Senior Expenses Shortfall and/or the Senior Interest Collections Shortfall (or, if the amount standing to the credit of the Senior Liquidity Reserve Fund is less than the relevant Senior Expenses Shortfall and/or Senior Interest Collections Shortfall, the amount standing to the credit of the Senior Liquidity Reserve Fund) from the amount standing to the credit of the Senior Liquidity Reserve Fund and apply such amount as Available Interest Collections.

The Senior Liquidity Reserve Fund will be funded on the Closing Date up to the Senior Liquidity Reserve Fund Required Amount using the proceeds from the sale of the Class Z Notes and thereafter replenished in accordance with the Pre-Enforcement Interest Priority of Payments.

Principal Addition Amount

On each Interest Payment Date on which a Senior Expenses Shortfall arises (following application of the Junior Liquidity Reserve Fund Release Amount and the Senior Liquidity Reserve Fund Release Amount) and/or a Senior Interest Collections Shortfall arises (following application of the Senior Liquidity Reserve Fund Release Amount), the Issuer will apply the Principal Addition Amount as Available Interest Collections in accordance with the Pre-Enforcement Interest Priority of Payments and the amount of such Senior Expenses Shortfall will be recorded as a debit to the relevant Principal Deficiency Ledger.

Payments of Principal

The Issuer will pay principal on the Notes on each Interest Payment Date in the amounts described in the "Terms and Conditions of the Notes". The Issuer will apply Available Principal Collections to make payments of principal sequentially to each Class of Rated Notes in order of seniority, starting with the Class A Notes. The Issuer will not pay principal on any Class of Rated Notes until the principal amounts of all more senior Classes of Rated Notes are paid in full. The Issuer will apply Available Interest Collections to make payments of principal to the Class Z Notes. The principal amount of each Class of Notes is expected to be repaid by the Final Legal Maturity Date. If the principal amount of a Class of Notes is not repaid in full by the Final Legal Maturity Date, then an Event of Default will occur and the principal amount of all Classes of Notes may be declared immediately due and payable.

The Issuer will make payments of principal on the relevant Interest Payment Date to the Noteholders of record on the Clearing System Business Day prior to such Interest Payment Date, in accordance with the applicable Priority of Payment.

If an Enforcement Notice is delivered, principal due on a Class of Notes will not be paid until all items ranking senior to payments of principal due on that Class of Notes pursuant to the Post-Enforcement Priority of Payments are paid in full. Principal due on:

- (a) the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes will then not be paid until both interest and principal on all the Class A Notes is paid or repaid in full (as applicable);
- (b) the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes will then not be paid until both interest and principal on all the Class A Notes and the Class B Notes is paid or repaid in full (as applicable);
- (c) the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes will then not be paid until both interest and principal on all the Class A Notes, the Class B Notes and the Class C Notes is paid or repaid in full (as applicable);
- (d) the Class E Notes, the Class F Notes and the Class Z Notes will then not be paid until both interest and principal on all the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes is paid or repaid in full (as applicable);
- (e) the Class F Notes and the Class Z Notes will then not be paid until both interest and principal on all the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes is paid or repaid in full (as applicable); and
- (f) the Class Z Notes will then not be paid until both interest and principal on all the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes is paid or repaid in full (as applicable).

RC Payments

The Issuer will pay any RC Payments on the Certificates on each Interest Payment Date:

- (a) prior to the delivery of an Enforcement Notice, in the amount by which Available Interest Collections exceed the amounts required to satisfy items (i) to (xxiv) (inclusive) of the Pre-Enforcement Interest Priority of Payments on that Interest Payment Date; and
- (b) following the delivery of an Enforcement Notice, in the amount by which amounts available for payment in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items (i) to (xvi) (inclusive) of the Post-Enforcement Priority of Payments on that date.

Priorities of Payments

General rule

On each Interest Payment Date, the Cash Manager will apply Available Funds from the Collection Period to make payments in the Priorities of Payments listed below.

Pre-Enforcement Interest Priority of Payments

On each Interest Payment Date before the delivery of an Enforcement Notice, the Issuer will apply the Available Interest Collections in the following order of priority:

- (i) **Amounts due to the Security Trustee and the Note Trustee** – *first*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Security Trustee, together with interest and any amount in respect of VAT (if any) on those amounts, and to make provision for any amounts due or to become due during the following Interest Period to the Security Trustee under the Deed of Charge; and

- (B) the Note Trustee, together with interest and any amount in respect of VAT (if any) on those amounts, and to make provision for any amounts due or to become due during the following Interest Period to the Note Trustee under the Trust Deed,

in each case, together with any arrears remaining unpaid for such amounts;

- (ii) **Amounts due to the Agents, the Cash Manager and the Account Bank** – *second*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Agents, the Cash Manager and the Account Bank together with interest and any amount in respect of VAT (if any) on those amounts, and any costs, charges, liabilities and expenses then due or to become due during the following Interest Period to the Agents, the Cash Manager and the Account Bank under the Agency Agreement, the Cash Management Agreement and the Account Bank Agreement, respectively;
- (iii) **Amounts due to third parties** – *third*, in or towards payment, *pro rata* and *pari passu*, of amounts due to any third party creditors of the Issuer (other than those referred to later in this Pre-Enforcement Interest Priority of Payments), which amounts have been incurred without breach by the Issuer of the Transaction Documents to which it is a party and for which payment has not been provided for elsewhere and to provide for any of those amounts expected to become due and payable during the following Interest Period by the Issuer and, to the extent the Retained Amounts are insufficient, to the extent of any insufficiency to pay or discharge any corporation tax liability of the Issuer;
- (iv) **Amounts due to Transaction Parties** – *fourth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Servicer, in the immediately succeeding Interest Period, under the Servicing Agreement;
 - (B) the Corporate Services Provider, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due, or to become due to the Corporate Services Provider in the immediately succeeding Interest Period, under the Corporate Services Agreement;
 - (C) to the extent applicable, the Standby Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Standby Servicer in the immediately succeeding Interest Period, under the Standby Servicing Agreement;
 - (D) any auditors of, and other professional advisers to, the Issuer; and
 - (E) any Insolvency Official of the Seller, in respect of the Incentive Fee (if any);
- (v) **Amounts due to the Swap Counterparty** – *fifth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Swap Counterparty under the provisions of the Swap Agreement (in each case, other than Swap Counterparty Subordinated Amounts and Swap Excluded Amounts);
- (vi) **Retained Amount** – *sixth*, in or towards retention by the Issuer of the Retained Amount, from which the Issuer will (amongst other things) discharge its liability to corporation tax, the Tax Creditors for Taxes (which cannot be paid out of amounts previously retained as the Retained Amount) and any arrears remaining unpaid for any such liabilities or expenses, *pari passu* and *pro rata* amongst themselves;
- (vii) **Class A Interest** – *seventh*, in or towards payment, *pari passu* and *pro rata*, to the Class A Noteholders of interest due and payable on the Class A Notes;
- (viii) **Class A Principal Deficiency Ledger** – *eighth*, in or towards credit to the Class A Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class A Principal Deficiency Ledger to zero;

- (ix) **Class B Interest** – *ninth*, in or towards payment, *pari passu* and *pro rata*, to the Class B Noteholders of interest due and payable on the Class B Notes (including any Deferred Interest and Additional Interest in respect of the Class B Notes);
- (x) **Senior Liquidity Reserve Fund** – *tenth*, in or towards payment to the Liquidity Reserve Account (to be credited in the Senior Liquidity Reserve Ledger) of the amount required to replenish the Senior Liquidity Reserve Fund up to the Senior Liquidity Reserve Fund Required Amount;
- (xi) **Class B Principal Deficiency Ledger** – *eleventh*, in or towards credit to the Class B Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class B Principal Deficiency Ledger to zero;
- (xii) **Class C Interest** – *twelfth*, in or towards payment, *pari passu* and *pro rata*, to the Class C Noteholders of interest due and payable on the Class C Notes (including any Deferred Interest and Additional Interest in respect of the Class C Notes);
- (xiii) **Class C Principal Deficiency Ledger** – *thirteenth*, in or towards credit to the Class C Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class C Principal Deficiency Ledger to zero;
- (xiv) **Class D Interest** – *fourteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class D Noteholders of interest due and payable on the Class D Notes (including any Deferred Interest and Additional Interest in respect of the Class D Notes);
- (xv) **Class D Principal Deficiency Ledger** – *fifteenth*, in or towards credit to the Class D Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class D Principal Deficiency Ledger to zero;
- (xvi) **Class E Interest** – *sixteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class E Noteholders of interest due and payable on the Class E Notes (including any Deferred Interest and Additional Interest in respect of the Class E Notes);
- (xvii) **Class E Principal Deficiency Ledger** – *seventeen*, in or towards credit to the Class E Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class E Principal Deficiency Ledger to zero;
- (xviii) **Class F Interest** – *eighteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class F Noteholders of interest due and payable on the Class F Notes (including any Deferred Interest and Additional Interest in respect of the Class F Notes);
- (xix) **Junior Liquidity Reserve Fund** – *nineteenth*, in or towards payment to the Liquidity Reserve Account (to be credited in the Junior Liquidity Reserve Ledger) of the amount required to replenish the Junior Liquidity Reserve Fund up to the Junior Liquidity Reserve Fund Required Amount;
- (xx) **Class F Principal Deficiency Ledger** – *twentieth*, in or towards credit to the Class F Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class F Principal Deficiency Ledger to zero;
- (xxi) **Swap Counterparty Subordinated Amounts** – *twenty-first*, in or towards payment of any Swap Counterparty Subordinated Amounts, if any, due and payable to the Swap Counterparty in respect of the Swap Agreement;
- (xxii) **Class Z Principal** – *twenty-second*, in or towards payment, *pari passu* and *pro rata*, to the Class Z Noteholders of principal of the Class Z Notes until paid in full;
- (xxiii) **Subordinated Loan Note Principal** – *twenty-third*, in or towards payment to the Subordinated Loan Note Subscriber of any principal amount due and payable on the Subordinated Loan Note;
- (xxiv) **Other amounts due by Issuer** – *twenty-fourth*, in or towards payment, *pari passu* and *pro rata*, to any other party of any amounts due by the Issuer under the Transaction Documents to whom payment has not already been provided for elsewhere; and

(xxv) **RC Payments** – *twenty-fifth*, in or towards payment, *pari passu* and *pro rata*, to the Certificateholders of any RC Payments,

in each case only to the extent that all payments of a higher priority to be paid or provided for on such Interest Payment Date have been made in full.

Pre-Enforcement Principal Priority of Payments

On each Interest Payment Date before the delivery of an Enforcement Notice, the Issuer will apply the Available Principal Collections in the following order of priority:

- (i) **Principal Addition Amount** – *first*, in or towards application of an amount equal to the Principal Addition Amount as Available Interest Collections;
- (ii) **Class A Principal** – *second*, in or towards payment, *pari passu* and *pro rata*, to the Class A Noteholders of principal of the Class A Notes until paid in full;
- (iii) **Class B Principal** – *third*, in or towards payment, *pari passu* and *pro rata*, to the Class B Noteholders of principal of the Class B Notes until paid in full;
- (iv) **Class C Principal** – *fourth*, in or towards payment, *pari passu* and *pro rata*, to the Class C Noteholders of principal of the Class C Notes until paid in full;
- (v) **Class D Principal** – *fifth*, in or towards payment, *pari passu* and *pro rata*, to the Class D Noteholders of principal of the Class D Notes until paid in full;
- (vi) **Class E Principal** – *sixth*, in or towards payment, *pari passu* and *pro rata*, to the Class E Noteholders of principal of the Class E Notes until paid in full;
- (vii) **Class F Principal** – *seventh*, in or towards payment, *pari passu* and *pro rata*, to the Class F Noteholders of principal of the Class F Notes until paid in full; and
- (viii) **Available Interest Collections** – *eighth*, in application of any remaining amounts to Available Interest Collections,

but in each case only to the extent that all payments of a higher priority to be paid or provided for on such Interest Payment Date have been made in full.

Post-Enforcement Priority of Payments

After the delivery of an Enforcement Notice, the Security Trustee will apply moneys available for distribution to satisfy the amounts owing by the Issuer to the extent permitted by applicable law, in the following order of priority:

- (i) **Amounts due to Security Trustee and Trustee** – *first*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Security Trustee and any Receiver (including any administrative receiver) appointed by the Security Trustee, together with interest and any amount in respect of VAT (if any) on those amounts and any amounts then due or to become due and payable to the Security Trustee and the receiver under the provisions of the Deed of Charge; and
 - (B) the Note Trustee, together with interest and any amount in respect of VAT (if any) on those amounts and any amounts then due or to become due and payable to the Note Trustee under the provisions of the Trust Deed,

in each case, together with any arrears remaining unpaid for such amounts;

- (ii) **Amounts due to the Agents, the Cash Manager and the Account Bank** – *second*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Agents, the Cash Manager and the Account Bank together with interest and any amount in respect of VAT (if any) on those amounts, and any costs, charges, liabilities and expenses then due or to become due during the following

Interest Period to the Agents, the Cash Manager and the Account Bank under the Agency Agreement, the Cash Management Agreement and the Account Bank Agreement, respectively;

- (iii) **Amounts due to third parties** – *third*, in or towards payment, *pro rata* and *pari passu*, of amounts due to any third party creditors of the Issuer (other than those referred to later in this Post-Enforcement Priority of Payments), which amounts have been incurred without breach by the Issuer of the Transaction Documents to which it is a party and for which payment has not been provided for elsewhere and to provide for any of those amounts expected to become due and payable during the following Interest Period by the Issuer and, to the extent the Retained Amounts are insufficient, to the extent of any insufficiency to pay or discharge any corporation tax liability of the Issuer;
- (iv) **Amounts due to Transaction Parties** – *fourth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Servicer, in the immediately succeeding Interest Period, under the Servicing Agreement;
 - (B) the Corporate Services Provider, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due, or to become due to the Corporate Services Provider in the immediately succeeding Interest Period, under the Corporate Services Agreement;
 - (C) to the extent applicable, the Standby Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Standby Servicer in the immediately succeeding Interest Period, under the Standby Servicing Agreement;
 - (D) any auditors of, and other professional advisers to, the Issuer; and
 - (E) any Insolvency Official of the Seller, in respect of the Incentive Fee (if any),
- (v) **Amounts due to the Swap Counterparty** – *fifth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Swap Counterparty under the provisions of the Swap Agreement (in each case, other than Swap Counterparty Subordinated Amounts and Swap Excluded Amounts);
- (vi) **Class A Interest and Principal** – *sixth*, in or towards payment, *pari passu* and *pro rata*, to the Class A Noteholders:
 - (A) *first*, of interest due and payable on the Class A Notes; and
 - (B) *second*, of principal of the Class A Notes until paid in full;
- (vii) **Class B Interest and Principal** – *seventh*, in or towards payment, *pari passu* and *pro rata*, to the Class B Noteholders:
 - (A) *first*, of interest due and payable on the Class B Notes (including any Deferred Interest and Additional Interest in respect of the Class B Notes); and
 - (B) *second*, of principal of the Class B Notes until paid in full;
- (viii) **Class C Interest and Principal** – *eighth*, in or towards payment, *pari passu* and *pro rata*, to the Class C Noteholders:
 - (A) *first*, of interest due and payable on the Class C Notes (including any Deferred Interest and Additional Interest in respect of the Class C Notes); and
 - (B) *second*, of principal of the Class C Notes until paid in full;

- (ix) **Class D Interest and Principal** – *ninth*, in or towards payment, *pari passu* and *pro rata*, to the Class D Noteholders:
 - (A) *first*, of interest due and payable on the Class D Notes (including any Deferred Interest and Additional Interest in respect of the Class D Notes); and
 - (B) *second*, of principal of the Class D Notes until paid in full;
- (x) **Class E Interest and Principal** – *tenth*, in or towards payment, *pari passu* and *pro rata*, to the Class E Noteholders:
 - (A) *first*, of interest due and payable on the Class E Notes (including any Deferred Interest and Additional Interest in respect of the Class E Notes); and
 - (B) *second*, of principal of the Class E Notes until paid in full;
- (xi) **Class F Interest and Principal** – *eleventh*, in or towards payment, *pari passu* and *pro rata*, to the Class F Noteholders:
 - (A) *first*, of interest due and payable on the Class F Notes (including any Deferred Interest and Additional Interest in respect of the Class F Notes); and
 - (B) *second*, of principal of the Class F Notes until paid in full;
- (xii) **Swap Counterparty Subordinated Amounts** – *twelfth*, in or towards payment of any Swap Counterparty Subordinated Amounts, if any, due and payable to the Swap Counterparty in respect of the Swap Agreement;
- (xiii) **Class Z Principal** – *thirteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class Z Noteholders of principal of the Class Z Notes until paid in full;
- (xiv) **Subordinated Loan Note Principal** – *fourteenth*, in or towards payment to the Subordinated Loan Note Subscriber of any principal amount due and payable on the Subordinated Loan Note;
- (xv) **Retained Amount** – *fifteenth*, in or towards retention by the Issuer of the Retained Amount, from which the Issuer will (amongst other things) discharge its liability to corporation tax, the Tax Creditors for Taxes and any arrears remaining unpaid for any such liabilities or expenses, *pari passu* and *pro rata* amongst themselves;
- (xvi) **Other amounts due by Issuer** – *sixteenth*, in or towards payment, *pari passu* and *pro rata*, of any other amounts due and payable by the Issuer under the Transaction Documents (to the extent not already covered above); and
- (xvii) **RC Payments** – *seventeenth*, in or towards payment, *pari passu* and *pro rata*, to the Certificateholders of any RC Payments,

in each case only to the extent that all payments of a higher priority due to be paid or provided for on such Interest Payment Date have been made in full.

Swap Collateral

In the event that any Swap Collateral is received by the Issuer from the Swap Counterparty, the Cash Manager will credit such amounts representing that Swap Collateral, including any interest thereon or distributions in respect thereof, to the Swap Collateral Account. The Swap Collateral Account will be debited by the relevant amount in the event that Swap Collateral is returned to the Swap Counterparty or is applied (or is realised and applied) towards satisfaction of obligations of that Swap Counterparty, in each case in accordance with the Swap Agreement. In the event that such Swap Collateral is applied towards satisfaction of obligations of such Swap Counterparty and is not to be applied by the Issuer in the purchase of one or more replacement hedging transactions, such amount shall be credited to the Distribution Account for application in accordance with the relevant Priority of Payments (in each case subject to the Swap Collateral Account Priority of Payments).

In addition, any Swap Excluded Amounts and, upon an early termination of the Swap Agreement, any termination payment (as calculated in accordance with the Swap Agreement) received by the Issuer from the outgoing Swap Counterparty will be credited to the Swap Collateral Account.

Amounts standing to the credit of the Swap Collateral Account (including interest, distributions and redemption or sale proceeds thereon or thereof) will not be available for the Issuer or the Security Trustee to make payments to the Secured Parties generally, but may be applied by the Cash Manager only in accordance with the following provisions in accordance with the instructions of the Swap Counterparty or the Servicer (the "**Swap Collateral Account Priority of Payments**"):

- (i) to pay an amount equal to any Swap Tax Credits received by the Issuer to the Swap Counterparty;
- (ii) prior to the designation of an Early Termination Date (as defined in the Swap Agreement, the "**Early Termination Date**") in respect of the Swap Agreement, solely in or towards payment or discharge of any Return Amounts, Interest Amounts and Distributions (as defined in the Credit Support Annex relating to the Swap Agreement), on any day, directly to the Swap Counterparty;
- (iii) following the designation of an Early Termination Date in respect of the Swap Agreement where (1) such Early Termination Date has been designated following a Swap Counterparty Default or Swap Counterparty Downgrade Event or as a result of a "*Termination Event*" under Section 5(b)(iii) (*Tax Event Upon Merger*) or (b)(iv)(*Credit Event Upon Merger*) (or if based on the 2002 ISDA Master Agreement, Section 5(b)(iv) and (v), respectively) of the Swap Agreement where the Swap Counterparty is the sole "Affected Party" and (2) the Issuer enters into a Replacement Swap Agreement in respect of the Swap Agreement on or around the Early Termination Date of the Swap Agreement, on the later of the day on which such Replacement Swap Agreement is entered into, the day on which a termination payment (as calculated in accordance with the Swap Agreement) (if any) payable to the Issuer has been received and the day on which a Replacement Swap Premium (if any) payable to the Issuer has been received, in the following order of priority:
 - (A) *first*, in or towards payment of a Replacement Swap Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Swap Agreement being terminated;
 - (B) *second*, in or towards payment of any termination payment (as calculated in accordance with the Swap Agreement) due to the outgoing Swap Counterparty; and
 - (C) *third*, the surplus (if any) on such day to be transferred to the Distribution Account to be applied as Available Interest Collections;
- (iv) following the designation of an Early Termination Date in respect of the Swap Agreement where: (1) such Early Termination Date has been designated otherwise than as a result of one of the events specified at item (iii)(1) above, and (2) the Issuer enters into a Replacement Swap Agreement in respect of the Swap Agreement on or around the Early Termination Date of the Swap Agreement, on the later of the day on which such Replacement Swap Agreement is entered into, the day on which a termination payment (as calculated in accordance with the Swap Agreement) (if any) payable to the Issuer has been received and the day on which a Replacement Swap Premium (if any) payable to the Issuer has been received, in the following order of priority:
 - (A) *first*, in or towards payment of any termination payment (as calculated in accordance with the Swap Agreement) due to the outgoing Swap Counterparty;
 - (B) *second*, in or towards payment of a Replacement Swap Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Swap Agreement being terminated; and
 - (C) *third*, any surplus on such day to be transferred to the Distribution Account to be applied as Available Interest Collections;
- (v) following the designation of an Early Termination Date in respect of the Swap Agreement for any reason where the Issuer does not enter into a Replacement Swap Agreement in respect of the Swap Agreement on or around the Early Termination Date of the Swap Agreement and, on the date on

which the relevant payment is due, in or towards payment of any termination payment (as calculated in accordance with the Swap Agreement) due to the outgoing Swap Counterparty; and

(vi) following payments of amounts due pursuant to item (v) above, if amounts remain standing to the credit of a Swap Collateral Account, such amounts may be applied only in accordance with the following provisions:

- (A) *first*, in or towards payment of a Replacement Swap Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Swap Agreement; and
- (B) *second*, any surplus remaining after payment of such Replacement Swap Premium to be transferred to the Distribution Account to be applied as Available Interest Collections,

provided that, for so long as the Issuer does not enter into a Replacement Swap Agreement with respect to the Swap Agreement on or prior to the earlier of:

- (1) the Calculation Date immediately before the Interest Payment Date on which the Principal Amount Outstanding of all Rated Notes would be reduced to zero (taking into account any Swap Collateral Account Surplus to be applied as Available Interest Collections on such Interest Payment Date); or
- (2) the day on which an Enforcement Notice is given pursuant to Condition 10 (*Events of Default*) and/or Certificates Condition 8 (*Events of Default*); or
- (3) the date on which the Principal Outstanding Balance of the Purchased Receivables is reduced to zero,

then the amount standing to the credit of such Swap Collateral Account on such day shall be transferred to the Distribution Account to be applied as Available Interest Collections as soon as reasonably practicable thereafter.

The Swap Collateral Account will be opened on the Closing Date and maintained in respect of the Swap Agreement in the name of the Issuer and will be held at the Account Bank. As security for the payment of all monies payable in respect of the Notes, the Certificates and the other Secured Obligations, the Issuer will grant a first fixed charge over the Issuer's interest in the Swap Collateral Account and the debts represented thereby (which may, however, take effect as a floating charge and therefore rank behind the claims of any preferential creditors of the Issuer).

Determinations by the Cash Manager

If the Servicer fails to supply the Cash Manager with any information it requires to make any relevant determinations under the Cash Management Agreement (including for the avoidance of doubt, any Servicer Report), the Cash Manager will make all reasonable enquiries of the Servicer to obtain such information. If the Servicer fails to provide such information, the Cash Manager will make its determinations based on the information it does have in connection with payments due on the Notes and the Certificates on the relevant Interest Payment Date and will not be liable to any person for making such determination (in the absence of gross negligence, fraud or wilful default). If the Cash Manager does not have sufficient information to make such determinations it can make its determinations based on information provided to it by the Servicer on or around the three preceding Calculation Dates and will not be liable to any person (in the absence of the Cash Manager's gross negligence, fraud, or wilful default) for the accuracy of such determinations.

RIGHTS OF NOTEHOLDERS AND CERTIFICATEHOLDERS

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

Prior to an Event of Default: Prior to the occurrence of an Event of Default, Noteholders holding not less than 10% of the Principal Amount Outstanding of the Notes then outstanding are entitled to direct the Note Trustee to convene a Noteholders' meeting to consider any matter affecting their interests.

Prior to the occurrence of an Event of Default, Certificateholders holding not less than 10% of the Certificates then in issue and outstanding are entitled to direct the Note Trustee to convene a Certificateholders' meeting to consider any matter affecting their interests.

Following an Event of Default: Following the occurrence of an Event of Default, the Controlling Class (or if no Notes are outstanding, the Certificateholders), acting by way of an Extraordinary Resolution, may instruct the Note Trustee to (subject to the Note Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) deliver an Enforcement Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager, the Swap Counterparty and the Principal Paying Agent (with a copy to each Rating Agency) declaring the Notes and/or the Certificates (as applicable) immediately due and payable, without further action or formality, at their Principal Amount Outstanding together with accrued interest (if any) (or, in relation to the Certificates, any RC Payments due on the Certificates) and the Security will become enforceable.

The Note Trustee may determine, and may direct the Security Trustee to determine, without the consent of the Noteholders and the Certificateholders, if it is of the opinion that such determination will not be materially prejudicial to the interests of the Noteholders and the Certificateholders, that an Event of Default shall not be subject to specified conditions and treated as such.

See the section entitled "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*" for more information.

Noteholders meeting provisions: *Notice Period:* 21 clear days, but not more than 90 days, for the initial meeting 10 clear days, but not more than 21 days, for an adjourned meeting

Place of meeting: United Kingdom

Quorum: 20% of the Principal Amount Outstanding of the relevant Class of Notes for the initial meeting for all Ordinary Resolutions; 50% of the Principal Amount Outstanding of the relevant Class of Notes for the initial meeting to pass an Extraordinary Resolution (other than a Basic Terms Modification, which requires at least 75% of the Principal Amount Outstanding of the relevant Class of Notes)

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|--|--|---|--|
| | Amount Outstanding of the relevant Class of Notes) | | |
| Certificateholders meeting provisions: | <i>Required majority:</i> | More than 50% of votes cast for matters requiring Ordinary Resolution and 75% of votes cast for matters requiring Extraordinary Resolution | More than 50% of votes cast for matters requiring Ordinary Resolution and 75% of votes cast for matters requiring Extraordinary Resolution |
| | <i>Written Resolution:</i> | At least 75% of the Principal Amount Outstanding of the relevant Class of Notes. A Written Resolution has the same effect as an Extraordinary Resolution. | |
| | <i>Notice Period:</i> | 21 clear days, but not more than 90 days, for the initial meeting | 10 clear days, but not more than 21 days, for an adjourned meeting |
| | <i>Place of meeting:</i> | United Kingdom | |
| | <i>Quorum:</i> | 20% of the Certificates for the initial meeting for all Ordinary Resolutions; 50% of the Certificates for the initial meeting to pass an Extraordinary Resolution (other than a Basic Terms Modification, which requires at least 75% of the Certificates) | Any holding for an adjourned meeting (other than a Basic Terms Modification, which requires 25% of the Certificates) |
| Matters requiring Extraordinary Resolution: | <i>Required majority:</i> | More than 50% of votes cast for matters requiring Ordinary Resolution and 75% of votes cast for matters requiring Extraordinary Resolution | More than 50% of votes cast for matters requiring Ordinary Resolution and 75% of votes cast for matters requiring Extraordinary Resolution |
| | <i>Written Resolution:</i> | At least 75% of the Certificates. A Written Resolution has the same effect as an Extraordinary Resolution. | |
| | | Broadly speaking, the following matters require an Extraordinary Resolution: | |
| | | <ul style="list-style-type: none"> • to approve any Basic Terms Modification; • to waive any breach or authorise any proposed breach by the Issuer of its obligations under the Notes, the Certificates or any Transaction Document or any act or omission which might otherwise constitute an Event of Default under the Notes and/or the Certificates; • to remove the Note Trustee and/or the Security Trustee and to approve the appointment of a new Trustee and/or Security Trustee; • to authorise the Note Trustee or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution; | |

- to discharge or exonerate the Note Trustee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed, the Notes or the Certificates;
- to give any other authorisation or approval which under the Trust Deed, the Notes or the Certificates is required to be given by Extraordinary Resolution; and
- to appoint any persons as a committee to represent the interests of the Noteholders and the Certificateholders and to convey upon such committee any powers which the Noteholders and the Certificateholders could themselves exercise by Extraordinary Resolution,

provided that neither a Base Rate Modification nor any modification in accordance with Condition 12(b)(ii) and Certificates Condition 10(b)(ii) shall require an Extraordinary Resolution.

A Basic Terms Modification requires an Extraordinary Resolution of the relevant affected Classes of Notes or Certificates.

Relationship between Classes of Noteholders:

Except in respect of certain matters set out in Condition 12 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*) and the Trust Deed, an Extraordinary Resolution of:

- the Class A Noteholders shall be binding on the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders;
- the Class B Noteholders shall be binding on the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders;
- the Class C Noteholders shall be binding on the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders;
- the Class D Noteholders shall be binding on the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders;
- the Class E Noteholders shall be binding on the Class F Noteholders and the Class Z Noteholders; and
- the Class F Noteholders shall be binding on the Class Z Noteholders.

For further details see Condition 12 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*).

Relationship between Noteholders, Certificateholders and other Secured Parties:

The Note Trustee will have regard to the interests of the Noteholders, the Certificateholders and the other Secured Parties, but if in the Note Trustee's sole opinion there is a conflict between their interests it will have regard solely to the interests of the Noteholders for so long as the Notes are outstanding.

Provision of Information to the Noteholders and the Certificateholders:

Information in respect of the underlying Portfolio will be available on the Securitisation Repository in the form of Investor Reports pursuant to the terms of the Servicing Agreement.

PRINCIPAL TRANSACTION DOCUMENTS

The following is intended only to be an overview of the principal Transaction Documents and is qualified in its entirety by reference to the detailed terms of the relevant agreement which will be available at the office of the Principal Paying Agent, as described in "General Information".

Receivables Sale and Purchase Deed

Sale and Purchase

Under the Receivables Sale and Purchase Deed, on the Closing Date, Startline will sell, and the Issuer has agreed to purchase, the Receivables, together with the Ancillary Rights that Startline has represented and warranted satisfy the Eligibility Criteria.

On the Closing Date, the Receivables, with an aggregate Principal Outstanding Balance of approximately £292,875,469.85 as at the Cut-Off Date, will be sold and transferred to the Issuer.

The consideration due by the Issuer to the Seller on the Closing Date in connection with the sale and transfer of the Receivables to the Issuer consists of:

- (a) the Purchase Price; and
- (b) the right to RC Payments evidenced in certificated form by the issuance of the Certificates by the Issuer to the Seller, as deferred consideration and payment of further purchase price for the Receivables.

For more details about the Seller see the section entitled "*The Seller, Servicer and Subordinated Loan Note Subscriber*" and for more details about the Receivables see the section entitled "*The Provisional Portfolio*".

Title

Title to the Vehicles will remain with Startline until it is transferred to the relevant Customer under the terms of the relevant Hire Purchase Agreement or is sold by Startline following repossession of the Vehicle from the relevant Customer or a return of a Vehicle under a VT Receivable by the relevant Customer.

Representations and Warranties of Startline about the Receivables

Startline will make representations and warranties about the Receivables to the Issuer and the Security Trustee. Generally, these representations and warranties relate to legal standards for origination and transfer of the Receivables, terms of the agreements, and the nature of the interest in the Receivables and the Vehicles.

On the Closing Date, Startline will represent and warrant to the Issuer and the Security Trustee in respect of each Receivable and its related Ancillary Rights to be transferred to the Issuer on such date, with reference to the facts and circumstances subsisting as at that date (unless a contrary indication of timing otherwise appears in any representation and warranty or the Eligibility Criteria), as follows:

1. **Eligibility Criteria:** each Receivable and its related Ancillary Rights and the related Hire Purchase Agreement and Vehicle comply in all respects with the Eligibility Criteria as at the Cut-Off Date.
2. **Ownership of Receivable:** immediately prior to the sale of the Receivables and its related Ancillary Rights to the Issuer on the Closing Date, the Seller is the sole legal and beneficial owner of each Receivable and the Ancillary Rights relating to it, free from all claims, liens, charges, securities, encumbrances and equities or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect and, save as provided for in the Hire Purchase Agreement and save for the rights of the Customer under the relevant Hire Purchase Agreement, there is no option, right to acquire, mortgage, charge, pledge, lien or other form of security or encumbrance or equity on, over or affecting the Receivable or its Ancillary Rights.

3. **Compliance with Laws:** each Receivable and Related Hire Purchase Agreement was, as of the time of origination, and is currently in compliance with any material Requirement of Law, including, without limitation, applicable consumer protection laws.
4. **Seller as principal:** each Receivable's related Hire Purchase Agreement was originated by the Seller as sole principal, and without any agent lender, and at the time of origination the Seller had the power to enter into and perform its obligations under the Hire Purchase Agreement.
5. **No default:** so far as the Seller is aware, in respect of each Receivable:
 - (a) there is no material default, breach or violation (other than in respect of any of the matters specified in paragraphs (a)(ix) or (b)(iii) of the Eligibility Criteria or otherwise relating to payment) under any related Hire Purchase Agreement which has not been remedied or of any event which, with the giving of notice and/or the making of any determination and/or the expiration of any applicable grace period, would constitute such default, breach or violation, **provided that** any default, breach or violation shall be material only if it in any way affects the amount or the collectability of the Receivable; and
 - (b) in the immediately preceding three years, no Customer in respect of the Receivable has had any filing against it by the Seller and the Seller has not commenced any action, suit, litigation, arbitration or proceedings against the Customer, in each case in respect of the Receivable or for any other reason.
6. **No adverse selection of Receivables:** it, having regard to the Receivables which the Seller owns at the time and the Eligibility Criteria, has not selected Receivables to be offered for sale and transfer to the Issuer on a basis which is materially adverse to the interests of the Issuer.
7. **Seller's records:** it has or has caused to be maintained records relating to each Receivable and related Hire Purchase Agreement which are accurate and complete in all material respects and which are adequate so as to enable such Receivable and related Hire Purchase Agreement to be enforced against the relevant Customer and such records are held by it or to its order.

Startline will also make representations and warranties about itself to the Issuer and the Security Trustee.

Obligation to Repurchase Non-Compliant Receivables

The Seller will, other than in the circumstances in which it pays a CCA Compensation Amount or Set-Off Indemnity Amount, repurchase any Non-Compliant Receivable not later than the end of the Interest Period immediately following the Interest Period in which the party discovering such breach gave written notice thereof to the others. The repurchase price payable by the Seller to the Issuer for each Non-Compliant Receivable shall be an amount equal to the Repurchase Price.

In the case of a Purchased Receivable which did not exist, or has ceased to exist, such that it is not outstanding on the date on which it is otherwise due to be repurchased pursuant to the Receivables Sale and Purchase Deed, the Seller will not be obliged to repurchase the relevant Receivable but will pay to the Issuer the Receivables Indemnity Amount.

CCA Compensation Amount

If any Purchased Receivable is determined to be in breach of any Receivables Warranty made (including the Eligibility Criteria) by reason of a Hire Purchase Agreement (or part thereof) being determined illegal, invalid, non-binding, unenforceable or cancellable under the CCA, the Seller may opt to pay (instead of repurchasing the affected Purchased Receivables) a CCA Compensation Amount to the Issuer, being an amount, calculated by the Servicer in accordance with the Servicing Agreement, required to compensate the Issuer for any loss arising as a result thereof and the payment of such amount cures such illegality, invalidity or unenforceability or the Purchased Receivables being non-binding.

For further information on the calculation of such CCA Compensation Amount, see the section entitled "*Principal Transaction Documents – Servicing Agreement*" below.

Seller Indemnity for Exercise of Set-Off Rights by a Customer

If any Purchased Receivable is determined to be in breach of any Receivables Warranty made (including the Eligibility Criteria), by reason of the exercise of any Set-Off Right by a Customer, the Seller may opt to pay, in lieu of repurchasing the relevant Receivable, to the Issuer and the Security Trustee, the amount of any loss or expense suffered or incurred by the Issuer or the Security Trustee as a direct result of the exercise or purported exercise by any Customer of any Set-Off Right in respect of any debt (present or future, actual or contingent) due or owing by such Customer to the Seller or alleged to be so due and owing (including, without limitation, any right of set-off pursuant to Section 56 and Section 75 and Section 75A of the CCA), which reduces any amount payable by such Customer in respect of such Purchased Receivable according to the provisions of clause 6.5 (*Indemnity due to exercise of Set-Off Rights by a Customer*) of the Receivables Sale and Purchase Deed (the amount of the reduction being, the "**Set-Off Indemnity Amount**").

The Seller will pay any Set-Off Indemnity Amount no later than the end of the Interest Period immediately following the Interest Period in which such exercise of set-off, netting, equity, counter-claim or other similar right was discovered.

Obligation to Repurchase Receivables for Non-Permitted Variation

A Non-Permitted Variation is any change to a Hire Purchase Agreement that relates to a Purchased Receivable, other than a Defaulted Receivable, and which has the effect of:

- (a) reducing the Principal Outstanding Balance of the Purchased Receivable;
- (b) sanctioning any kind of payment holiday (other than any payment holiday required to be sanctioned by any Requirement of Law or Regulatory Direction that the Seller does not elect, in its sole discretion, to classify as a Non-Permitted Variation);
- (c) reducing the total interest payable by the Customer over the term of the Purchased Receivable; or
- (d) extending the term of the Purchased Receivable by more than one month.

If Startline agrees to any variation to a Hire Purchase Agreement that relates to a Purchased Receivable, other than a Defaulted Receivable, which is a Non-Permitted Variation, the Seller must repurchase such Purchased Receivable from the Issuer on or before the end of the Collection Period immediately following the Collection Period in which such Non-Permitted Variation occurs. Any such repurchase by the Seller as a result of a variation to a Hire Purchase Agreement or a Purchased Receivable which is a Non-Permitted Variation shall be made in accordance with and subject to the terms of the Receivables Sale and Purchase Deed. The repurchase price for the relevant Purchased Receivable shall be an amount equal to the Repurchase Price.

Scottish Vehicle Sales Proceeds Floating Charge

In relation to any Vehicles located in Scotland, the Seller will grant a Scottish Vehicle Sales Proceeds Floating Charge in favour 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 in respect of the Issuer's interest in the Scottish Vehicle Sales Proceeds Floating Charge.

Clean-Up Call Option

Startline will have the option to purchase all (but not part only) of the Receivables on any Interest Payment Date after the aggregate Principal Amount Outstanding of the Rated Notes has been reduced to 10% or less of the initial aggregate Principal Amount Outstanding of the Rated Notes as at the Closing Date. Startline may exercise its Clean-Up Call Option only if the repurchase price for the Receivables is sufficient, taking into account any amounts in the Distribution Account, to pay in full both the principal and the interest under the Rated Notes and all items ranking in priority to principal and interest under the Rated Notes in accordance with the Pre-Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments, respectively.

Portfolio Repurchase Option

Startline will have the option to purchase all (but not part only) of the Receivables on the Portfolio Repurchase Option Date. Startline may exercise its Portfolio Repurchase Option only if the repurchase price for the Receivables is sufficient, taking into account any amounts in the Distribution Account, to pay in full both the principal and the interest under the Rated Notes and all items ranking in priority to principal and interest under the Rated Notes in accordance with the Pre-Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments, respectively.

Notification of Assignment of Receivables

No notification of the assignment and transfer of Receivables will be made to the Customers unless a Perfection Event has occurred. Notification will also be made if it is required for enforcement of the Issuer's rights under such Receivables in which case, so long as no Event of Default has occurred, the giving of such notice will require the Seller's approval which may not be unreasonably withheld.

Following the occurrence of any Perfection Event, the Servicer or the Issuer (as applicable) will give notice to the Customers of the assignment and transfer of the Receivables to the Issuer and to make payments on the Receivables to the Distribution Account.

Servicing Agreement

Servicing Obligations

Under the Servicing Agreement, Startline as Servicer will agree to manage, service, administer and collect the Receivables in accordance with the Servicer Standard of Care (defined below).

Under the Servicing Agreement, the Servicer's main obligations will be to:

- (a) collect and apply payments made on the Receivables and any other amounts received related to the Receivables;
- (b) recover amounts due from the Customer and of the related guarantors, if any, in respect of Defaulted Receivables;
- (c) enforce all obligations of the Customers under the Hire Purchase Agreements and of the related guarantors if any;
- (d) enforce all Ancillary Rights arising in respect of the Receivables (including, but not limited to, any claims against any third parties (including Dealers) in relation to any claims or set-off exercised by a Customer);
- (e) procure that all Collections in respect of the Receivables are paid directly into the Distribution Account within two Business Days of the later of (i) the Servicer applying such Collections to a Customer's account and (ii) the Servicer identifying such Collections as received in the Collection Account (or, in respect of Collections received on or after the Cut-Off Date but prior to the Closing Date, within 2 Business Days following the Closing Date), or as otherwise directed by the Issuer or (following the delivery of an Enforcement Notice) the Security Trustee;
- (f) prepare each Servicer Report and deliver it to the Cash Manager, the Issuer, the Note Trustee and the Security Trustee no later than 10.00 am (London time) five Business Days before each Interest Payment Date; and
- (g) on a monthly basis, prepare certain Loan-By-Loan Information in relation to the Portfolio and deliver it simultaneously with the Investor Report to be published in the relevant Interest Payment Date:
 - (i) to the Cash Manager, the Issuer, the Note Trustee and the Security Trustee; and
 - (ii) by e-mail to EuroABS for publication on the Securitisation Repository simultaneously with the Investor Report to be published in the relevant calendar month, as required by

and in accordance with Articles 7(1)(a) and 22(4) of the UK Securitisation Regulation and Article 7(1)(a) of the EU Securitisation Regulation.

For further information on the Servicer and its servicing procedures, see the section entitled "*The Seller, Servicer and Subordinated Loan Note Subscriber*".

Under the Servicing Agreement, the Servicer will undertake to devote to the performance of its obligations and the exercise of its discretions under the Servicing Agreement and its exercise of the rights of the Issuer in respect of contracts and arrangements giving rise to payment obligations in respect of the Purchased Receivables at least the same amount of time and attention and exercise the same level of skill, care and diligence as it would if it were administering Receivables in respect of which it held the entire benefit (both legally and beneficially) and, in any event, will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions and will devote all operational resources necessary (including, without limitation, office space, facilities, equipment and staff) to fulfil its obligations under the Servicing Agreement and the other Transaction Documents to which it is a party (together, the "**Servicer Standard of Care**").

The Servicer will also undertake, among other things, that:

- (a) it will, in discharging its obligations and performing its functions under the Servicing Agreement, act in accordance with the Credit and Collection Procedures;
- (b) it will comply with any reasonable, proper and lawful directions, orders and instructions which the Issuer or, as applicable, the Security Trustee, may from time to time give to it in connection with the performance of its obligations under the Servicing Agreement (to the extent that compliance with those directions does not conflict with any provision of the Credit and Collection Procedures, the Transaction Documents or any duties or obligations applicable to directors generally under the laws of England and Wales) **provided that** prior to a Servicer Termination Event, a Perfection Event or any enforcement action being taken in relation to the Charged Property, the Servicer shall act in accordance with the Credit and Collection Procedures and any such directions must be in conformity with the Credit and Collection Procedures;
- (c) it will notify the Issuer and the Security Trustee immediately (but in any case within one Business Day) of becoming aware of the occurrence of any Perfection Event or Servicer Termination Event;
- (d) it will make all calculations required to be made by it under the Servicing Agreement (including calculating the CCA Compensation Amount, the Set-Off Indemnity Amount, the Receivables Indemnity Amount and the Repurchase Price);
- (e) subject to and in accordance with the provisions of the Servicing Agreement and the Credit and Collection Procedures, it will take all reasonable steps to recover all sums due to the Issuer in respect of the Purchased Receivables and any Ancillary Rights;
- (f) in accordance with the Servicing Agreement to allow, at any time from time to time during regular business hours, on reasonable notice to the Servicer, the Issuer, the Security Trustee or their agents or representatives to examine all Records relating to the Receivables and visit the offices and property of the Servicer for the purpose of examining such Records, at the reasonable expense of the Servicer; and
- (g) it will perform its obligations under the Transaction Documents in compliance with applicable laws and regulations.

Servicer Modifications

The Servicer will follow the Credit and Collection Procedures in servicing the Receivables. As part of its normal collection efforts, the Servicer may waive or modify the terms of a Receivable, including granting payment extensions and rewriting, rescheduling or amending a Hire Purchase Agreement or waiving late fees, extension fees or other administrative fees, according to the Credit and Collection Procedures and **provided that**, unless the Seller and the Issuer have confirmed that any such Receivable will be repurchased by the Seller, such changes are not a Non-Permitted Variation.

For more details about the Credit and Collection Procedures for servicing the Receivables, including extensions and rewrites, see the section entitled "*The Seller, Servicer and Subordinated Loan Note Subscriber*".

Deposit of Collections

The Servicer will use reasonable endeavours to procure that all Collections received by the Seller in respect of the Receivables are paid directly into the Distribution Account within two Business Days of the later of (i) the Servicer applying such Collections to a Customer's account and (ii) the Servicer identifying such Collections as received in the Collection Account (or, in respect of Collections received on or after the Cut-Off Date but prior to the Closing Date, within 2 Business Days following the Closing Date), or as otherwise directed by the Issuer or (following the delivery of an Enforcement Notice) the Security Trustee.

Allocation of Collections

The Servicer will identify and calculate amounts to be allocated to the Distribution Account from Available Funds, including:

- (a) on each Business Day, the Servicer will identify amounts received into the Distribution Account since the prior Business Day as Available Interest Collections or Available Principal Collections;
- (b) on each Calculation Date, the Servicer will calculate the Available Interest Collections for the immediately preceding Collection Period;
- (c) on each Interest Payment Date before the delivery of an Enforcement Notice, the Servicer will allocate Available Interest Collections for the prior Collection Period to each item in the Pre-Enforcement Interest Priority of Payments;
- (d) on each Calculation Date, the Servicer will calculate Available Principal Collections for the prior Collection Period; and
- (e) on each Interest Payment Date before the delivery of an Enforcement Notice, the Servicer will allocate the Available Principal Collections in accordance with the Pre-Enforcement Principal Priority of Payments.

For more details about the Pre-Enforcement Priorities of Payments, see the sections entitled "*Overview of the Notes and the Transaction*", "*Cashflows – Priorities of Payments*", "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*".

Servicer Reports

The Servicer will prepare and deliver a Servicer Report to the Cash Manager, the Issuer, the Note Trustee and the Security Trustee no later than 10.00 am (London time) five Business Days before each Interest Payment Date. Each Servicer Report will contain information about the performance of the Receivables during the relevant Collection Period.

The Servicer Report will contain the following information for each Interest Payment Date:

- Collections on the Receivables allocated by interest and principal;
- Servicing Fee payable to the Servicer;
- information on the performance of the Receivables for the Collection Period, including the aggregate Principal Outstanding Balance, Collections and the aggregate amount paid by Startline to indemnify or to repurchase Non-Compliant Receivables or Receivables subject to a Non-Permitted Variation and the number of Receivables remaining in the pool; and
- delinquency and loss information on the Receivables for the Collection Period.

The Cash Manager will use the Servicer Reports to prepare the Investor Reports and calculate payments to be made to the Noteholders and the Certificateholders on each Interest Payment Date. The Issuer and the Cash Manager will have no obligation to verify calculations made by the Servicer.

For information about other reports prepared by the Servicer, including assessment of compliance with the minimum servicing criteria, see the section entitled "*Certain Regulatory Disclosures – UK Securitisation Regulation and EU Securitisation Regulation*".

Data Protection

The Servicer shall provide the Standby Servicer, on the Closing Date, with access to, or copies of, the encoded Customer Data in a form to be agreed between them and, on each Interest Payment Date, with updated copies of the encoded Customer Data. The Servicer shall provide the Corporate Services Provider, on the Closing Date, with the key to such encoded Customer Data and shall ensure that the key is current and up-to-date and provide the Corporate Services Provider with an updated key should the circumstances so require.

The Issuer will agree to administer and use all data, documents and information transferred to it under the Receivables Sale and Purchase Deed or the Servicing Agreement in compliance with applicable laws. The Customer Data provided by the Servicer to the Issuer or the Standby Servicer will be encoded to protect the confidentiality of the identities of the Customers, and the key to such encoded data will be provided to and kept by the Corporate Services Provider on behalf of the Issuer to be used to decrypt the encoded Customer Data following a Perfection Event.

Custodial Obligations of Startline

The Servicer will maintain a record in its computer systems, on a receivable by receivable basis, of:

- (a) all the amounts paid by each Customer;
- (b) all the amounts due from a Customer;
- (c) the balance payable under a Receivable; and
- (d) the list of Customers.

Delegation of Obligations

The Servicer may without prior notice or consent delegate its obligations under the Servicing Agreement to any third party, subject to certain conditions being met. The Servicer may perform its obligations through sub-contractors. No such delegation or sub-contracting will relieve the Servicer of its responsibilities for such obligations and the Servicer will remain responsible for such obligations. The Servicer will be responsible for the fees of any sub-contractors.

Limitations on Liability

The Servicer will not be liable for any losses or expenses of the other parties to the Servicing Agreement, the Noteholders or the Certificateholders as a result of the proper performance of the Servicer's obligations except where such loss or expense is the result of its fraud, wilful default or negligence in the performance of its obligations.

Servicing Fees

The Servicer will receive the Servicing Fee (inclusive of VAT, if any) on each Interest Payment Date. In addition, the Servicer will retain any late fees, extension fees and other administrative fees received from Customers. The Servicer will have a right to reimbursement for fees and expenses paid to third parties related to the enforcement of any Hire Purchase Agreement or the repossession and disposition of Vehicles as well as for continued collection activities on written-off accounts.

Calculation of CCA Compensation Amount

In calculating the CCA Compensation Amount, the Servicer has agreed to calculate the loss (if any) that has arisen to the Issuer solely as a result of any Purchased Receivable or the Related Hire Purchase Agreement (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA. Where any Purchased Receivable or the Related Hire Purchase Agreement has been determined illegal, invalid, non-binding or unenforceable, the loss to the Issuer shall be calculated as being the amount which

the Issuer should have received under such Receivable had the Receivable or Hire Purchase Agreement not been so determined and on the assumption that all amounts under the Receivable and Hire Purchase Agreement (including any option fees) would have been paid on a timely basis in full by the Customer (and disregarding any consideration as to the credit worthiness of the Customer) and including any amounts that would have accrued to the Issuer from the date on which such Related Hire Purchase Agreement, was determined illegal, invalid, non-binding or unenforceable under the CCA, excluding for the avoidance of doubt any losses related to the Interest Element of the relevant Purchased Receivable.

Resignation and Termination of the Servicer

The Servicer may resign its appointment on no less than 12 months' written notice to the Issuer, the Standby Servicer, the Seller and the Security Trustee with a copy being sent to the Rating Agencies.

Each of the following events will be a "**Servicer Termination Event**" under the Servicing Agreement:

- (a) the Servicer fails to pay any amount due under the Servicing Agreement on the due date or on demand, if so payable, or to direct (or to procure the direction of) any movement of Collections as required under the Servicing Agreement and the other Transaction Documents, and such failure has continued unremedied for a period of seven Business Days after the earlier of written notice of the same being received by the Servicer or the Servicer becoming aware of such failure; or
- (b) the Servicer (i) fails to observe or perform in any respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party and such failure results in a Material Adverse Effect on the Purchased Receivables and continues unremedied for a period of 60 days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer from the Issuer or, after delivery of an Enforcement Notice or notice that the Security Trustee has taken any action to enforce the Security, the Security Trustee requiring the same to be remedied or (ii) fails to maintain its FSMA authorisation or any other regulatory licence or approval required under the terms of the Servicing Agreement and such failure continues unremedied for a period of 60 days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer;
- (c) the occurrence of an Insolvency Event in relation to the Servicer; or
- (d) any of the representations or warranties given by the Servicer pursuant to the Servicing Agreement prove to be untrue, incomplete or inaccurate and such default results in a Material Adverse Effect on the Purchased Receivables and (if capable of remedy) continues unremedied for a period of 60 days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer.

The Issuer (prior to the delivery of an Enforcement Notice) with the written consent of the Security Trustee, or the Security Trustee itself (after delivery of an Enforcement Notice) may at once or at any time thereafter while a Servicer Termination Event continues by notice in writing to the Servicer terminate its appointment as Servicer under the Servicing Agreement with effect from a date (not earlier than the date of the notice) specified in the notice. Notice of the termination of the Servicer shall be given to the Rating Agencies.

The Issuer, after the resignation or termination of the appointment of Startline as Servicer, shall promptly (with the prior written consent of the Security Trustee, acting on the directions of the Note Trustee, itself acting on the directions of the Controlling Class (or if the Notes have been redeemed in full, the Certificateholders) acting by way of Extraordinary Resolution) appoint the Standby Servicer as the substitute servicer. No resignation or termination of the appointment of the Servicer will become effective until a substitute servicer has been appointed.

Collection Account Declaration of Trust

The Seller has, pursuant to the terms of the Collection Account Declaration of Trust, agreed to hold all amounts credited from time to time to the Collection Account which are due (i) to the Issuer on trust for the Issuer; and (ii) to the remaining beneficiaries (including the Seller and other securitisation issuers) on trust for such other beneficiaries (the "**Collection Account Trust**").

The Seller shall hold upon trust:

- (a) for the Issuer absolutely, all amounts from time to time standing to the credit of the Collection Account to the extent that such amounts represent payments into the Collection Account derived from or resulting from the Purchased Receivables comprised in the Portfolio (but excluding any interest arising in respect of amounts standing to the credit of the Collection Account) (the "**Issuer Trust Amounts**"); and
- (b) for the remaining beneficiaries (including the Seller and other securitisation issuers) absolutely, all amounts from time to time standing to the credit of the Collection Account to the extent such amounts represent amounts other than the Issuer Trust Amounts (the "**Other Beneficiary Trust Amounts**").

The Seller has agreed that the Issuer Trust Amounts will be distributed to the Issuer in accordance with the terms of the Servicing Agreement and acknowledges and agrees that the Other Beneficiary Trust Amounts shall be distributed at the direction of the remaining beneficiaries of the Collection Account Declaration of Trust.

The Seller will further acknowledge that it has no right at any time to pay, set-off or transfer any of the Issuer Trust Amounts in or towards satisfaction of the liabilities of the Seller and that it shall hold such money as trustee for the Issuer and shall only be entitled to deal with the Issuer Trust Amounts in accordance with the terms of the Transaction Documents.

Standby Servicing Agreement

General

The Standby Servicer is appointed as standby servicer on the occurrence of a voluntary resignation of the Servicer or a Servicer Termination Event, including facilitating the transfer of any data to the Standby Servicer.

Standby Servicer

Upon the voluntary resignation of the Servicer or a Servicer Termination Event, the Issuer shall promptly (with the prior written consent of the Security Trustee, acting on the directions of the Note Trustee, itself acting on the directions of the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) acting by way of Extraordinary Resolution) appoint the Standby Servicer as the substitute servicer.

The Issuer will, after the resignation or termination of the appointment of Equinity Gateway Limited as Standby Servicer, use reasonable endeavours to search for and appoint a replacement Standby Servicer. No resignation or termination of the appointment of the Standby Servicer will become effective until a replacement Standby Servicer has been appointed, with notice of the resignation, termination and appointment of a new Standby Servicer to be given to the Rating Agencies.

Cash Management Agreement

General

U.S. Bank Global Corporate Trust Limited will act as Cash Manager under the Cash Management Agreement. The Cash Manager will, based on the Servicer Reports, prepare Investor Reports and manage the Issuer Accounts, including the Senior Liquidity Reserve Fund and the Junior Liquidity Reserve Fund, and arrange for payments to be made on behalf of the Issuer from such accounts on the basis of information in the Investor Report in accordance with the relevant Priority of Payments set out in "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*". If a Servicer Report is not delivered to the Cash Manager, the Cash Manager will not be obliged to make payments other than payment of the Issuer expenses, the Servicing Fee and the amounts required under the Notes and the Certificates in accordance with the relevant Priority of Payments set out in "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*".

For further information on the Cash Manager, see the section entitled "*The Seller, Servicer and Subordinated Loan Note Subscriber*".

Resignation and Termination of the Cash Manager

The Cash Manager appointment may be terminated by the Security Trustee or by the Issuer with the Security Trustee's consent after the occurrence of the following events, each a "**Cash Manager Termination Event**":

- (a) provided the Cash Manager has been properly put in funds therefor, default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by it under the Cash Management Agreement and such default continues unremedied for a period of seven Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer (prior to the delivery of an Enforcement Notice) or the Security Trustee (after the delivery of an Enforcement Notice), as the case may be, requiring the same to be remedied; or
- (b) the Cash Manager does not provide the Investor Report within 5 Business Days of the date it is due to be provided under the Cash Management Agreement (save where such failure is caused by computer software, hardware or system failure or by a delay in delivery of the Servicer Report by the Servicer to the Cash Manager; or
- (c) default is made by the Cash Manager in the performance or observance of any of its other material covenants and obligations under the Cash Management Agreement and such default (if capable of remedy) continues unremedied for a period of 60 days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer (prior to the delivery of an Enforcement Notice) or the Security Trustee (after the delivery of an Enforcement Notice), as the case may be, requiring the same to be remedied; or
- (d) it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement; or
- (e) an Insolvency Event with respect to the Cash Manager occurs; or
- (f) a FATCA Deduction is imposed on any payment made by the Cash Manager under the Cash Management Agreement, which cannot be avoided by reasonable measures..

Notice of the termination of the Cash Manager shall be given to the Rating Agencies.

If the Cash Manager's appointment is terminated following a Cash Manager Termination Event, or if the Cash Manager resigns having given at least 90 calendar days' notice to the Issuer, the Security Trustee and the Seller, the Cash Manager shall assist in a transfer to a substitute cash manager. In no event will the Note Trustee and/or the Security Trustee be required to act as Cash Manager. Notice of the termination of the Cash Manager shall be given to the Rating Agencies.

In return for the services provided, the Cash Manager will receive an agreed fee on each Interest Payment Date paid annually in advance in accordance with the applicable Priority of Payments.

Senior Liquidity Reserve Fund and the Junior Liquidity Reserve Fund

A Senior Liquidity Reserve Fund will be put in place to cover Senior Expenses Shortfalls (following application of the Junior Liquidity Reserve Fund Release Amount) and Senior Interest Collections Shortfalls. The Senior Liquidity Reserve Fund will be funded on the Closing Date up to the Senior Liquidity Reserve Fund Required Amount using the proceeds from the sale of the Class Z Notes and thereafter replenished in accordance with the Pre-Enforcement Interest Priority of Payments.

A Junior Liquidity Reserve Fund will be put in place to cover Senior Expenses Shortfalls and Junior Interest Collections Shortfalls. The Junior Liquidity Reserve Fund will be funded on the Interest Payment Date immediately following the redemption in full of the Class B Notes up to the Junior Liquidity Reserve Fund Required Amount and thereafter replenished in accordance with the Pre-Enforcement Interest Priority of Payments.

For more details about the Senior Liquidity Reserve Fund and the Junior Liquidity Reserve Fund, see the sections entitled "*Cashflows – Payments of Interest – Senior Liquidity Reserve Fund*" and "*Cashflows – Payments of Interest – Junior Liquidity Reserve Fund*".

Principal Deficiency Ledger

The Cash Manager will maintain the Principal Deficiency Ledger.

Investor Reports

The Cash Manager will, based on the Servicer Reports, prepare each Investor Report and deliver it on each Interest Payment Date:

- (a) to the Issuer, the Note Trustee, the Security Trustee, the Principal Paying Agent, the Swap Counterparty and, if requested, the Rating Agencies; and
- (b) to EuroABS for publication on the Securitisation Repository, as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and Article 7(1)(e) of the EU Securitisation Regulation,

provided that, in each case, the Cash Manager shall have deemed to have delivered the Investor Reports to such parties, the Rating Agencies and EuroABS by uploading each Investor Report to the Cash Manager's website at www.pivot.usbank.com.

The Cash Manager shall provide one form of Investor Report for the purposes of both the UK Securitisation Regulation and the EU Securitisation Regulation until such time as the Issuer determines and notifies the Cash Manager in writing that the forms of Investor Report as required by the UK Securitisation Regulation and the EU Securitisation Regulation have deviated from one another. Following such notification, the Cash Manager will consult with the Servicer and the Issuer and will use reasonable endeavours to amend the format of the Investor Reports as may be required, subject in all cases to commercial agreement between the Cash Manager, the Issuer and the Servicer.

Each Investor Report will contain information about payments to be made on the Notes and the Certificates on the relevant Interest Payment Date, the performance of the Receivables during the Collection Period and the status of any credit enhancement. Pursuant to and in accordance with the terms of the Cash Management Agreement, the Investor Report will contain, in particular, the following information for each Interest Payment Date:

- the total amount of Available Funds;
- Collections on the Receivables allocated by interest and principal;
- fees and expenses payable to the Note Trustee, the Security Trustee, the Principal Paying Agent, the Registrar and certain other Transaction Parties;
- Servicing Fee payable to the Servicer;
- amount of interest and principal payable and paid on each Class of Rated Notes, principal payable on the Class Z Notes and the Subordinated Loan Note and RC Payments payable on the Certificates;
- the principal amount of each Class of Notes at the beginning of the period and the end of the period, giving effect to all payments to be made on the Interest Payment Date;
- the amounts of any Senior Expenses Shortfall, Senior Interest Collections Shortfall and Junior Interest Collections Shortfall;
- the amounts of any Principal Addition Amount, Surplus Available Principal Collections, Senior Liquidity Reserve Fund Release Amount and Junior Liquidity Reserve Fund Release Amount;
- the balance of the Principal Deficiency Ledger;
- the balance of the Senior Liquidity Reserve Ledger and the Junior Liquidity Reserve Ledger and the amount of any withdrawals from or deposits to the Liquidity Reserve Account to be made on the Interest Payment Date;
- amounts to be paid by the Issuer and the Swap Counterparty under the Swap Agreement;

- information on the performance of the Receivables for the Collection Period, including the aggregate Principal Outstanding Balance, Collections and the aggregate amount paid by Startline to indemnify or to repurchase Non-Compliant Receivables or Receivables subject to a Non-Permitted Variation and the number of Receivables remaining in the pool;
- delinquency and loss information on the Receivables for the Collection Period; and
- the amount and method of the Retention Holder's Retained Interest.

The Investor Report will be made available via the Securitisation Repository. That website and the contents thereof do not form part of this Prospectus.

The Swap Agreement

On the Closing Date, the Issuer will enter into a fixed/floating interest rate swap transaction with the Swap Counterparty, under the 1992 ISDA Master Agreement, in order to address certain risks arising as a result of a fixed rate of interest payable under the Purchased Receivables and the Issuer paying a floating rate of interest under the Rated Notes (the "**Swap Transaction**", which forms part of the Swap Agreement).

The Swap Profile has been determined as at the Closing Date assuming no defaults and a CPR of 10% as set out in the Annex to this Prospectus. The Swap Profile may be updated from time to time, however, in each case, the updated Swap Profile shall be determined assuming no defaults and a CPR not greater than 10%. At the commencement of each relevant period in respect of the Swap Transaction, the notional amount for such transaction will reflect a Swap Profile as set out in the Investor Reports.

Pursuant to the terms of the Swap Transaction, on each Interest Payment Date commencing on the first Interest Payment Date and ending on the Final Legal Maturity Date, the Issuer will make fixed rate payments to the Swap Counterparty in Sterling which the Issuer will fund using payments which it receives from the Purchased Receivables. The Swap Counterparty will, on the corresponding Interest Payment Date, make floating rate payments in Sterling (calculated by reference to Compounded Daily SONIA) to the Issuer. The amounts payable by the Issuer and the Swap Counterparty under the Swap Agreement will be netted so that only a net amount will be due from the Issuer or the Swap Counterparty (as the case may be) on an Interest Payment Date.

Ratings downgrade of a Swap Counterparty

Under the terms of the Swap Agreement, in the event that the relevant rating(s) of the Swap Counterparty (or its guarantor, if applicable) assigned by a Rating Agency is or are below the required ratings (a "**Swap Counterparty Required Ratings Downgrade**") as specified in the section entitled "*Triggers Tables – Ratings Trigger Table*" (the "**Swap Counterparty Required Ratings**"), the Swap Counterparty will, in accordance with the Swap Agreement, be required to take certain remedial measures within the timeframe stipulated in the Swap Agreement and at its own cost which may include providing collateral for its obligations under the Swap Agreement ("**Swap Collateral**"), and/or arranging for its obligations under the Swap Agreement to be transferred to an entity with the Swap Counterparty Required Ratings, procuring another entity with the Swap Counterparty Required Ratings to become guarantor, as applicable, in respect of its obligations under the Swap Agreement or taking such other action (or inaction) that would result in the rating of the Rated Notes being maintained at, or restored to, the level it would have been at prior to such lower rating being assigned by the relevant Rating Agency.

To the extent required to be provided as set out above (or if voluntarily elected), Swap Collateral will be provided on a weekly basis under a Credit Support Annex and may take the form of cash denominated in Sterling (as set out in the Swap Agreement). The Swap Counterparty will be responsible for determining (in accordance with stipulated parameters) the amount of Swap Collateral which is required to be transferred. Any Swap Collateral provided will be transferred by the Swap Counterparty to the Swap Collateral Account. The Swap Counterparty may from time to time be required to transfer additional Swap Collateral, or may be entitled to require a transfer of equivalent Swap Collateral to it (**provided that** the Issuer will not be required to transfer equivalent Swap Collateral of a value which is greater than the Swap Collateral transferred to it). In certain circumstances of termination of the Swap Agreement, the value of Swap Collateral then held in the Swap Collateral Account will be taken into account in determining the respective obligations of the parties to the Swap Agreement as described below. Swap Collateral will not form part of Available Interest Collection.

If the Swap Counterparty fails to comply with its obligations under the Swap Agreement following a Swap Counterparty Required Ratings Downgrade, then the Issuer will in such circumstances be entitled (but not obliged) to terminate the relevant Swap Agreement.

Termination rights and payments

The Swap Transaction may be terminated in certain circumstances, including, but not limited to, the following, each as more specifically defined in the Swap Agreement:

- (a) if there is a failure by a party to pay amounts due under the Swap Agreement and any applicable grace period has expired;
- (b) if certain insolvency events occur with respect to a party;
- (c) if a breach of a provision of the Swap Agreement by the Swap Counterparty is not remedied within the applicable grace period;
- (d) if a change of law results in the obligations of one of the parties becoming illegal;
- (e) there is a change in tax law, which has the effect that a party to the Swap Agreement will, or there is a substantial risk that it will, be required to make any withholding in respect of any payments to the other party;
- (f) if the Swap Counterparty is downgraded and fails to comply with the requirements of the Moody's or S&P downgrade provisions contained in the Swap Agreement (as described above);
- (g) an Enforcement Notice is delivered on the Issuer pursuant to Condition 10 (*Events of Default*) and/or Certificates Condition 8 (*Events of Default*);
- (h) if any provision of the Transaction Documents is amended and the effect of such amendment is to affect the amount, timing or priority of any payments or deliveries due from the Issuer to the Swap Counterparty or from the Swap Counterparty to the Issuer, unless the Swap Counterparty has consented in writing to such amendment;
- (i) if at any time the Rate of Interest in respect of the Notes is different to the Floating Rate (as defined in the Swap Agreement); or
- (j) if an irrevocable notice is given that redemption of all of the Notes will occur pursuant to Condition 5(b) (*Redemption for taxation and other reasons*).

Upon an early termination of the Swap Transaction, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other. Any such payment, if due from the Issuer to the Swap Counterparty, will rank in order of priority as described in the section entitled "*Cashflows – Priorities of Payments*". The Issuer will use commercially reasonable endeavours to enter into a replacement Swap Transaction on acceptable terms.

For the purposes of the relevant Priority of Payments, "**Swap Counterparty Subordinated Amounts**" means the amount, if any, due to the Swap Counterparty on that Interest Payment Date pursuant to sections 6(d)(ii) and (e) and 11 of the Swap Agreement in connection with a termination of the Swap Agreement (after application of netting against any Swap Collateral previously posted by the Swap Counterparty) where such termination has arisen as a result of an "*Event of Default*" under the Swap Agreement where the Swap Counterparty is the "*Defaulting Party*" or as a result of a Swap Counterparty Downgrade Event under the Swap Agreement or as a result of a "*Termination Event*" under Section 5(b)(iii) (*Tax Event Upon Merger*) or (b)(iv)(*Credit Event Upon Merger*) (or if based on the 2002 ISDA Master Agreement, Section 5(b)(iv) and (v), respectively) of the Swap Agreement where the Swap Counterparty is the sole "*Affected Party*".

Under the Swap Agreement, the termination payment will be calculated and paid in Sterling. The amount of any termination payment will be based on the market value of the terminated Swap Transaction as determined on the basis of quotations sought from leading dealers as to the costs of entering into a transaction with the same terms and conditions that would have the effect of preserving the economic equivalent of the respective full payment obligations of the parties (or based upon a good faith

determination of total losses and costs (or gains) if an insufficient number of quotations can be obtained or if basing the valuation on quotations would not produce a commercially reasonable result) and will separately include any unpaid amounts that became due and payable prior to the date of termination, taking account of any Swap Collateral transferred by the Swap Counterparty to the Issuer. If an Early Termination Date is designated in respect of the Swap Transaction at a time when the Swap Counterparty is (A) the "Affected Party" in respect of an "Additional Termination Event" or a "Tax Event Upon Merger" or (B) the "Defaulting Party" in respect of any "Event of Default" under the Swap Agreement, then the Issuer will determine the amount payable in respect of the terminated transactions by assessing the value of "Firm Offers" for a replacement transaction that is, in all material respects, no less beneficial for Issuer than those of the Swap Agreement (or in certain circumstances where there are no "Firm Offers", the Issuer's loss). If there are multiple "Firm Offers", the Issuer may select the lowest. If the Issuer is the "Defaulting Party" or the sole "Affected Party" under the Swap Agreement, the Swap Counterparty will determine the amount of any termination payment based on an amount that it reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with the Swap Agreement or the termination transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or re-establishing any hedge or related trading position (or any gain resulting from any of them).

Where the Issuer enters into a further Swap Agreement to replace the existing Swap Agreement which terminates early, the Issuer shall upon receipt apply the amount of premium, if any, received in consideration for entry into that replacement Swap Agreement the ("**Swap Replacement Premium**") in or towards payment of any termination payment then payable by the Issuer to the Swap Counterparty in respect of that Swap Agreement which has terminated early and the remainder of that amount, if any, shall be credited to the Distribution Account.

Any amount attributable to the return of collateral to the Swap Counterparty and any Swap Replacement Premium applied by the Issuer in making any swap termination payment due from the Issuer to the Swap Counterparty will be paid directly to the Swap Counterparty and not in accordance with the Priorities of Payments. Any swap termination payment applied by the Issuer in the purchase of one or more replacement hedging transactions shall be applied directly to such purchase and shall not be paid in accordance with the relevant Priority of Payments.

If the Issuer receives any tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction relating to a deduction or withholding that gave rise to the payment by a Swap Counterparty of an additional amount to ensure that the Issuer receives the full amount it would otherwise have received from the relevant Swap Counterparty, then an amount equal to the net cash received by the Issuer in respect of such tax credit, allowance, set-off or repayment (a "**Swap Tax Credit**") shall be paid directly to the Swap Counterparty or only in accordance with the Swap Collateral Account Priority of Payments.

Depending on the terms of the Swap Transaction and the circumstances prevailing at the time of termination, any such termination payment due to the Swap Counterparty could be substantial and may affect the funds available to pay amounts due to the Noteholders and the Certificateholders.

The Swap Counterparty may, subject to certain conditions specified in the Swap Agreement including (without limitation) the satisfaction of certain requirements of the Rating Agencies, transfer its obligations under the Swap Agreement to another entity with the Swap Counterparty Required Ratings.

Partial Swap Unwind

If the Seller (in its discretion) makes an advance to the Issuer under the Subordinated Loan Note Issuance Agreement, the Issuer shall exercise any rights it has to terminate in full or in part the Swap Agreement (subject to the provisions of the Swap Agreement) (a "**Partial Swap Unwind**"), **provided that:**

- (a) the Servicer has confirmed to the Seller and the Issuer that, following any such Partial Swap Unwind, the overall amortisation profile in respect of the Swap Agreement will not reflect a higher prepayment scenario than 10% as at the date of such Partial Swap Unwind;
- (b) on the proposed advance date, the Principal Amount Outstanding of the Notes and the Subordinated Loan Notes is, in aggregate, equal to or greater than £10,000,000; and

- (c) the Issuer shall give notice of the completion of the Partial Swap Unwind to the Security Trustee, the Seller, the Cash Manager and, if requested, the Rating Agencies.

Security and Ranking

The Issuer's rights against the Swap Counterparty under the Swap Agreement will be secured under the Deed of Charge. In the event of the Charged Property being enforced thereunder, such obligations (other than certain Swap Counterparty Subordinated Amounts) will rank ahead of or *pari passu* with payments in respect of the Notes and the Certificates.

Withholding Tax

All payments to be made by a party under the Swap Agreements are to be made without withholding or deduction for or on account of any tax unless such withholding or deduction is required by applicable law (as modified by the practice of any relevant tax authority). Each of the Issuer and each Swap Counterparty will represent, on entering into the Swap Agreements, that it is not obliged to make any such deduction or withholding under current taxation law and practice. If, as a result of a change in law (or the application or official interpretation thereof), the Issuer is required to make such a withholding or deduction from any payment to be made to the Swap Counterparty under a Swap Agreement, the Issuer will not be obliged to pay any additional amounts to the Swap Counterparty in respect of the amounts so required to be withheld or deducted. If, as a result of a change in law (or the application or official interpretation thereof), a Swap Counterparty is required to make such a withholding or deduction from any payment to the Issuer under a Swap Agreement, it shall pay to the Issuer such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount the Issuer would have received had no such deduction or withholding been required. The party receiving a reduced payment or that is required to make an additional payment, as the case may be, will have the right to terminate the relevant Swap Agreement (subject to the Swap Counterparty's obligation to use reasonable efforts (**provided that** such efforts shall not cause significant economic hardship to the relevant Swap Counterparty) to transfer its rights and obligations under the relevant Swap Agreement to another of its offices or Affiliates such that payments made by or to that office or Affiliate under the relevant Swap Agreement can be made without any withholding or deduction for or on account of tax).

Account Bank Agreement

General

The Issuer Accounts will be utilised in the Transaction and the Issuer's interest in such accounts will form part of the security for the Notes and the Certificates. Each account was established and will be maintained with Elavon Financial Services DAC, UK Branch (as "**Account Bank**"), acting through its UK Branch in London at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom.

For further information on the Account Bank, see the section entitled "*The Note Trustee and Security Trustee, the Cash Manager and the Account Bank, Principal Paying Agent and Registrar*".

The Issuer Accounts are required to be maintained at a Qualified Institution and on the Closing Date the Account Bank is a Qualified Institution. If at any time the Account Bank ceases to be a Qualified Institution, then the Issuer and Startline will, within 60 days of such time, transfer the relevant accounts to another bank or banks that are Qualified Institutions.

The Issuer may terminate the appointment of the Account Bank **provided that** a replacement Account Bank has been appointed. The Account Bank may resign by giving the Issuer, the Security Trustee and the Cash Manager at least 30 days' prior notice. However, such resignation will not take effect until a successor account bank is appointed.

Liquidity Reserve Account

The Liquidity Reserve Account will hold the Senior Liquidity Reserve Fund and the Junior Liquidity Reserve Fund and be credited and debited as described in the sections entitled "*Cashflows – Payments of Interest – Senior Liquidity Reserve Fund*" and "*Cashflows – Payments of Interest – Junior Liquidity Reserve Fund*".

Deed of Charge

General

The Notes and the Certificates are direct, secured under and on the terms set out in a Deed of Charge between the Issuer and the Security Trustee on all the assets of the Issuer.

In relation to any Vehicles located in Scotland, the Seller will grant a Scottish Vehicle Sales Proceeds Floating Charge in favour 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 in respect of the Issuer's interest in the Scottish Vehicle Sales Proceeds Floating Charge.

Enforcement of the Security

The Security becomes enforceable when the Note Trustee, at its absolute discretion or (subject to the Note Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) if so directed by the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) acting by way of an Extraordinary Resolution, delivers an Enforcement Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager, the Swap Counterparty and the Principal Paying Agent (with a copy to each Rating Agency). Following delivery of an Enforcement Notice, the Note Trustee at its absolute discretion may, and (subject to the Note Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) if so directed by the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) acting by way of an Extraordinary Resolution will, direct the Security Trustee to (subject to the Security Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) take action to enforce the Security.

To the extent that the Note Trustee acts in compliance with such directions of the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders), it will have no obligation to take the interests of any other party into account or to follow a direction given by any other party. Only the Note Trustee and the Security Trustee may enforce the rights of the Noteholders and the Certificateholders against the Issuer, whether the same arise under general law, the Conditions, the Certificates Conditions, a Transaction Document or otherwise.

For the purposes of Article 21(4)(d) of the UK Securitisation Regulation, no provision of the Deed of Charge requires automatic liquidation upon default. The Security Trustee is required to ensure that any amounts deposited or investments made by it in accordance with the provisions of the Deed of Charge are, where applicable, held in accordance with the requirements of Article 21(4)(a) of the UK Securitisation Regulation.

Application of Proceeds – 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 set out in "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Certificates*".

Shortfall after Application of Proceeds

If the net proceeds of the Security being enforced and liquidated under the Deed of Charge are not sufficient to pay the Notes and the Certificates after payment of all other claims ranking in priority to the Notes and the Certificates, the obligations of the Issuer under the Notes and the Certificates will be limited to such net proceeds and no other assets of the Issuer will be available for any further payments on the Notes and the Certificates. The right to receive any further payments will be extinguished.

Trust Deed

The Notes and the Certificates will be constituted pursuant to the Trust Deed to be entered into on the Closing Date between the Issuer and the Note Trustee.

U.S. Bank Trustees Limited will agree to act as Note Trustee subject to the conditions contained in the Trust Deed.

The Trust Deed contains provisions requiring the Note Trustee to take into account the interests of the Holders of all Classes of Notes or the Certificates issued by the Issuer equally as regards all trusts, rights, powers, authorities or 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 if, in the opinion of the Note Trustee there is a conflict between the interests of the Controlling Class and the Holders of the other Class of Notes and/or the Certificates.

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, the Certificateholders 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, the Certificateholders 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, including a summary of the provisions regarding meetings of the Noteholders, are reproduced in full in the section headed "*Terms and Conditions of the Notes*". The Certificates Conditions, including a summary of the provisions regarding meetings of the Certificateholders, are reproduced in full in the section headed "*Terms and Conditions of the Certificates*".

Subordinated Loan Note Issuance Agreement

Startline Motor Finance Limited, as Subordinated Loan Note Subscriber, will make available to the Issuer a loan note facility under the Subordinated Loan Note Issuance Agreement and may require the Issuer to make drawings under such loan note facility which shall be applied to pay any Swap Termination Shortfall caused by a Partial Swap Unwind (the "**Subordinated Loan Note**"). No advance may be made by the Subordinated Loan Note Subscriber unless:

- (a) the Servicer has confirmed to the Seller and the Issuer that, following any such Partial Swap Unwind, the overall amortisation profile in respect of the Swap Agreement will not reflect a higher prepayment scenario than 10% as at the date of such Partial Swap Unwind;
- (b) on the proposed advance date, the Principal Amount Outstanding of the Notes and the Subordinated Loan Notes is, in aggregate, equal to or greater than £10,000,000; and
- (c) the Issuer shall give notice of the completion of the Partial Swap Unwind to the Security Trustee, the Seller, the Cash Manager and, if requested, the Rating Agencies.

Repayment of principal on the Subordinated Loan Note will be made in accordance with the Subordinated Loan Note Issuance Agreement and the applicable Priority of Payments.

Agency Agreement

The Issuer will appoint the Principal Paying Agent and the Registrar as principal paying agent and registrar, respectively, to perform the duties set out in the Agency Agreement.

Corporate Services Agreement

The parties make further arrangements with respect to the obligations of and services to be provided by the Corporate Services Provider to the Issuer and Holdings.

Master Framework Agreement

The Transaction Parties have agreed that certain provisions set out in this Master Framework Agreement shall apply and are incorporated into all or some of the Transaction Documents, as set out in each of such Transaction Documents.

Governing law

All of the Transaction Documents (other than the Scottish Supplemental Charge and the Scottish Vehicle Sales Proceeds Floating Charge) and all non-contractual obligations arising out of or in connection with the Transaction Documents will be governed by the laws of England and Wales but any term particular to the law of Scotland will be construed in accordance with the laws of Scotland. The Scottish Supplemental Charge and the Scottish Vehicle Sales Proceeds Floating Charge will be governed by the laws of Scotland.

CREDIT ENHANCEMENT

This securitisation transaction is structured to provide credit enhancement that increases the likelihood that the Issuer will make timely payment of interest (if any) and principal on the Notes and decrease the likelihood that losses on the Receivables will impair the Issuer's ability to do so. Credit enhancement may not provide protection against all risks of loss and does not guarantee payment of interest (if any) and repayment of the entire principal amount of the Notes. If losses on Receivables exceed the credit enhancement available, Noteholders will bear their allocable share of the loss. No credit enhancement is provided in relation to the Certificates. The Noteholders and the Certificateholders will have no recourse to Startline as a source of payment.

Subordination

This securitisation transaction is structured so that the Issuer will pay interest on the Class A Notes, then will pay interest on the Class B Notes, then will pay interest on the Class C Notes, then will pay interest on the Class D Notes, then will pay interest on the Class E Notes, then will pay interest on the Class F Notes, then will pay principal on the Class Z Notes, then will pay principal on the Subordinated Loan Note and then will pay any RC Payments on the Certificates. The Issuer will not pay:

- (a) interest on the Class B Notes until all interest due on the Class A Notes is paid in full;
- (b) interest on the Class C Notes until all interest due on the Class A Notes and the Class B Notes is paid in full;
- (c) interest on the Class D Notes until all interest due on the Class A Notes, the Class B Notes and the Class C Notes is paid in full;
- (d) interest on the Class E Notes until all interest due on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes is paid in full;
- (e) interest on the Class F Notes until all interest due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes is paid in full;
- (f) principal on the Class Z Notes until all interest due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes is paid in full; or
- (g) principal on the Subordinated Loan Note until all interest due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes is paid in full and principal on the Class Z Notes is repaid in full; or
- (h) any RC Payments on the Certificates until all interest due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and all principal due on the Class Z Notes and the Subordinated Loan Note is repaid in full.

Interest will not accrue on the Class Z Notes, the Subordinated Loan Note and the Certificates.

The Issuer will repay principal sequentially to each Class of Rated Notes in order of seniority. The Issuer will not repay principal on:

- (a) the Class B Notes until the principal amounts of the Class A Notes are repaid in full;
- (b) the Class C Notes until the principal amounts of the Class A Notes and the Class B Notes are repaid in full;
- (c) the Class D Notes until the principal amounts of the Class A Notes, the Class B Notes and the Class C Notes are repaid in full;
- (d) the Class E Notes until the principal amounts of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are repaid in full; or
- (e) the Class F Notes until the principal amounts of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are repaid in full.

If an Enforcement Notice is delivered, the Priority of Payments will change and the Issuer will not pay:

- (a) interest or principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, principal on the Class Z Notes and any RC Payments on the Certificates until both interest and principal on all the Class A Notes is paid or repaid in full;
- (b) interest or principal on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and principal on the Class Z Notes and any RC Payments on the Certificates until both interest and principal on all the Class A Notes and the Class B Notes is paid or repaid in full;
- (c) interest or principal on the Class D Notes, the Class E Notes and the Class F Notes and principal on the Class Z Notes and any RC Payments on the Certificates until both interest and principal on all the Class A Notes, the Class B Notes and the Class C Notes is paid or repaid in full;
- (d) interest or principal on the Class E Notes and the Class F Notes and principal on the Class Z Notes and any RC Payments on the Certificates until both interest and principal on all the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes is paid or repaid in full;
- (e) interest or principal on the Class F Notes and principal on the Class Z Notes and any RC Payments on the Certificates until both interest and principal on all the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes is paid or repaid in full;
- (f) principal on the Class Z Notes until both interest and principal on all the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes is paid or repaid in full; or
- (g) principal on the Subordinated Loan Note until both interest and principal on all the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and principal on the Class Z Notes is paid or repaid in full; or
- (h) any RC Payments on the Certificates until both interest and principal on all the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and principal on all the Class Z Notes and the Subordinated Loan Note is paid or repaid in full.

These subordination features provide credit enhancement to the Notes as described above.

Excess Spread

On each Interest Payment Date, excess spread for a Class of Notes is the amount of any excess Available Interest Collections following the payment of prior ranking items in the Pre-Enforcement Interest Priority of Payments, including the Senior Expenses, payments to the Swap Counterparty, the Retained Amount, interest on that Class of Notes and all Classes of Notes ranking senior to that Class of Notes (or, in relation to the Class Z Notes, principal on the Class Z Notes and interest on all Classes of Rated Notes ranking senior to the Class Z Notes) and the replenishment of the Senior Liquidity Reserve Fund and the Junior Liquidity Reserve Fund. The amount of excess spread will depend on factors such as the customer rate on the Receivables, prepayments and losses.

Excess spread in relation to a Class of Rated Notes will be used to cover Deficiencies recorded to the sub-ledger of the Principal Deficiency Ledger in respect of that Class of Rated Notes. Remaining amounts will be used to paid to, among others, the Swap Counterparty as Swap Counterparty Subordinated Amounts, the Subordinated Loan Note Subscriber as repayment of principal on the Subordinated Loan Note and the Certificateholders as RC Payments.

Accordingly, excess spread provides a source of funds to absorb any losses on the Receivables and reduces the likelihood of losses on the Notes.

Senior Liquidity Reserve Fund Excess Amount and Junior Liquidity Reserve Fund Excess Amount

On each Interest Payment Date:

- (i) the Senior Liquidity Reserve Fund Excess Amount shall be equal to the amount standing to the credit of the Senior Liquidity Reserve Ledger on such Interest Payment Date (before the application

of the Pre-Enforcement Priority of Payments) in excess of the Senior Liquidity Reserve Fund Required Amount on the immediately preceding Calculation Date; and

- (ii) the Junior Liquidity Reserve Fund Excess Amount shall be equal to the amount standing to the credit of the Junior Liquidity Reserve Ledger on such Interest Payment Date (before the application of the Pre-Enforcement Priority of Payments) in excess of the Junior Liquidity Reserve Fund Required Amount on the immediately preceding Calculation Date.

The Senior Liquidity Reserve Fund Required Amount and the Junior Liquidity Reserve Fund Required Amount will decrease in line with the amortisation of the aggregate Principal Amount Outstanding of the Class A Notes and Class B Notes subject to a floor.

The Senior Liquidity Reserve Fund Excess Amount and the Junior Liquidity Reserve Fund Excess Amount will be applied as Available Interest Collections on each Interest Payment Date.

Any Senior Liquidity Reserve Fund Excess Amount which is available to applied as Available Interest Collections on any Interest Payment Date shall be an additional source of funds to ensure timely payment of interest due and payable on the Class A Notes and the Class B Notes and to mitigate the risk of any Senior Interest Collections Shortfall or any Senior Expenses Shortfall.

Any Junior Liquidity Reserve Fund Excess Amount which is available to applied as Available Interest Collections on any Interest Payment Date shall be an additional source of funds to ensure ultimate payment of interest due and payable on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and to mitigate the risk of any Junior Interest Collections Shortfall or any Senior Expenses Shortfall.

ESTIMATED WEIGHTED AVERAGE LIVES OF THE NOTES

The expression "weighted average life" refers to the average amount of time that elapses from the Closing Date to the date of principal redemption of the Notes. The weighted average lives of the Notes will be influenced by, among other things, the actual rate at which principal is paid on the Receivables, which may occur through scheduled payments, prepayments or enforcement proceedings, and the application of Available Principal Collections in accordance with the Pre-Enforcement Principal Priority of Payments.

The actual weighted average lives of the Notes cannot be stated as the realised rate of prepayment of the Receivables and a number of other relevant factors are unknown. However, estimates of the possible average lives of the Notes can be made based upon certain assumptions.

The figures contained in the following tables were prepared based on, *inter alia*, the characteristics of the Receivables included in the Portfolio as of the Cut-Off Date, the Conditions and certain additional assumptions (the "**Modelling Assumptions**"), including that:

- (a) the Cut-Off Date is 31 October 2021;
- (b) the Closing Date is 26 November 2021;
- (c) each Interest Payment Date falls on 17th day of each month, subject to Business Day adjustments, with the first Interest Payment Date falling on 17 January 2022;
- (d) the first Collection Period in respect of the first Interest Payment Date is the period from, and including, the Cut-Off Date to, but excluding, 1 January 2022;
- (e) the Clean-Up Call Option is exercised on the first Interest Payment Date that the Clean-Up Call Option is available to be exercised;
- (f) no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;
- (g) no Senior Expenses Shortfalls arises and Principal Addition Amount is zero at all times;
- (h) limbs (d) and (e) of the definition of Available Principal Collections are zero at all times.
- (i) there are no variations to any Related Hire Purchase Agreement;
- (j) there are no delinquencies, defaults, payment holidays or voluntary terminations on the Purchased Receivables, and principal payments on the Purchased Receivables will be received on a timely basis together with prepayments, if any, at the CPR set out in the table;
- (k) no Purchased Receivable is sold by the Issuer;
- (l) as of the Closing Date, the Principal Amount Outstanding of the Notes is (i) in respect of the Class A Notes, 72.00 per cent.; (ii) in respect of the Class B Notes, 9.00 per cent.; (iii) in respect of the Class C Notes, 7.50 per cent.; (iv) in respect of the Class D Notes, 4.00 per cent.; (v) in respect of the Class E Notes, 3.00 per cent.; and (vi) in respect of the Class F Notes, 4.50 per cent., in each case, of the aggregate Principal Outstanding Balance of the Purchased Receivables comprising the Portfolio as of the Cut-Off Date;
- (m) the weighted average lives of the Notes are calculated on an Actual/365 day count convention;
- (n) the amortisation profile of the Purchased Receivables assuming a 0% CPR is assumed to be as included in the table below:

| Collection Month | End-of-month Principal Outstanding Balance as a % of the Principal Outstanding Balance of the Portfolio as of the Cut-Off Date |
|------------------|--|
| Cut-Off Date | 100.0000% |
| November 2021 | 97.8279% |
| December 2021 | 95.6040% |

| | |
|----------------|----------|
| January 2022 | 93.4002% |
| February 2022 | 91.1667% |
| March 2022 | 88.8129% |
| April 2022 | 86.6088% |
| May 2022 | 84.3523% |
| June 2022 | 82.1142% |
| July 2022 | 79.8279% |
| August 2022 | 77.5594% |
| September 2022 | 75.2734% |
| October 2022 | 72.9512% |
| November 2022 | 70.6559% |
| December 2022 | 68.3256% |
| January 2023 | 66.0194% |
| February 2023 | 63.7085% |
| March 2023 | 61.3328% |
| April 2023 | 59.0456% |
| May 2023 | 56.7437% |
| June 2023 | 54.4896% |
| July 2023 | 52.2412% |
| August 2023 | 50.0412% |
| September 2023 | 47.8696% |
| October 2023 | 45.7040% |
| November 2023 | 43.5807% |
| December 2023 | 41.4606% |
| January 2024 | 39.3706% |
| February 2024 | 37.3078% |
| March 2024 | 35.2445% |
| April 2024 | 33.2544% |
| May 2024 | 31.2808% |
| June 2024 | 29.3700% |
| July 2024 | 27.4974% |
| August 2024 | 25.6836% |
| September 2024 | 23.9235% |
| October 2024 | 22.2104% |
| November 2024 | 20.5533% |
| December 2024 | 18.9222% |
| January 2025 | 17.3291% |
| February 2025 | 15.7938% |
| March 2025 | 14.3006% |
| April 2025 | 12.8835% |
| May 2025 | 11.4749% |
| June 2025 | 10.1162% |
| July 2025 | 8.8685% |
| August 2025 | 7.7074% |
| September 2025 | 6.6438% |
| October 2025 | 5.6781% |
| November 2025 | 4.7867% |
| December 2025 | 3.9422% |
| January 2026 | 3.1555% |

| | |
|----------------|---------|
| February 2026 | 2.4443% |
| March 2026 | 1.8083% |
| April 2026 | 1.2795% |
| May 2026 | 0.8462% |
| June 2026 | 0.5021% |
| July 2026 | 0.2412% |
| August 2026 | 0.0685% |
| September 2026 | 0.0000% |
| October 2026 | 0.0000% |

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

Average Life (in years) to Clean Up Call Option

| CPR | Class A Notes | Class B Notes | Class C Notes | Class D Notes | Class E Notes | Class F Notes |
|---------|---------------|---------------|---------------|---------------|---------------|---------------|
| 0% CPR | 1.35 | 2.96 | 3.38 | 3.73 | 3.81 | 3.81 |
| 5% CPR | 1.23 | 2.79 | 3.24 | 3.59 | 3.64 | 3.64 |
| 10% CPR | 1.12 | 2.62 | 3.08 | 3.44 | 3.48 | 3.48 |
| 15% CPR | 1.01 | 2.45 | 2.92 | 3.31 | 3.39 | 3.39 |
| 20% CPR | 0.92 | 2.29 | 2.75 | 3.16 | 3.23 | 3.23 |
| 25% CPR | 0.84 | 2.13 | 2.58 | 2.99 | 3.06 | 3.06 |
| 30% CPR | 0.77 | 1.97 | 2.42 | 2.82 | 2.89 | 2.89 |

Average Life (in years) to maturity

| CPR | Class A Notes | Class B Notes | Class C Notes | Class D Notes | Class E Notes | Class F Notes |
|---------|---------------|---------------|---------------|---------------|---------------|---------------|
| 0% CPR | 1.35 | 2.96 | 3.38 | 3.73 | 3.99 | 4.41 |
| 5% CPR | 1.23 | 2.79 | 3.24 | 3.61 | 3.89 | 4.34 |
| 10% CPR | 1.12 | 2.62 | 3.08 | 3.47 | 3.77 | 4.27 |
| 15% CPR | 1.01 | 2.45 | 2.92 | 3.33 | 3.65 | 4.18 |
| 20% CPR | 0.92 | 2.29 | 2.75 | 3.17 | 3.51 | 4.09 |
| 25% CPR | 0.84 | 2.13 | 2.58 | 3.01 | 3.36 | 3.98 |
| 30% CPR | 0.77 | 1.97 | 2.42 | 2.84 | 3.20 | 3.86 |

Average Life (in years) to Portfolio Repurchase Option

| CPR | Class A Notes | Class B Notes | Class C Notes | Class D Notes | Class E Notes | Class F Notes |
|---------|---------------|---------------|---------------|---------------|---------------|---------------|
| 0% CPR | 1.35 | 2.92 | 2.98 | 2.98 | 2.98 | 2.98 |
| 5% CPR | 1.23 | 2.79 | 2.98 | 2.98 | 2.98 | 2.98 |
| 10% CPR | 1.12 | 2.62 | 2.96 | 2.98 | 2.98 | 2.98 |
| 15% CPR | 1.01 | 2.45 | 2.89 | 2.98 | 2.98 | 2.98 |
| 20% CPR | 0.92 | 2.29 | 2.75 | 2.98 | 2.98 | 2.98 |
| 25% CPR | 0.84 | 2.13 | 2.58 | 2.95 | 2.98 | 2.98 |
| 30% CPR | 0.77 | 1.97 | 2.42 | 2.84 | 2.98 | 2.98 |

The actual characteristics and performance of the Purchased Receivables are likely to differ, perhaps materially, from the assumptions outlined herein (including the Modelling Assumptions), and the Modelling Assumptions outlined in this section do not profess to be an exhaustive list of assumptions employed.

The tables in this section are hypothetical in nature and are provided only to give a general sense of how the cash flows available to the Issuer might behave under various prepayment scenarios. It should be noted that the Issuer **does not expect** that the Purchased Receivables will prepay at a constant rate until maturity, or that Purchased Receivables with varying characteristics (including different remaining terms or interest rates) will have comparable prepayment rates, or that there will be no delinquencies, defaults, payment holidays or voluntary terminations on the Purchased Receivables. Any difference between the Modelling Assumptions and, *inter alia*, the actual prepayment or loss experience on the Purchased Receivables will affect the redemption profile of the Notes and may cause the weighted average lives of the Notes to differ (which difference could be material) from the figures in the tables for each indicated CPR.

"CPR" refers to an assumed annualised constant prepayment rate in respect of the Purchased Receivables and is periodicised in relation to a given Collection Period as follows:

$$1 - ((1 - R)^{(Act/365)})$$

where "R" refers to the assumed CPR.

For further information in relation to the risks involved in the use of the average lives estimated above, see "*Risk Factors – Risks Relating to the Structure*".

ESTIMATED AMORTISATION OF THE NOTES

The amortisation scenario is based on the assumptions listed above under the section entitled "*Estimated Weighted Average Life of the Notes*" and assuming a CPR of 15% and that the Clean-Up Call Option is exercised on the first Interest Payment Date that the Clean-Up Call Option is available to be exercised. It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below and that the numbers shown are rounded to two decimal places:

Principal Amount Outstanding of the Notes as of each Interest Payment Date as a % of the Principal Amount Outstanding of the Notes as of the Closing Date

| Payment Date | Class A Notes | Class B Notes | Class C Notes | Class D Notes | Class E Notes | Class F Notes |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Closing Date | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| January 2022 | 90.34% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| February 2022 | 85.63% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| March 2022 | 81.14% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| April 2022 | 76.44% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| May 2022 | 72.09% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| June 2022 | 67.71% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| July 2022 | 63.51% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| August 2022 | 59.29% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| September 2022 | 55.20% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| October 2022 | 51.21% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| November 2022 | 47.23% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| December 2022 | 43.42% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| January 2023 | 39.61% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| February 2023 | 35.92% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| March 2023 | 32.41% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| April 2023 | 28.81% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| May 2023 | 25.42% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| June 2023 | 22.07% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| July 2023 | 18.87% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| August 2023 | 15.73% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| September 2023 | 12.71% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| October 2023 | 9.81% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| November 2023 | 6.97% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| December 2023 | 4.26% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| January 2024 | 1.60% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| February 2024 | 0.00% | 92.26% | 100.00% | 100.00% | 100.00% | 100.00% |
| March 2024 | 0.00% | 72.68% | 100.00% | 100.00% | 100.00% | 100.00% |
| April 2024 | 0.00% | 53.31% | 100.00% | 100.00% | 100.00% | 100.00% |
| May 2024 | 0.00% | 35.07% | 100.00% | 100.00% | 100.00% | 100.00% |
| June 2024 | 0.00% | 17.28% | 100.00% | 100.00% | 100.00% | 100.00% |
| July 2024 | 0.00% | 0.49% | 100.00% | 100.00% | 100.00% | 100.00% |
| August 2024 | 0.00% | 0.00% | 81.13% | 100.00% | 100.00% | 100.00% |
| September 2024 | 0.00% | 0.00% | 62.67% | 100.00% | 100.00% | 100.00% |
| October 2024 | 0.00% | 0.00% | 45.19% | 100.00% | 100.00% | 100.00% |
| November 2024 | 0.00% | 0.00% | 28.45% | 100.00% | 100.00% | 100.00% |
| December 2024 | 0.00% | 0.00% | 12.66% | 100.00% | 100.00% | 100.00% |
| January 2025 | 0.00% | 0.00% | 0.00% | 95.10% | 100.00% | 100.00% |

| | | | | | | |
|----------------------|-------|-------|-------|--------|---------|---------|
| February 2025 | 0.00% | 0.00% | 0.00% | 67.76% | 100.00% | 100.00% |
| March 2025 | 0.00% | 0.00% | 0.00% | 42.27% | 100.00% | 100.00% |
| April 2025 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| May 2025 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

USE OF PROCEEDS

On the Closing Date, the proceeds from the sale of the Notes and the Certificates issued will be used by the Issuer (i) to purchase the beneficial interest in the Receivables from Startline, (ii) to pay the initial fees and expenses incurred by the Issuer on or prior to the Closing Date in connection with the Transaction, (iii) to fund the Senior Liquidity Reserve Fund up to the Senior Liquidity Reserve Fund Required Amount and (iv) to credit the Distribution Account with any residual issuance proceeds.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment, will be applicable to the 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 £210,800,000 Class A Asset-Backed Floating Rate Notes due 2028 (the "**Class A Notes**"), the £26,400,000 Class B Asset-Backed Floating Rate Notes due 2028 (the "**Class B Notes**"), the £21,900,000 Class C Asset-Backed Floating Rate Notes due 2028 (the "**Class C Notes**"), the £11,800,000 Class D Asset-Backed Floating Rate Notes due 2028 (the "**Class D Notes**"), the £8,700,000 Class E Asset-Backed Floating Rate Notes due 2028 (the "**Class E Notes**"), the £13,300,000 Class F Asset-Backed Floating Rate Notes due 2028 (the "**Class F Notes**") and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Rated Notes**") and the £2,372,000 Class Z Asset-Backed Notes due 2028 (the "**Class Z Notes**" and, together with the Rated Notes, the "**Notes**") are constituted by a trust deed (the "**Trust Deed**") dated on or around the Closing Date and made between Satus 2021-1 plc (the "**Issuer**") and U.S. Bank Trustees Limited (in such capacity, the "**Note Trustee**", which expression will include all persons for the time being the trustee or trustees under the Trust Deed) as Note Trustee for, among others, the Noteholders (as defined in Condition 1 (*Form, denomination and title*)).

The Notes are secured under and on the terms set out in a deed of charge (the "**Deed of Charge**") dated on or around the Closing Date between the Issuer and U.S. Bank Trustees Limited (in such capacity, the "**Security Trustee**", which expression includes its permitted successors and assigns) on certain assets of the Issuer (the "**Charged Property**") 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 Documents (as defined below) which include an agency agreement (the "**Agency Agreement**") dated on or around the Closing Date between the Issuer, the Note Trustee, the Security Trustee, the Principal Paying Agent and the Registrar (the Principal Paying Agent, any other Paying Agents and the Registrar together being the "**Agents**").

The security created under the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge and the Issuer Security Power of Attorney is together referred to as the "**Security**".

Payments under the Notes will be made under the Agency Agreement and the Cash Management Agreement (as defined below).

The Notes, the Certificates, the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge, the Scottish Vehicle Sales Proceeds Floating Charge, the Issuer Security Power of Attorney, the Corporate Services Agreement, the Agency Agreement, the Receivables Sale and Purchase Deed, the Servicing Agreement, the Standby Servicing Agreement, the Subordinated Loan Note Issuance Agreement, the Swap Agreement, the Account Bank Agreement, the Cash Management Agreement, the Collection Account Declaration of Trust, the Master Framework Agreement and the Certificates Conditions are, together with the Conditions (as defined below) referred to as the "**Transaction Documents**". References to each of the Transaction Documents are to it as from time to time modified in compliance with its terms 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 terms of the Trust Deed, the Deed of Charge, the Agency Agreement and the other Transaction Documents, copies of which are available for inspection at the specified office for the time being of the Principal Paying Agent. The Holders of the Notes have the benefit of, are bound by and are deemed to have notice of all the terms in the Trust Deed, the Deed of Charge, and those applicable to them in the Agency Agreement and the other Transaction Documents.

References to "**Conditions**" are, unless the context otherwise 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 Condition 18 (*Definitions*).

The issue of the Notes and the Certificates was authorised by a resolution of the board of directors of the Issuer passed on 22 November 2021.

1. **Form, denomination and title**

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

The Notes which are offered and sold outside the United States to non-US persons in reliance on Regulation S will be represented by beneficial interests in Global Notes. The Notes are issued under the NSS.

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, "**Notes**" means, for each Class of Notes, a Global Note or a Definitive Note, and "**Noteholder**" or the "**Holder**" of a Note at any time means the person (or, in the case of a joint holding, the first named person) in whose name such Note is registered at that time in the Register and "**Class A Noteholder**", "**Class B Noteholder**", "**Class C Noteholder**", "**Class D Noteholder**", "**Class E Noteholder**", "**Class F Noteholder**" and "**Class Z Noteholder**" means the Holder of a Class A Note, a Class B Note, a Class C Note, a Class D Note, a Class E Note, a Class F Note or a Class Z Note, respectively.

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Note Trustee, the Registrar, the Principal Paying Agent and the other Paying Agents (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing on a Note or notice of a previous loss or theft of a 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 a Global Note or Definitive Note and (ii) for all other purposes deem and treat the person in whose name a 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 a 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 regarding the payment of principal and interest (if any) on such Notes, the right to which will be vested as against the Issuer solely in the Holder of each Global Note under and subject to its terms.

A Note is not transferable except in compliance with the restrictions described in these Conditions and in the Trust Deed and the Agency Agreement. A 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 of Notes will be registered for a period of two Business Days immediately before each Interest Payment Date.

Any Notes which are represented by a Global Note will be transferable only in compliance with the rules and procedure for the time being of Clearstream, Luxembourg and Euroclear.

2. **Status and Security**

(a) **Status**

The Notes are direct secured, limited recourse obligations of the Issuer, ranking, as between each Class, *pro rata* and *pari passu* without preference among themselves subject to as set out 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.

In relation to any Vehicles located in Scotland, the Seller will grant a Scottish Vehicle Sales Proceeds Floating Charge in favour 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 in respect of the Issuer's interest in the Scottish Vehicle Sales Proceeds Floating Charge.

(c) **Application of proceeds**

On the Closing Date, the Issuer will use the net proceeds of the issue of the Notes and the Certificates (i) to finance the purchase from Startline (the "**Seller**", which expression includes its permitted successors and assigns) of a portfolio of retail motor vehicle receivables governed by the laws of England and Wales (all such purchased receivables, the "**Purchased Receivables**") and all Ancillary Rights under an agreement for the sale and purchase of retail motor vehicle receivables dated on or around the Closing Date between the Seller, the Servicer, the Issuer and the Security Trustee (the "**Receivables Sale and Purchase Deed**"), (ii) to pay the initial fees and expenses incurred by the Issuer on or prior to the Closing Date in connection with the Transaction, (iii) to fund the Senior Liquidity Reserve Fund up to the Senior Liquidity Reserve Fund Required Amount and (iv) to credit the Distribution Account with any residual amounts. 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 receivables servicing agreement dated on or about the Closing Date between the Seller, the Servicer, the Issuer and the Security Trustee (the "**Servicing Agreement**").

(d) **Principal Deficiency Ledger**

A Principal Deficiency Ledger, comprising six sub-ledgers, known as the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger, the Class D Principal Deficiency Ledger, the Class E Principal Deficiency Ledger and the Class F Principal Deficiency Ledger will be established by the Cash Manager.

The Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger, the Class D Principal Deficiency Ledger, the Class E Principal Deficiency Ledger and the Class F Principal Deficiency Ledger will be established in order to record, on each Interest Payment Date:

- (i) any Senior Expenses Shortfall;
- (ii) the Principal Outstanding Balance of each Purchased Receivable that becomes a Defaulted Receivable during the immediately preceding Collection Period; and
- (iii) the Principal Outstanding Balance of each VT Receivable in respect of which Vehicle Sales Proceeds were received during the immediately preceding Collection Period,

(each, a "**Deficiency**").

Any Deficiency:

- *first*, shall be entered as a debit on the Class F Principal Deficiency Ledger until the debit balance on such sub-ledger (the "**Class F Principal Deficiency**") is equal to the Principal Amount Outstanding of the Class F Notes;

- *thereafter*, shall be entered as a debit on the Class E Principal Deficiency Ledger until the debit balance on such sub-ledger (the "**Class E Principal Deficiency**") is equal to the Principal Amount Outstanding of the Class E Notes;
- *thereafter*, shall be entered as a debit on the Class D Principal Deficiency Ledger until the debit balance on such sub-ledger (the "**Class D Principal Deficiency**") is equal to the Principal Amount Outstanding of the Class D Notes;
- *thereafter*, shall be entered as a debit on the Class C Principal Deficiency Ledger until the debit balance on such sub-ledger (the "**Class C Principal Deficiency**") is equal to the Principal Amount Outstanding of the Class C Notes;
- *thereafter*, shall be entered as a debit on the Class B Principal Deficiency Ledger until the debit balance on such sub-ledger (the "**Class B Principal Deficiency**") is equal to the Principal Amount Outstanding of the Class B Notes; and
- *thereafter*, shall be entered as a debit on the Class A Principal Deficiency Ledger until the debit balance on such sub-ledger (the "**Class A Principal Deficiency**") is equal to the Principal Amount Outstanding of the Class A Notes.

On each Interest Payment Date, subject to the Available Interest Collections being sufficient:

- the Class A Principal Deficiency will be reduced by any funds applied at item (viii) of the Pre-Enforcement Interest Priority of Payments by way of an appropriate credit to be made to the Class A Principal Deficiency Ledger;
- the Class B Principal Deficiency will be reduced by any funds applied at item (xi) of the Pre-Enforcement Interest Priority of Payments by way of an appropriate credit to be made to the Class B Principal Deficiency Ledger;
- the Class C Principal Deficiency will be reduced by any funds applied at item (xiii) of the Pre-Enforcement Interest Priority of Payments by way of an appropriate credit to be made to the Class C Principal Deficiency Ledger;
- the Class D Principal Deficiency will be reduced by any funds applied at item (xv) of the Pre-Enforcement Interest Priority of Payments by way of an appropriate credit to be made to the Class D Principal Deficiency Ledger;
- the Class E Principal Deficiency will be reduced by any funds applied at item (xvii) of the Pre-Enforcement Interest Priority of Payments by way of an appropriate credit to be made to the Class E Principal Deficiency Ledger; and
- the Class F Principal Deficiency will be reduced by any funds applied at item (xx) of the Pre-Enforcement Interest Priority of Payments by way of an appropriate credit to be made to the Class F Principal Deficiency Ledger.

(e) **Pre-Enforcement Interest Priority of Payments**

Subject to clause 4 (*Liability of Cash Manager*) of the Cash Management Agreement, on each Interest Payment Date before the delivery of an Enforcement Notice, the Available Interest Collections deposited in the Distribution Account (excluding Permitted Exceptions) will be applied by the Cash Manager in the following order of priority (the "**Pre-Enforcement Interest Priority of Payments**"):

- (i) *first*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Security Trustee, together with interest and any amount in respect of VAT (if any) on those amounts, and to make provision for any amounts due or to become due during the following Interest Period to the Security Trustee under or pursuant to the Deed of Charge; and

- (B) the Note Trustee, together with interest and any amount in respect of VAT (if any) on those amounts, and to make provision for any amounts due or to become due during the following Interest Period to the Note Trustee under the Trust Deed,

in each case, together with any arrears remaining unpaid for such amounts;

- (ii) *second*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Agents, the Cash Manager and the Account Bank together with interest and any amount in respect of VAT (if any) on those amounts, and any costs, charges, liabilities and expenses then due or to become due during the following Interest Period to the Agents, the Cash Manager and the Account Bank under the Agency Agreement, the Cash Management Agreement and the Account Bank Agreement, respectively;
- (iii) *third*, in or towards payment, *pro rata* and *pari passu*, of amounts due to any third party creditors of the Issuer (other than those referred to later in this Pre-Enforcement Interest Priority of Payments), which amounts have been incurred without breach by the Issuer of the Transaction Documents to which it is a party and for which payment has not been provided for elsewhere and to provide for any of those amounts expected to become due and payable during the following Interest Period by the Issuer and, to the extent the Retained Amounts are insufficient, to the extent of any insufficiency to pay or discharge any corporation tax liability of the Issuer;
- (iv) *fourth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Servicer, in the immediately succeeding Interest Period, under the Servicing Agreement;
 - (B) the Corporate Services Provider, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due, or to become due to the Corporate Services Provider in the immediately succeeding Interest Period, under the Corporate Services Agreement;
 - (C) to the extent applicable, the Standby Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Standby Servicer in the immediately succeeding Interest Period, under the Standby Servicing Agreement;
 - (D) any auditors of, and other professional advisers to, the Issuer; and
 - (E) any Insolvency Official of the Seller, in respect of the Incentive Fee (if any);
- (v) *fifth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Swap Counterparty under the provisions of the Swap Agreement (in each case, other than Swap Counterparty Subordinated Amounts and Swap Excluded Amounts);
- (vi) *sixth*, in or towards retention by the Issuer of the Retained Amount, from which the Issuer will (amongst other things) discharge its liability to corporation tax, the Tax Creditors for Taxes (which cannot be paid out of amounts previously retained as the Retained Amount) and any arrears remaining unpaid for any such liabilities or expenses, *pari passu* and *pro rata* amongst themselves;
- (vii) *seventh*, in or towards payment, *pari passu* and *pro rata*, to the Class A Noteholders of interest due and payable on the Class A Notes;

- (viii) *eighth*, in or towards credit to the Class A Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class A Principal Deficiency Ledger to zero;
- (ix) *ninth*, in or towards payment, *pari passu* and *pro rata*, to the Class B Noteholders of interest due and payable on the Class B Notes (including any Deferred Interest and Additional Interest in respect of the Class B Notes);
- (x) *tenth*, in or towards payment to the Liquidity Reserve Account (to be credited in the Senior Liquidity Reserve Ledger) of the amount required to replenish the Senior Liquidity Reserve Fund up to the Senior Liquidity Reserve Fund Required Amount;
- (xi) *eleventh*, in or towards credit to the Class B Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class B Principal Deficiency Ledger to zero;
- (xii) *twelfth*, in or towards payment, *pari passu* and *pro rata*, to the Class C Noteholders of interest due and payable on the Class C Notes (including any Deferred Interest and Additional Interest in respect of the Class C Notes);
- (xiii) *thirteenth*, in or towards credit to the Class C Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class C Principal Deficiency Ledger to zero;
- (xiv) *fourteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class D Noteholders of interest due and payable on the Class D Notes (including any Deferred Interest and Additional Interest in respect of the Class D Notes);
- (xv) *fifteenth*, in or towards credit to the Class D Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class D Principal Deficiency Ledger to zero;
- (xvi) *sixteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class E Noteholders of interest due and payable on the Class E Notes (including any Deferred Interest and Additional Interest in respect of the Class E Notes);
- (xvii) *seventeen*, in or towards credit to the Class E Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class E Principal Deficiency Ledger to zero;
- (xviii) *eighteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class F Noteholders of interest due and payable on the Class F Notes (including any Deferred Interest and Additional Interest in respect of the Class F Notes);
- (xix) *nineteenth*, in or towards payment to the Liquidity Reserve Account (to be credited in the Junior Liquidity Reserve Ledger) of the amount required to replenish the Junior Liquidity Reserve Fund up to the Junior Liquidity Reserve Fund Required Amount;
- (xx) *twentieth*, in or towards credit to the Class F Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class F Principal Deficiency Ledger to zero;
- (xxi) *twenty-first*, in or towards payment of any Swap Counterparty Subordinated Amounts, if any, due and payable to the Swap Counterparty in respect of the Swap Agreement;
- (xxii) *twenty-second*, in or towards payment, *pari passu* and *pro rata*, to the Class Z Noteholders of principal of the Class Z Notes until paid in full;

- (xxiii) *twenty-third*, in or towards payment to the Subordinated Loan Note Subscriber of any principal amount due and payable on the Subordinated Loan Note;
- (xxiv) *twenty-fourth*, in or towards payment, *pari passu* and *pro rata*, to any other party of any amounts due by the Issuer under the Transaction Documents to whom payment has not already been provided for elsewhere; and
- (xxv) *twenty-fifth*, in or towards payment, *pari passu* and *pro rata*, to the Certificateholders of any RC Payments,

in each case only to the extent that all payments of a higher priority to be paid or provided for on such Interest Payment Date have been made in full.

(f) **Pre-Enforcement Principal Priority of Payments**

Subject to clause 4 (*Liability of Cash Manager*) of the Cash Management Agreement, on each Interest Payment Date before the delivery of an Enforcement Notice, the Available Principal Collections (excluding Permitted Exceptions) will be applied by Cash Manager in the following order of priority (the "**Pre-Enforcement Principal Priority of Payments**"):

- (i) *first*, in or towards application of an amount equal to the Principal Addition Amount as Available Interest Collections;
- (ii) *second*, in or towards payment, *pari passu* and *pro rata*, to the Class A Noteholders of principal of the Class A Notes until paid in full;
- (iii) *third*, in or towards payment, *pari passu* and *pro rata*, to the Class B Noteholders of principal of the Class B Notes until paid in full;
- (iv) *fourth*, in or towards payment, *pari passu* and *pro rata*, to the Class C Noteholders of principal of the Class C Notes until paid in full;
- (v) *fifth*, in or towards payment, *pari passu* and *pro rata*, to the Class D Noteholders of principal of the Class D Notes until paid in full;
- (vi) *sixth*, in or towards payment, *pari passu* and *pro rata*, to the Class E Noteholders of principal of the Class E Notes until paid in full;
- (vii) *seventh*, in or towards payment, *pari passu* and *pro rata*, to the Class F Noteholders of principal of the Class F Notes until paid in full; and
- (viii) *eighth*, in application of any remaining amounts to Available Interest Collections,

but in each case only to the extent that all payments of a higher priority to be paid or provided for on such Interest Payment Date have been made in full.

(g) **Shortfalls**

To the extent that the Issuer does not receive sufficient Available Interest Collections and/or Available Principal Collections from the Purchased Receivables and there is not a sufficient available balance standing to the credit of the Issuer Accounts to be applied to meet payments due under the Notes, the Subordinated Loan Note and/or the Certificates after meeting prior ranking claims in accordance with the Pre-Enforcement Interest Priority of Payments and/or the Pre-Enforcement Principal Priority of Payments (as applicable), the Issuer will be unable to the same extent to make payments under the Notes and/or the Certificates. Any shortfall will be borne first by the Certificates, second by the Subordinated Loan Note, third by the Class Z Notes, fourth by the Class F Notes, fifth by the Class E Notes, sixth by the Class D Notes, seventh by the Class C Notes, eighth by the Class B Notes and ninth by the Class A Notes, *pro rata* and *pari passu* as between the Notes of the same Class or the Certificates.

(h) **Failure to provide a Servicer Report**

If the Servicer fails to supply the Cash Manager with any information it requires to make any relevant determinations under the Cash Management Agreement (including for the avoidance of doubt, any Servicer Report), the Cash Manager will make all reasonable enquiries of the Servicer to obtain such information. If the Servicer fails to provide such information, the Cash Manager will make its determinations based on the information it does have in connection with payments due on the Notes and the Certificates on the relevant Interest Payment Date and will not be liable to any person for making such determination (in the absence of gross negligence, fraud or wilful default). If the Cash Manager does not have sufficient information to make such determinations it can make its determinations based on information provided to it by the Servicer on or around the three preceding Calculation Dates and will not be liable to any person (in the absence of the Cash Manager's gross negligence, fraud, or wilful default) for the accuracy of such determinations.

(i) **Enforcement of the Security**

After the occurrence of an Event of Default and the delivery of an Enforcement Notice under Condition 10 (*Events of Default*) below, 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 (or, if the Notes have been redeemed in full, the Certificateholders) acting by way of an Extraordinary Resolution.

The Note Trustee may at its discretion and will do so if it has been directed to do so by the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) acting by way of an Extraordinary Resolution, (subject to the Note Trustee and the Security Trustee 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 concerning the Issuer or any other person to enforce its obligations under the Transaction Documents, these Conditions or the Certificate Conditions and/or take other proceedings (including lodging an appeal in any proceedings) concerning the Issuer;
- (ii) exercise its rights under, or in connection with a Transaction Document; and/or
- (iii) give directions to the Security Trustee under or in connection with a Transaction Document.

To the extent that the Note Trustee acts in compliance with such directions of the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders), as described above, it will have no obligation to take the interests of any other party into account or to follow a direction given by any other party.

(j) **Application of proceeds following delivery of an Enforcement Notice**

Subject to clause 4 (*Liability of Cash Manager*) of the Cash Management Agreement, following the delivery of an Enforcement Notice, the Security Trustee will give notice to all Secured Parties (of which it has notice details in the Transaction Documents) and apply amounts available for distribution to the satisfaction of the amounts and in the order of priority set out below. Following the delivery of an Enforcement Notice, all Available Funds (excluding Permitted Exceptions) will be applied by the Security Trustee (or the Cash Manager on its behalf), to the extent permitted by applicable law, in the following order of priority (the "**Post-Enforcement Priority of Payments**"):

- (i) *first*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Security Trustee and any Receiver (including any administrative receiver) appointed by the Security Trustee, together with interest and

any amount in respect of VAT (if any) on those amounts and any amounts then due or to become due and payable to the Security Trustee and the receiver under or pursuant to the provisions of the Deed of Charge; and

- (B) the Note Trustee, together with interest and any amount in respect of VAT (if any) on those amounts and any amounts then due or to become due and payable to the Note Trustee under the provisions of the Trust Deed,

in each case, together with any arrears remaining unpaid for such amounts;

- (ii) *second*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Agents, the Cash Manager and the Account Bank together with interest and any amount in respect of VAT (if any) on those amounts, and any costs, charges, liabilities and expenses then due or to become due during the following Interest Period to the Agents, the Cash Manager and the Account Bank under the Agency Agreement, the Cash Management Agreement and the Account Bank Agreement, respectively;
- (iii) *third*, in or towards payment, *pro rata* and *pari passu*, of amounts due to any third party creditors of the Issuer (other than those referred to later in this Post-Enforcement Priority of Payments), which amounts have been incurred without breach by the Issuer of the Transaction Documents to which it is a party and for which payment has not been provided for elsewhere and to provide for any of those amounts expected to become due and payable during the following Interest Period by the Issuer and, to the extent the Retained Amounts are insufficient, to the extent of any insufficiency to pay or discharge any corporation tax liability of the Issuer;
- (iv) *fourth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Servicer, in the immediately succeeding Interest Period, under the Servicing Agreement;
 - (B) the Corporate Services Provider, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due, or to become due to the Corporate Services Provider in the immediately succeeding Interest Period, under the Corporate Services Agreement;
 - (C) to the extent applicable, the Standby Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Standby Servicer in the immediately succeeding Interest Period, under the Standby Servicing Agreement;
 - (D) any auditors of, and other professional advisers to, the Issuer; and
 - (E) any Insolvency Official of the Seller, in respect of the Incentive Fee (if any);
- (v) *fifth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Swap Counterparty under the provisions of the Swap Agreement (in each case, other than Swap Counterparty Subordinated Amounts and Swap Excluded Amounts);
- (vi) *sixth*, in or towards payment, *pari passu* and *pro rata*, to the Class A Noteholders:
 - (A) *first*, of interest due and payable on the Class A Notes; and
 - (B) *second*, of principal of the Class A Notes until paid in full;

- (vii) *seventh*, in or towards payment, *pari passu* and *pro rata*, to the Class B Noteholders:
 - (A) *first*, of interest due and payable on the Class B Notes (including any Deferred Interest and Additional Interest in respect of the Class B Notes); and
 - (B) *second*, of principal of the Class B Notes until paid in full;
- (viii) *eighth*, in or towards payment, *pari passu* and *pro rata*, to the Class C Noteholders:
 - (A) *first*, of interest due and payable on the Class C Notes (including any Deferred Interest and Additional Interest in respect of the Class C Notes); and
 - (B) *second*, of principal of the Class C Notes until paid in full;
- (ix) *ninth*, in or towards payment, *pari passu* and *pro rata*, to the Class D Noteholders:
 - (A) *first*, of interest due and payable on the Class D Notes (including any Deferred Interest and Additional Interest in respect of the Class D Notes); and
 - (B) *second*, of principal of the Class D Notes until paid in full;
- (x) *tenth*, in or towards payment, *pari passu* and *pro rata*, to the Class E Noteholders:
 - (A) *first*, of interest due and payable on the Class E Notes (including any Deferred Interest and Additional Interest in respect of the Class E Notes); and
 - (B) *second*, of principal of the Class E Notes until paid in full;
- (xi) *eleventh*, in or towards payment, *pari passu* and *pro rata*, to the Class F Noteholders:
 - (A) *first*, of interest due and payable on the Class F Notes (including any Deferred Interest and Additional Interest in respect of the Class F Notes); and
 - (B) *second*, of principal of the Class F Notes until paid in full;
- (xii) *twelfth*, in or towards payment of any Swap Counterparty Subordinated Amounts, if any, due and payable to the Swap Counterparty in respect of the Swap Agreement;
- (xiii) *thirteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class Z Noteholders of principal of the Class Z Notes until paid in full;
- (xiv) *fourteenth*, in or towards payment to the Subordinated Loan Note Subscriber of any principal amount due and payable on the Subordinated Loan Note;
- (xv) *fifteenth*, in or towards retention by the Issuer of the Retained Amount, from which the Issuer will (amongst other things) discharge its liability to corporation tax, the Tax Creditors for Taxes and any arrears remaining unpaid for any such liabilities or expenses, *pari passu* and *pro rata* amongst themselves;
- (xvi) *sixteenth*, in or towards payment, *pari passu* and *pro rata*, of any other amounts due and payable by the Issuer under the Transaction Documents (to the extent not already covered above); and
- (xvii) *seventeenth*, in or towards payment, *pari passu* and *pro rata*, to the Certificateholders of any RC Payments,

in each case only to the extent that all payments of a higher priority due to be paid or provided for on such Interest Payment Date have been made in full.

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

If the net proceeds of the Security being enforced and liquidated under the Deed of Charge, and the Scottish Supplemental 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 compliance with the Post-Enforcement Priority of Payments 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.

(l) **Relationship between the Classes of Notes and the Certificates**

(i)

- (A) Payments of principal on the Class A Notes will rank in priority to payments of principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes;
- (B) Payments of principal on the Class B Notes will rank in priority to payments of principal on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes but will rank subordinate to payments of principal on the Class A Notes;
- (C) Payments of principal on the Class C Notes will rank in priority to payments of principal on the Class D Notes, the Class E Notes and the Class F Notes but will rank subordinate to payments of principal on the Class A Notes and the Class B Notes;
- (D) Payments of principal on the Class D Notes will rank in priority to payments of principal on the Class E Notes and the Class F Notes but will rank subordinate to payments of principal on the Class A Notes, the Class B Notes and the Class C Notes;
- (E) Payments of principal on the Class E Notes will rank in priority to payments of principal on the Class F Notes but will rank subordinate to payments of principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes;
- (F) Payments of principal on the Class F Notes will rank subordinate to payments of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

(ii)

- (A) 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, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates.
- (B) Payments of interest on the Class B Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates.

- (C) Payments of interest on the Class C Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of interest on the Class D Notes, the Class E Notes and the Class F Notes, payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates.
 - (D) Payments of interest on the Class D Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of interest on the Class E Notes and the Class F Notes, payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates.
 - (E) Payments of interest on the Class E Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of interest on the Class F Notes, payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates.
 - (F) Payments of interest on the Class F Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates.
 - (G) Payments of principal on the Class Z Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of any RC Payments on the Certificates.
 - (H) Payments of any RC Payments on the Certificates will rank *pro rata* and *pari passu* between themselves and subordinate to payments of interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and principal on the Class Z Notes.
- (iii) If the Issuer does not have sufficient Available Interest Collections on the relevant Interest Payment Date to meet payments in full, any shortfall will be borne:
- (A) *first*, by the Certificates;
 - (B) *second*, by the Class Z Notes;
 - (C) *third*, to the extent that principal due on the Class Z Notes on such Interest Payment Date is less than such shortfall, by the Class F Notes;
 - (D) *fourth*, to the extent that interest due on the Class F Notes and *fourth* due on the Class Z Notes on such Interest Payment Date is less than such shortfall, by the Class E Notes;
 - (E) *fifth*, to the extent that interest due on the Class E Notes and the Class F Notes and principal due on the Class Z Notes on such Interest Payment Date is less than such shortfall, by the Class D Notes;
 - (F) *sixth*, to the extent that interest due on the Class D Notes, the Class E Notes and the Class F Notes and principal due on the Class Z Notes on such Interest Payment Date is less than such shortfall, by the Class C Notes;
 - (G) *seventh*, to the extent that interest due on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and principal due on the Class Z Notes on such Interest Payment Date is less than such shortfall, by the Class B Notes; and
 - (H) *eighth*, to the extent that interest due on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and principal due on the Class Z Notes on such Interest Payment Date is less than such shortfall, by the Class A Notes,

in each case, *pro rata* and *pari passu* between the Notes of each Class or the Certificates.

- (iv) No amount of principal of:
 - (A) the Class Z Notes will become due and payable unless there are sufficient amounts available under the Pre-Enforcement Interest Priority of Payments after payment in full of interest due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, whether or not the other Classes of Notes have been redeemed and paid in full;
 - (B) the Class F Notes will become due and payable until redemption and payment in full of the Class E Notes;
 - (C) the Class E Notes will become due and payable until redemption and payment in full of the Class D Notes;
 - (D) the Class D Notes will become due and payable until redemption and payment in full of the Class C Notes;
 - (E) the Class C Notes will become due and payable until redemption and payment in full of the Class B Notes; or
 - (F) the Class B Notes will become due and payable until redemption and payment in full of the Class A Notes.

- (v) The Trust Deed and the Deed of Charge contain terms requiring the Note Trustee or the Security Trustee to take into account the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and the Certificateholders equally as regards all trusts, rights, powers, authorities or discretions of the Note Trustee or the Security Trustee (except where expressly provided otherwise), but requiring the Note Trustee or the Security Trustee, to take into account:
 - (A) only the interests of the Class A Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class A Noteholders and the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and/or the Certificateholders;
 - (B) only the interests of the Class B Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class B Noteholders and the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and/or the Certificateholders;
 - (C) only the interests of the Class C Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class C Noteholders and the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and/or the Certificateholders;
 - (D) only the interests of the Class D Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class D Noteholders and the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and/or the Certificateholders;
 - (E) only the interests of the Class E Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of

the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and/or the Certificateholders;

- (F) only the interests of the Class F Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class F Noteholders, the Class Z Noteholders and/or the Certificateholders; and
- (G) only the interests of the Class Z Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class Z Noteholders and/or the Certificateholders.

In addition, if there is a conflict between the interests of (1) the Noteholders, (2) the Certificateholders and/or (3) the other Secured Parties, the Security Trustee will, to the extent permitted by applicable law, take into account only the interests of the Noteholders.

(vi)

- (A) The Class B Noteholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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 the Note Trustee will not be responsible to the Class B Noteholders for disregarding such request, direction or resolution.
- (B) The Class C Noteholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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 or the Class B Noteholders and the Note Trustee will not be responsible to the Class C Noteholders for disregarding such request, direction or resolution.
- (C) The Class D Noteholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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, the Class B Noteholders or the Class C Noteholders and the Note Trustee will not be responsible to the Class D Noteholders for disregarding such request, direction or resolution.
- (D) The Class E Noteholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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, the Class B Noteholders, the Class C Noteholders or the Class D Noteholders and the Note Trustee will not be responsible to the Class E Noteholders for disregarding such request, direction or resolution.
- (E) The Class F Noteholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders or the Class E Noteholders and the Note Trustee will not be responsible to the Class F Noteholders for disregarding such request, direction or resolution.
- (F) The Class Z Noteholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, Class E Noteholders or the Class F Noteholders and the Note Trustee will not be responsible to the Class Z Noteholders for disregarding such request, direction or resolution.

- (G) The Certificateholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, Class E Noteholders, the Class F Noteholders or the Class Z Noteholders and the Note Trustee will not be responsible to the Certificateholders for disregarding such request, direction or resolution.

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

The Note Trustee and the Security Trustee have the right to assume, for the purposes of exercising any trusts, rights, powers, authorities, duties or discretions under or related to these Conditions, the Certificates Conditions, the Trust Deed, the Deed of Charge or the other Transaction Documents or for the purposes of paragraphs (v) or (vi) of Condition 2(l) (*Relationship between the Classes of Notes and the Certificates*), that to do so will not be materially prejudicial to the interests of the Noteholders of any Class and/or the Certificateholders (i) if it has obtained the consent of the Noteholders of each affected Class and/or the Certificateholders or (ii) if the Note Trustee is satisfied that the current ratings of the Rated Notes will not be affected or (iii) regarding 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 consent of the Note Trustee, unless otherwise provided by these Conditions or the Transaction Documents:

- (a) carry on business other than performing its functions and duties and discharging its obligations and liabilities set out in the Transaction Documents and in connection with that business will not engage in an 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 and/or the Certificates;
 - (iii) enter into, amend, consent to a variation of, or release a party from an obligation under, the Notes, the Certificates, the Transaction Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for, the Notes and the Certificates;
 - (iv) own and exercise its rights regarding the Security and its interests in the Security and perform its obligations regarding the Security and the Transaction Documents;
 - (v) preserve and/or exercise and/or enforce its rights and perform and observe its obligations under the Notes, the Certificates, the Transaction Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for, the Notes and the Certificates;
 - (vi) use its property or assets in the manner set out in or contemplated by the Transaction Documents; and
 - (vii) perform other acts incidental to or necessary in connection with items (i) to (vi) above;

- (b) have employees or own premises;
- (c) incur indebtedness for borrowed money or give a guarantee or indemnity for any indebtedness except under the Notes, the Certificates or under the Transaction Documents;
- (d) create any Encumbrances over, or use, invest, sell or otherwise dispose of, its assets other than as expressly contemplated by the Transaction Documents;
- (e) commingle its property or assets with the property or assets of another person;
- (f) have a Subsidiary or subsidiary undertaking (each as defined in the Companies Act 2006);
- (g) create an "establishment" (as that expression is used in the EU Insolvency Regulation) in a jurisdiction other than England and Wales;
- (h) pay a dividend or make a distribution to its shareholders in an accounting period which is greater than the amount left to the Issuer after UK corporation tax is charged on the Retained Amount;
- (i) issue shares in the Issuer (other than such shares as are in issue as at the Closing Date);
- (j) permit the validity or effectiveness of or the priority of the Security created by or under the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge and the Issuer Security Power of Attorney to be amended, terminated, postponed or discharged, or permit a person whose obligations form part of the Security to be released from such obligations;
- (k) open a further account for the purposes of depositing any monies it receives in connection with the Transaction Documents, unless such account is secured in favour of the Security Trustee for the benefit of the Secured Parties;
- (l) consolidate or merge with another person or convey or transfer its properties or assets substantially as an entirety to another person;
- (m) acquire obligations or securities of its officers or shareholders;
- (n) amend the articles of association (or other constitutional document) of the Issuer; and
- (o) enter into any derivatives or hedging contracts having the same economic effect.

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

4. ***Interest***

(a) **Rate of interest**

Each Rated Note bears interest on the Principal Amount Outstanding of such Rated Note as at the beginning of the relevant Interest Period at the rate per annum (expressed as a percentage) equal to Compounded Daily SONIA plus the Margin, payable in arrear on each Interest Payment Date and accruing from (and including) the Closing Date, subject to Condition 6 (*Subordination*). The Class Z Notes do not bear interest.

(b) **Accrual of interest**

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

Interest will cease to accrue on each Rated Note (or, in the case of the redemption of part only of a Rated Note, that part only of such Rated Note) on the due date for redemption unless an 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 applicable Rate of Interest.

(c) **Deferral of interest**

(i) If, on any Interest Payment Date, after having paid or provided for items of higher priority in accordance with the relevant Priorities of Payments (including by means of any Principal Addition Amount, any Surplus Available Principal Collections, any Senior Liquidity Reserve Fund Release Amount and any Junior Liquidity Reserve Fund Release Amount) the Issuer has insufficient funds to make payment in full of all amounts of interest (which shall, for the purposes of this Condition 4(c), include any interest previously deferred under this Condition 4(c) and accrued interest thereon) payable in respect of the Rated Notes (other than the Controlling Class), then the Issuer shall be entitled to defer to the next Interest Payment Date the payment of interest (such interest, the "**Deferred Interest**") in respect of the Rated Notes (other than the Controlling Class), to the extent only of any insufficiency of funds, in accordance with the provisions of this Condition 4(c).

(ii) Interest due and payable on:

- (1) the Class B Notes may be deferred until the next Interest Payment Date to the extent the Class B Notes are not the Controlling Class;
- (2) the Class C Notes may be deferred until the next Interest Payment Date to the extent the Class C Notes are not the Controlling Class;
- (3) the Class D Notes may be deferred until the next Interest Payment Date to the extent the Class D Notes are not the Controlling Class;
- (4) the Class E Notes may be deferred until the next Interest Payment Date to the extent the Class E Notes are not the Controlling Class; and
- (5) the Class F Notes may be deferred until the next Interest Payment Date to the extent the Class F Notes are not the Controlling Class,

and such failure will not constitute an Event of Default. Interest on a Class of Rated Notes may not be deferred where the relevant Class of Rated Notes becomes the Controlling Class (excluding in respect of amounts previously deferred or accrued interest thereon).

(iii) Any amounts of Deferred Interest in respect of a Class of Rated Notes shall accrue interest ("**Additional Interest**") at the same rate and on the same basis as scheduled interest in respect of the corresponding Class of Rated Notes, but shall not be capitalised. Such Additional Interest may also be deferred in accordance with the provisions of this Condition 4(c).

(iv) Deferral of interest in accordance with this Condition 4(c) will not constitute an Event of Default until the Final Legal Maturity Date or any earlier date on which the relevant Class of Rated Notes is to be redeemed in full in accordance with the Conditions or (excluding in respect of amounts previously deferred or accrued interest thereon) becomes the Controlling Class, and such amounts of Deferred Interest and Additional Interest will only become due and payable on the Final Legal Maturity Date or any earlier date on which the relevant Class of Rated Notes is to be redeemed in full in accordance with the Conditions.

(v) As soon as practicable after becoming aware that any part of a payment of interest on a Class of Rated Notes (other than the Controlling Class) will be deferred, or that a payment previously deferred will be made, in each case in accordance with this Condition 4(c), the Issuer will give notice thereof to the Holders of the relevant Class of Rated Notes, as appropriate, in accordance with Condition 15 (*Notice to Noteholders*).

(d) **Margin**

The Margin for each Interest Period will be:

- (i) for each Class A Note, 0.70% per annum (the "**Class A Margin**");
- (ii) for each Class B Note, 1.20% per annum (the "**Class B Margin**");
- (iii) for each Class C Note, 1.60% per annum (the "**Class C Margin**");
- (iv) for each Class D Note, 1.90% per annum (the "**Class D Margin**");
- (v) for each Class E Note, 3.20% per annum (the "**Class E Margin**"); and
- (vi) for each Class F Note, 5.40% per annum (the "**Class F Margin**").

(e) **Compounded Daily SONIA**

"**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 Principal Paying Agent on the Calculation Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_{i-5\text{LBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

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

"**d₀**" is the number of London Banking Days in the relevant Interest Period;

"**i**" is a series of whole numbers from one to **d₀**, 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 a Business Day.

"**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;

"**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**" means, 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-5LBD}**" means, in respect of any London Banking Day falling in the relevant Interest Period, the SONIA reference rate for the London Banking Day falling five London Banking Days prior to the relevant London Banking Day.

If, in respect of any London Banking Day on which the SONIA reference rate is to be determined, the Principal Paying 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 Principal Paying Agent shall, to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA_i for the purpose of the Notes for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Principal Paying Agent, the Rate of Interest shall be (i) that determined as at the last preceding Calculation Date (subject to the Minimum Rate of Interest) or (ii) if there is no such preceding Calculation Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Closing Date (but applying the Margin and Minimum Rate of Interest applicable to the first Interest Period).

If the 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 (if any) shall, for so long as any such Note remains outstanding, be that determined on such date.

(f) **Minimum Rate of Interest**

In the event that the Rate of Interest for a Note in respect of an Interest Period determined in accordance with the provisions of paragraphs (a) to (c) above is less than the Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be the Minimum Rate of Interest.

(g) **Determination of Rate of Interest and calculation of Interest Amounts**

The Principal Paying Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest payable on the Notes in respect of each denomination (each, an "**Interest Amount**") for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Note, multiplying such sum by the Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of Sterling, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest due on the Rated Notes in accordance with this Condition 4, the actual number of days in the Interest Period divided by 365.

(h) **Notification of Rate of Interest and Interest Amounts**

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Cash Manager, the Paying Agents, the Registrar and by the Issuer to any stock exchange or other relevant competent authority or quotation system on which the Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with Condition 15 (*Notices*) as soon as possible

after their determination but in no event later than three Business Days prior to each Interest Payment Date. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee and the London Stock Exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with Condition 15 (*Notices*).

(i) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest*), whether by the Principal Paying Agent or the calculation agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Cash Manager, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5. **Redemption**

(a) **Final redemption**

Unless previously redeemed in full and cancelled as set out in this Condition 5 (*Redemption*), each Note will be redeemed by the Issuer at its Principal Amount Outstanding together with accrued interest (if any) on the Final Legal Maturity Date. Each Rating Agency will be informed of a redemption of the Notes under this Condition 5 (*Redemption*).

The Issuer may not redeem the Notes in whole or in part before the Final Legal Maturity Date except as set out in Condition 5(b) (*Redemption for taxation and other reasons*), Condition 5(c) (*Mandatory early redemption in part*), Condition 5(d) (*Clean-Up Call Option*) and Condition 5(e) (*Portfolio Repurchase Option*) 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 Closing Date, the Issuer is, on the occasion of the next payment due on the Notes, required to deduct, withhold or account for tax on a payment by it on the Notes or would suffer a 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 a material payment on, related to, or calculated by reference to, its income or any sum received or receivable by or on behalf of the Issuer from the Charged Property or any of it,

then the Issuer will promptly so inform the Note Trustee and the Issuer will use its best efforts (which will not require it to incur any loss, excluding immaterial, incidental expenses) to determine within 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 best 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 such measures would be practicable, it will have a further period of 60 days to effect such substitution or change of tax residence. If, however, it determines within 20 days of such circumstance occurring that none of such measures would be practicable or if, having determined that such measures would be practicable, it is unable so to avoid such withholding or deduction or tax or imposition within such further period of 60 days, then the Issuer may, at its election, but will not be obliged to, give not more than 60 nor less than 30 days' irrevocable notice to the Note Trustee, the Principal Paying Agent, the Registrar and the Noteholders, in compliance 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 (if any), to the date (which must be an Interest Payment Date) fixed for redemption, **provided that** before the publication of 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 has the right 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 have the right to accept such certificate as sufficient evidence of the satisfaction of the circumstances set out above and shall not be liable for relying on such certificate, and such certificate will be conclusive and binding on the Noteholders.

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

(i)

- (A) Each Class A Note; and
- (B) **provided that** the Class A Notes have been redeemed in full, each Class B Note;
- (C) **provided that** the Class B Notes have been redeemed in full, each Class C Note;
- (D) **provided that** the Class C Notes have been redeemed in full, each Class D Note;
- (E) **provided that** the Class D Notes have been redeemed in full, each Class E Note;
- (F) **provided that** the Class E Notes have been redeemed in full, each Class F Note,

will be subject to mandatory early redemption in part on each Interest Payment Date in an amount equal to the Available Principal Collections available on such Interest Payment Date for such purpose in accordance with the Pre-Enforcement Principal Priority of Payments. Such early redemption in part will be on a *pro rata* and *pari passu* basis within each such Class.

- (ii) Each Class Z Note will be subject to mandatory early redemption in part on each Interest Payment Date in an amount equal to the Available Interest Collections available on such Interest Payment Date for such purpose in accordance with the Pre-Enforcement Principal Priority of Payments. Such early redemption in part will be on a *pro rata* and *pari passu* basis within the Class Z Notes.

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

The Issuer may, at its option, redeem all (but not part only) of the Notes at their aggregate Principal Amount Outstanding, together with interest accrued (if any) up to but excluding the relevant Interest Payment Date, on the Interest Payment Date after the Seller exercises its option to purchase all of the Purchased Receivables under clause 7 (*Clean-Up Call Option*) of the Receivables Sale and Purchase Deed, on giving an irrevocable notice no later than ten Business Days beforehand to the relevant Noteholders and the Note Trustee in compliance with Condition 15 (*Notices*).

(e) **Portfolio Repurchase Option**

The Issuer may, at its option, redeem all (but not part only) of the Notes at their aggregate Principal Amount Outstanding, together with interest accrued (if any) up to but excluding the Portfolio Repurchase Option Date, on the Portfolio Repurchase Option Date after the Seller exercises its option to purchase all of the Purchased Receivables under clause 8 (*Portfolio Repurchase Option*) of the Receivables Sale and Purchase Deed, on giving an irrevocable notice no later than ten Business Days beforehand to the relevant Noteholders and the Note Trustee in compliance with Condition 15 (*Notices*).

(f) **Cancellation**

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

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

(g) **Note principal payments and Principal Amount Outstanding**

On (or as soon as practicable after) each Calculation Date, the Cash Manager, acting on behalf of the Issuer, will determine (based on information provided to the Cash Manager by the Issuer or the Servicer through the Servicer Report) (i) the amount of any Mandatory Early Part Redemption Amount due on each Note of each Class on the Interest Payment Date next following such Calculation Date and (ii) the Principal Amount Outstanding of each Note of each Class on the Interest Payment Date next following such Calculation Date and will cause notice of each determination of the Mandatory Early Part Redemption Amount and the Principal Amount Outstanding of a Note of each Class to be given to the Note Trustee, the Paying Agents, the Registrar, the Issuer, the Noteholders (in compliance with Condition 15 (*Notices*)) and the Cash Manager one Business Day before the relevant Interest Payment Date. Each determination by or on behalf of the Issuer of any Mandatory Early Part Redemption Amount and the Principal Amount Outstanding of a Note will (in the absence of fraud, wilful default or manifest or proven error) be final and binding on all persons.

If the Cash Manager, acting on behalf of the Issuer, does not at any time for any reason determine the Mandatory Early Part Redemption Amount or the Principal Amount Outstanding of a Note in compliance with the prior terms of this Condition 5(g) (*Note principal payments and Principal Amount Outstanding*), such Mandatory Early Part Redemption Amount and/or Principal Amount Outstanding may be determined by the Note Trustee (to the extent it is able to do so, either itself or acting through an agent and without any obligation to incur fees, costs and expenses for which it has not been pre-funded or provided with adequate indemnity) in compliance with this Condition 5(g) (*Note principal payments and Principal Amount Outstanding*) and each such determination will be conclusive (in the absence of wilful default or manifest error) and will be deemed to have been made by the Cash Manager. Such determination will be final and binding on the Issuer, the Cash Manager, the Noteholders and all other relevant persons.

6. **Subordination**

- (a) The Class F Noteholders will not have a right to payment of principal on the Class F Notes while the Class E Notes remain outstanding. The Class E Noteholders will not have a right to payment of principal on the Class E Notes while the Class D Notes remain outstanding. The Class D Noteholders will not have a right to payment of principal on the Class D Notes while the Class C Notes remain outstanding. The Class C Noteholders will not have a right to payment of principal on the Class C Notes while the Class B Notes remain

outstanding. The Class B Noteholders will not have a right to payment of principal on the Class B Notes while the Class A Notes remain outstanding.

- (b) The Class Z Noteholders will not have a right to payment of principal on the Class Z Notes while interest due on any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and/or the Class F Notes remains outstanding.
- (c) If on any Interest Payment Date or any other date when a payment of principal is due on a Class of Notes, the aggregate funds (computed in compliance with the Cash Management 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 such Class of Notes on such date are not sufficient to pay in full all principal due (otherwise than under this Condition 6(c)) on such Class of Notes on such date, there will be payable on such date by way of principal on such Class of 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 by the Principal Paying Agent to the Paying Agents.

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

All payments are subject in all cases to:

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

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

(c) **Payments on Global Notes**

Payments of principal and interest on any Notes represented by a Global Note will (subject as provided below) be made in the manner specified above for 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 a Global Note, distinguishing between a payment of principal and a 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 terms applicable to payments**

The Holder of a Global Note will be the only person with the right to receive payments on the 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 for each amount so paid. Each of the persons shown in the records of Clearstream, Luxembourg and/or Euroclear as the beneficial Holder of a particular nominal amount of Notes represented by such Global Note must look solely to Clearstream, Luxembourg and/or Euroclear 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 Principal Paying Agent and the Registrar initially appointed by the Issuer and their respective specified offices are listed at the end of these Conditions. The Principal Paying Agent and the Registrar act solely as agents of the Issuer (unless an 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 an obligation or relationship of agency or trust for or with the 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 Principal Paying Agent and the Registrar and to appoint additional or other Paying Agents or Registrars, **provided that** the Issuer will at all times maintain (i) a Registrar and (ii) a Paying Agent.

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

(f) **Non-Business Days**

If a date for payment on a Note is not a Business Day, the Holder will not have a right to payment until the next following Business Day nor to interest or other sums related to such postponed payment.

(g) **Limited recourse**

(i) No amounts will be payable by the Issuer except in accordance with the Priorities of Payments (excluding Permitted Exceptions) and any payment obligations of the Issuer under these Conditions may only be satisfied from the amounts received by it under or in connection with the Transaction Documents.

(ii) If the Security constituted by the Deed of Charge and the Scottish Supplemental 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 and the Scottish Supplemental 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 compliance with the Deed of Charge and the Scottish Supplemental Charge) and, after payment to each such party of its respective share of such remaining proceeds, the obligations of the Issuer to each such party will be extinguished in full.

(iii) The provisions of this Condition 7(g) (*Limited recourse*) will survive the termination of these Conditions. In the case of discrepancy between this Condition 7(g) (*Limited recourse*) and any other provision, the provisions of this Condition 7(g) (*Limited recourse*) will prevail.

8. **Taxation**

All payments of principal and interest on the Rated Notes and principal on the Class Z Notes will be made without withholding or deduction for, or on account of, present or future taxes, duties, assessments or governmental charges of any nature by the Issuer or any Paying Agent unless required by law (or under FATCA), in which case the Issuer or that 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 any 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 ten years of the Relevant Date for such Notes. After the date when a Note becomes void, no claim may be made regarding such Note.

10. **Events of Default**

If any of the following events (each an "Event of Default") occur, the Note Trustee will give notice to the Noteholders in compliance with Condition 15 (*Notices*) without undue delay and may, and (subject to the Note Trustee having been indemnified and/or secured and/or refunded to its satisfaction) if so directed by the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) acting by way of an Extraordinary Resolution will, deliver an Enforcement Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager, the Swap

Counterparty and the Principal Paying Agent (with a copy to each Rating Agency) declaring the Notes and/or the Certificates (as applicable) immediately due and payable, without further action or formality, at their Principal Amount Outstanding together with accrued interest (if any) and the Security will become enforceable:

(a) **Non-payment**

subject to Condition 8 (*Taxation*) and Certificates Condition 6 (*Taxation*), (i) a default occurring in relation to the payment of interest on the Controlling Class of Notes on any Interest Payment Date or, following redemption in full of the Notes, any RC Payment due in respect of the Certificates (and such default is not remedied within 14 Business Days of its occurrence) or (ii) the Issuer defaulting in the payment of principal on the Controlling Class of Notes when due, and such default continuing for a period of 7 Business Days;

(b) **Breach of other obligations**

the Issuer failing to perform or observe any of its other material obligations under the Notes, the Certificates or the Transaction Documents and such failure continuing for a period of 30 calendar days following written notice from the Note Trustee or any other Secured Party, **provided that** the Note Trustee (acting on the instructions of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders)) has certified in writing to the Issuer that such event is, in the opinion of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders), materially prejudicial to the interests of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders);

(c) **Security**

the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge, the Issuer Security Power of Attorney or any Security created thereunder ceasing, for any reason, to be in full force and effect or being declared null and void, the validity or enforceability thereof being contested by the Issuer, or the Issuer denying that it has any or further liability or obligation thereunder or in respect thereto; or

(d) **Insolvency Event**

an Insolvency Event occurring in respect of the Issuer.

Following an Enforcement Notice being given by the Note Trustee under this Condition 10 (*Events of Default*), notice to that effect will be given by the Note Trustee to all Noteholders in compliance 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, the Deed of Charge, the Scottish Supplemental Charge or the Issuer Security Power of Attorney, as applicable, to enforce the rights of the Secured Parties. No other Secured Party has the right to proceed against the Issuer. Neither the Security 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 of such Security distributed in compliance 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 have the right, until the expiry of two years 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 under this Condition 11 (*Enforcement and non-petition*), the Security Trustee will, except as otherwise directed by the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) acting 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 trusts, rights, powers, authorities or discretions conferred on them by or under the Trust Deed, the Deed of Charge or any Transaction Document to which they are a party or conferred on them by operation of law.

The provisions of this Condition 11 (*Enforcement and non-petition*) will survive the termination of these Conditions. In the case of discrepancy between this Condition 11 (*Enforcement and non-petition*) and any other provision, the provisions of this Condition 11 (*Enforcement and non-petition*) will control.

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

(a) **Meetings of Noteholders and Certificateholders**

- (i) The Trust Deed contains terms for convening separate meetings of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and the Certificateholders to consider matters affecting their interests, including the sanctioning by a resolution passed at a meeting convened and held in compliance with the Trust Deed by at least 75% of votes cast of a modification of the Trust Deed, the Deed of Charge, the Certificates Conditions or these Conditions.
- (ii) A meeting of Noteholders or Certificateholders may be convened by the Issuer or by the Note Trustee and shall be convened by the Note Trustee, subject to its being indemnified and/or prefunded and/or secured to its satisfaction, upon the request in writing of Noteholders holding not less than one-tenth of the aggregate Principal Amount Outstanding of Notes or Certificateholders holding not less than one-tenth of the Certificates, in each case then outstanding.
- (iii) Subject as provided below, the quorum for meetings of Holders of the Notes for passing an Ordinary Resolution will be one or more persons holding or representing 20% of the Principal Amount Outstanding of the relevant Class of Notes for the time being outstanding or 20% of the total number of Certificates then in issue and outstanding or, at an adjourned meeting, one or more persons holding or representing Noteholders of the relevant Class or Certificateholders, whatever the principal amount of the Notes of the relevant Class or Certificates held or represented.
- (iv) The quorum for meetings of Holders of the Notes for passing an Extraordinary Resolution (other than in respect of a Basic Terms Modification) will be one or more persons holding or representing 50% of the Principal Amount Outstanding of the relevant Class of Notes for the time being outstanding or 50% of the total number Certificates or, at an adjourned meeting, one or more persons holding or representing Noteholders of the relevant Class or Certificateholders, whatever the principal amount of the Notes of the relevant Class or Certificates held or represented.
- (v) An Extraordinary Resolution passed at a meeting of Class of Noteholders or Certificateholders will be binding on all Noteholders of that Class or the Certificateholders (as applicable) whether or not they were present at such meeting. An Extraordinary Resolution which in the sole opinion of the Note Trustee affects more than one Class of Noteholders or the Certificateholders and gives or may give rise to a conflict of interest between the Holders of such Classes of Notes and/or the Certificateholders will be deemed to have been passed only if it will be passed by at least 75% of the Holders of a meeting of the most senior affected Class of Notes notwithstanding a resolution of the Holders of the other affected Classes of Notes, **provided that** no resolution of Holders of the Controlling Class which would have the effect of changing a due date for payment

of principal and/or interest (if any) on Notes of such Controlling Class, increasing the amount required to redeem the Notes of such Controlling Class, or the amount of interest (if any) payable on the Notes of such Controlling Class or changing the method of calculation therefore, releasing or substituting the Security or part of the Security or altering this proviso will be effective unless sanctioned by an Extraordinary Resolution of the Noteholders or the Certificateholders.

- (vi) The quorum at any meeting of Noteholders or Certificateholders for passing an Extraordinary Resolution to:
 - (A) sanction a modification of the date of maturity of the Notes;
 - (B) sanction a modification of the date of payment of principal or interest (if any) in respect of the Notes, or where applicable, of the method of calculating the date of payment of principal or interest (if any) in respect of the Notes or any RC Payments in respect of the Certificates;
 - (C) sanction a modification of the amount of principal or the Rate of Interest payable in respect of the relevant Notes, or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes or any RC Payments in respect of the Certificates (including, in relation to any Class of Notes or the Certificates, if any such modification is proposed for any Class of Notes ranking senior to such Class or the Certificates in the Priorities of Payments);
 - (D) alter the currency in which payments under the Notes or the Certificates are to be made;
 - (E) alter the quorum or majority required in relation to this exception;
 - (F) sanction any scheme or proposal for the sale, conversion or cancellation of the Notes or the Certificates;
 - (G) alter any of the provisions contained in this exception; or
 - (H) make any change to the definition of Basic Terms Modification,

(each, a "**Basic Terms Modification**") will be one or more persons holding or representing 75% of the Principal Amount Outstanding of the relevant Class of Notes for the time being outstanding or 75% of the total number of Certificates then in issue and outstanding or, at an adjourned such meeting, at least one-quarter of the Principal Amount Outstanding of the relevant Class of Notes for the time being outstanding or one-quarter of the total number of Certificates then in issue and outstanding.

(b) **Amendments and waiver**

- (i) Subject to those matters constituting a Basic Terms Modification, the Note Trustee may without consulting or obtaining the consent of the Noteholders, Certificateholders or any other Secured Party at any time and from time to time concur with the Issuer in making any modification:
 - (A) to these Conditions, the Certificates Conditions or any Transaction Document (excluding in relation to a Basic Terms Modification) which in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Noteholders and the Certificateholders (subject to Condition 2(j)(iv) (*Relationship between the Classes of Notes and the Certificates*)); or
 - (B) to these Conditions, the Certificates Conditions or any Transaction Document (including in relation to a Basic Terms Modification) if in the

opinion of the Note Trustee such modification is of a formal, minor or technical nature, to correct a manifest error.

(ii) Notwithstanding the provisions of Condition 12(b)(i), the Note Trustee shall be obliged, and shall direct the Security Trustee, without any consent or sanction of the Noteholders, the Certificateholders or the other Secured Parties, but subject to the receipt of written consent from each of the Transaction Parties that are a party to any Transaction Document being modified, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Conditions, the Certificates Conditions or any other Transaction Document that the Issuer considers necessary:

(A) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, **provided that**:

(1) the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and

(2) in the case of any modification to the Conditions, the Certificates Conditions or any Transaction Document proposed by the Account Bank in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, advancing funds):

(aa) the Account Bank certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (2)(x) and/or (y) above;

(bb) either:

(i) the Account Bank obtains from each of the Rating Agencies a Rating Agency Confirmation and, if relevant, delivers a copy of each such confirmation to the Issuer, the Note Trustee and the Security Trustee; or

(ii) the Issuer certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent);

(cc) the Account Bank pays (from the Distribution Account) all costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee and the Security Trustee in connection with such modification; and

(B) in order to enable the Issuer and/or the Swap Counterparty to comply with any obligation which applies to it under the UK EMIR and/or the EU EMIR, **provided that** the Issuer or the Swap Counterparty, as

appropriate, certifies to the Note Trustee and the Swap Counterparty and the Swap Counterparty or the Issuer, as applicable, in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;

- (C) for the purpose of complying with any changes in the Retention Requirements after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the Retention Requirements or any other risk retention 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;
- (D) for the purpose of enabling the Notes and/or the Certificates to be (or to remain) listed on the London 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;
- (E) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a tax authority in relation thereto), **provided that** the Issuer or the relevant Transaction Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (F) for the purpose of enabling the Issuer to open any cash account for the receipt of any collateral posted by the Swap Counterparty under the Swap Agreement in the form of cash, **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;
- (G) in order to allow the Issuer to open Additional Accounts with an additional account bank or to move the Issuer Accounts to be held with an alternative account bank with the required ratings, **provided that** the Issuer has certified to the Note Trustee and the Security Trustee that (i) such action would not have an adverse effect on the then current ratings of the Controlling Class of Rated Notes, and (ii) if a new account bank agreement is entered into, such agreement will be entered into on substantially the same terms as the Account Bank Agreement **provided further that** if the Issuer determines that it is not practicable to agree terms substantially similar to those set out in the Account Bank Agreement with such replacement financial institution or institutions and the Issuer certifies in writing to the Note Trustee and the Security Trustee that the terms upon which it is proposed the replacement bank or financial institution will be appointed are reasonable commercial terms taking into account the then prevailing current market conditions, whereupon a replacement agreement will be entered into on such reasonable commercial terms and the Note Trustee and the Security Trustee shall be entitled to rely absolutely on such certification without any liability to any person for so doing (notwithstanding that the fee payable to the replacement account bank may be higher or other terms may differ materially from those on which the previously appointed bank or financial institution agreed to act);
- (H) if the Notes are intended to be held in a manner which will allow for Eurosystem eligibility, to satisfy any eligibility 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 drafted solely to such effect;

- (I) for the purpose of complying with any changes in the requirements (including, but not limited to, transparency and/or investor due diligence) of and/or enabling the Issuer or the Seller to comply with an obligation in respect of the direct application of the requirements of the UK Securitisation Regulation and/or the indirect application of the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date (including the appointment of a third party to assist with the Issuer's reporting obligations in relation thereto), **provided that** the Issuer (or the Servicer on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; and
- (J) for the purpose of complying with any changes in the requirements of the UK CRA Regulation or the EU CRA Regulation (in each case, if and to the extent applicable) after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or the EU CRA Regulation and Commission Delegated Regulation 2015/3 or Commission Delegated Regulation 2015/3 as it forms part of domestic law of the UK by virtue of the EUWA (including, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators), as amended from time to time (the "**CRA3 Requirements**"), including any requirements imposed by any other obligation which applies under the CRA3 Requirements and/or any new 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,

(the certificate to be provided pursuant to Conditions 12(b)(ii)(A) to (J) (inclusive) above being "**Modification Certificate**"), **provided that:**

- (1) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee and the Security Trustee;
- (2) the Modification Certificate in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee are notified of the proposed modification and on the date that such modification takes effect; and
- (3) the consent of each Secured Party which is party to the relevant Transaction Document has been obtained;

and **provided further that**, other than in the case of a modification pursuant to Condition 12(b)(ii)(B) and (D):

- (4) other than in the case of modification pursuant to Condition 12(b)(ii)(A)(2) above, either:
 - (aa) 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

- (bb) the Issuer certifies in the Modification Certificate that it has given the Rating Agencies at least 10 Business Days' prior written notice of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, qualification or, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any such Rated Notes on rating watch negative (or equivalent);
- (5) the Issuer has (i) provided at least 30 calendar days' notice to the Noteholders of each Class and the Certificateholders of the proposed modification in accordance with Condition 15 (*Notices*) and Certificates Conditions 13 (*Notices*) and by publication on the website of Bloomberg on the "Company Filings" screen relating to the Notes, and (ii) certified to the Note Trustee and the Security Trustee that Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Controlling Class then outstanding (or, if the Notes have been redeemed in full, Certificateholders holding at least 10% in number of the Certificates then in issue and outstanding) have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders (or, if the Notes have been redeemed in full, Certificateholders) do not consent to the modification.

If Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Controlling Class then outstanding (or, if the Notes have been redeemed in full, Certificateholders holding at least 10% in number of the Certificates then in issue and outstanding) have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) is passed in favour of such modification in accordance with this Condition 12 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*).

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.

- (iii) Other than where specifically provided in this Condition 12(b)(iii) or any Transaction Document:
 - (A) when implementing any modification pursuant to this Condition 12(b)(iii) (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), the Note Trustee shall not consider the interests of the Noteholders, the Certificateholders, any other Secured Party or any other person and shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Condition 12(b)(iii) and shall not be liable to the Noteholders, the Certificateholders, 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; and

- (B) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in its sole opinion would have the effect of (i) exposing it to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing its rights or protection in the Transaction Documents, the Certificates Conditions and/or these Conditions.
- (iv) Any such modification shall be binding on all Noteholders and Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:
 - (A) so long as any of the Rated Notes remain outstanding, each Rating Agency;
 - (B) the Secured Parties;
 - (C) the Noteholders in accordance with Condition 15 (*Notices*); and
 - (D) the Certificateholders in accordance with Certificates Condition 13 (*Notices*).

The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Parties and without prejudice to its rights in respect of any subsequent breach or Event of Default, at any time and from time to time but only if and in so far as in its opinion the interests of the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in these Conditions, the Certificates Conditions or any other Transaction Document or determine that any Event of Default shall not be treated as such for the purposes of these Conditions.

The Issuer shall not request or agree to any amendment without the prior written consent of the Swap Counterparty if the proposed amendment would affect the amount, timing or priority of any payments or deliveries due to be made by it or to the Swap Counterparty. In circumstances where the consent of the Swap Counterparty is not required pursuant to the above, the Issuer shall certify as such in writing to the Note Trustee and the Swap Counterparty, prior to the making of such amendment and the Note Trustee shall be entitled to rely absolutely on such certification without any liability to any person for so doing.

(c) **Additional right of modification**

- (i) In addition to the provisions of Condition 12(b) (*Amendments and waiver*) but subject to Condition 12(d) (*Substitution and exchange*), the Note Trustee shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or any of the other Secured Parties, to concur with the Issuer in making any modification (other than a Basic Terms Modification, but subject to Condition 12(d) (*Substitution and exchange*) below) to any Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary for the purpose of changing Compounded Daily SONIA or the relevant base rate that then applies in respect of the Rated Notes and/or any consequential amendments to any related Swap Agreement to an alternative base rate (any such rate, whether new or amended, which may include an alternative computation of SONIA, an "**Alternative Base Rate**") (which, for the avoidance of doubt, may include any adjustment spread as the Issuer reasonably determines having regard to market practice at the relevant time) and make such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Base Rate Modification**"), **provided that** the Issuer certifies to the Note Trustee in writing (such certificate, a "**Base Rate Modification Certificate**") that:

- (A) such Base Rate Modification is being undertaken due to:
- (1) a material disruption to SONIA or any other relevant interest rate benchmark, an adverse change in the methodology of calculating such interest rate benchmark or such interest rate benchmark ceasing to exist or be published;
 - (2) the insolvency or cessation of business of the administrator of SONIA or any other relevant interest rate benchmark (in circumstances where no successor administrator has been appointed);
 - (3) a public statement by the administrator of SONIA or any other relevant interest rate benchmark that it will cease publishing the relevant interest rate benchmark permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such interest rate benchmark) or has changed or will change such interest rate benchmark in an adverse manner;
 - (4) a public statement by the supervisor of the administrator of SONIA or any other relevant interest rate benchmark that the relevant interest rate benchmark has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
 - (5) a public statement by the supervisor of the administrator of SONIA or any other relevant interest rate benchmark that means the relevant interest rate benchmark might no longer be used or that its use is subject to restrictions or adverse consequences;
 - (6) a public announcement of the permanent or indefinite discontinuation of SONIA or the relevant base rate that applies to the Rated Notes at such time;
 - (7) it having become unlawful and/or impossible and/or impracticable for the Principal Paying Agent and/or the Cash Manager and/or the Servicer (as applicable) to calculate any payments due to be made to any Noteholder using SONIA or the relevant base rate that applies to the Rated Notes at such time;
 - (8) the Alternative Base Rate being adopted in a material number of publicly-listed issues of asset-backed floating rate notes denominated in the same currency as any of the Rated Notes; or
 - (9) the reasonable expectation of the Issuer that any of the events specified in sub-paragraphs (1) to (8) will occur or exist within six months of the proposed effective date of such Base Rate Modification; and
- (B) such Alternative Base Rate is:
- (1) a base rate published, endorsed, approved or recognised by the Bank of England, the FCA, the PRA or the European Central Bank, any regulator in the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
 - (2) a base rate utilised in a material number of publicly-listed new issues of Sterling-denominated asset-backed floating rate notes prior to the effective date of such Base Rate Modification (for

these purposes, unless agreed otherwise by the Note Trustee, five such issues shall be considered material);

- (3) a base rate utilised in a material number of public listed new issues of Sterling-denominated asset-backed floating rate notes where the originator of the relevant assets is the Seller; or
 - (4) such other base rate as the Issuer reasonably determines (including any alternative benchmark rate determined by reference to the Swap Agreement and the Deed of Charge) and, for the avoidance of doubt, the Issuer may propose an Alternative Base Rate on more than one occasion **provided that** the conditions set out in this Condition 12(c)(i) are satisfied.
- (ii) The Note Trustee is only obliged to concur with the Issuer in making any modification (other than a Basic Terms Modification, but subject to Condition 12(d) (*Substitution and exchange*) below) to any Transaction Document pursuant to this Condition 12(c) (*Additional Right of Modification*) if:
- (A) the Base Rate Modification Certificate in relation to such modification shall be provided to the Note Trustee both at the time the Note Trustee is notified of the proposed modification and on the date that such modification takes effect;
 - (B) the consent of each Secured Party (other than the Note Trustee) which is party to the Transaction Documents proposed to be modified has been obtained (evidence of which shall be provided to the Note Trustee at the same time as the provision of the Base Rate Modification Certificate); and
 - (C) the person who proposes such modification pays all fees, costs and expenses (including legal fees) incurred by the Issuer and the Note Trustee and each other applicable party including, without limitation, any of the Secured Parties in connection with such modifications,

and provided further that:

- (1) either: (I) the Issuer obtains from each of the Rating Agencies written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent) (such written confirmation to be provided with the Base Rate Modification Certificate); or (II) the Issuer certifies in the Base Rate Modification Certificate that it has notified in writing each of the Rating Agencies of the proposed modification and in its opinion, formed on the basis of due consideration, such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by any Rating Agency or (y) any Rating Agency placing any Rated Notes on rating watch negative (or equivalent); and
- (2) the Issuer certifies in writing to the Note Trustee (which certification maybe in the Base Rate Modification Certificate) that in relation to such modification that (I) the Issuer has provided at least 30 calendar days' notice to the Noteholders and the Certificateholders of the proposed modification in accordance with Condition 15 (*Notices*) and Certificates Condition 13 (*Notices*) (and shall have provided a draft of such notice to the Note Trustee at least 5 Business Days before delivery to the Noteholders and the Certificateholders) and by publication on the website of Bloomberg on the "Company News" screen relating to the Notes in each case specifying the date and time by which Noteholders and the

Certificateholders must respond (which must be no less than 30 calendar days after the date on which the notice above is published in accordance with Condition 15 (Notices) and Certificates Condition 13 (*Notices*)), the relevant circumstance giving rise to the Base Rate Modification under Condition 12(c)(i)(A), the Alternative Base Rate being proposed under Condition 12(c)(i)(B) and details of any consequential or related amendments, and (II) Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Controlling Class then outstanding have not contacted the Issuer via the Principal Paying Agent in accordance with the notice and the then current practice of any applicable Clearing System through which such Notes may be held by the time specified in such notice that such Noteholders do not consent to the modification.

(iii) If, in connection with Condition 12(c)(ii)(1)(I), a written request for written confirmation from each of the Rating Agencies is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee) and:

(A) (1) one Rating Agency (such Rating Agency, a "**Non-Responsive Rating Agency**") indicates that it does not consider such written confirmation necessary in the circumstances or that it does not, as a matter of practice or policy provide such written confirmation, or (2) within 30 days of delivery of such written request to a Rating Agency, no written confirmation is received from such Rating Agency and/or such written request elicits no statement by such Rating Agency that such written confirmation could not be given; and

(B) one Rating Agency gives such written confirmation based on the same facts,

then Condition 12(c)(ii)(1)(I) shall be deemed modified so that there shall be no requirement for the written confirmation from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee a certificate signed by two directors certifying and confirming that each of the events in paragraphs (a)(I) or (II) and (b) above has occurred, the Issuer having sent a written request to each Rating Agency, and the Note Trustee shall be entitled to rely upon such certificate without further enquiry or liability to any person for so doing.

(iv) The Note Trustee shall be entitled to rely without further enquiry or liability to any person on any certificate delivered to it in connection with a Non-Responsive Rating Agency pursuant to this Condition 12 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*). The Note Trustee shall not be required to investigate any action taken by the Issuer or such Non-Responsive Rating Agency and shall treat Condition 12(c)(ii)(1)(I) as having been modified with the consent of all Noteholders and Certificateholders so that there shall be no requirement for such written confirmation from such Non-Responsive Rating Agency.

(v) If Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Controlling Class then outstanding have notified the Issuer via the Principal Paying Agent in accordance with the notice and the then current practice of any applicable Clearing System through which such Notes may be held by the time specified in such notice that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Controlling Class then outstanding is passed in favour of such modification in accordance with this Condition 12 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*).

(vi) When implementing any modification pursuant to this Condition 12(c) (*Additional Right of Modification*), the Note Trustee shall not consider the

interests of the Noteholders, the Certificateholders, any other Secured Party or any other person and shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Condition 12(c) (*Additional Right of Modification*) and shall not be liable to the Noteholders, the Certificateholders, 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.

- (vii) The Note Trustee shall not be obliged to agree to any modification pursuant to this Condition 12(c) (*Additional Right of Modification*) which, in the sole opinion of the Note Trustee would have the effect of (i) exposing the Note Trustee to any liability against which is has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee in the Trust Deed or the Transaction Documents.
- (viii) Any modification implemented pursuant to this Condition 12(c) (*Additional Right of Modification*) shall be binding on all Noteholders and Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:
 - (A) so long as any of the Rated Notes remain outstanding, each Rating Agency;
 - (B) the Secured Parties;
 - (C) the Noteholders in accordance with Condition 15 (*Notices*); and
 - (D) the Certificateholders in accordance with Certificates Condition 12 (*Notices*).

(d) **Substitution and exchange**

- (i) Subject to the more detailed terms of the Trust Deed and subject to such amendment of the Trust Deed, the Deed of Charge and the other Transaction Documents and such other conditions as the Note Trustee may require, including as to satisfaction that the interests of the Noteholders and the Certificateholders 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, the Certificateholders or the Secured Parties, the Note Trustee may agree to (A) the substitution of any other company or other entity in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Certificates and replacement for it under the Deed of Charge and the other Transaction Documents, **provided that** the Rating Agencies confirm that such substitution will not adversely affect the then current rating of each Class of Rated Notes, or (B) the exchange of the Notes and/or the Certificates, in whole but not in part only, for other securities or instruments having substantially the same rights and benefits as the Notes and/or the Certificates, **provided that** the then current rating of each Class of Rated Notes is assigned to such new securities or instruments. Such substitution or exchange will be subject to the relevant terms of the Trust Deed, the Notes, the Certificates and the other Transaction Documents and to such amendments of the Trust Deed, the Notes, the Certificates and the other Transaction Documents as the Note Trustee may deem appropriate. Under the Trust Deed, the Issuer is required to use its best efforts to cause the substitution as principal debtor under the Trust Deed, the Notes and the Certificates and replacement for it under the Deed of Charge and other Transaction Documents by a company or other entity incorporated in some other jurisdiction (approved by the Note Trustee) if the Issuer becomes subject to a form of Tax on its income or payments on the Notes and/or the Certificates. Such substitution will be binding on the Noteholders and the Certificateholders.

- (ii) The Note Trustee may, without the consent of the Noteholders, the Certificateholders or 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 and the Certificateholders 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 withholding or deduction to be made on payments on the Notes and the Certificates.

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

In connection with the exercise of its powers, trusts, authorities or discretions (including, without limitation those related to a proposed amendment, waiver, authorisation or substitution) the Note Trustee will take into account the interests of the Noteholders as a Class and the Certificateholders and, without prejudice to the generality of the foregoing, will not take into account the consequences of such exercise for individual Noteholders and individual Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, a particular territory and the Note Trustee will not have the right to require, nor will the Noteholders or the Certificateholders have the right to claim, from the Issuer or any other person indemnification or payment for a Tax consequence of an exercise for individual Noteholders or individual Certificateholders.

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

The Trust Deed, the Deed of Charge and certain other of the Transaction Documents contain terms for the indemnification of the Note Trustee and the Security Trustee and for their relief from responsibility including for the exercise of rights under the Trust Deed and the other Transaction Documents (including, but without limitation, those related to the Security), for the sufficiency and enforceability of the Trust Deed and the other Transaction Documents (which neither the Note Trustee or the Security Trustee has investigated) and the validity, sufficiency and enforceability of the Deed of Charge and for taking proceedings to enforce payment unless, indemnified and/or secured and/or prefunded to its satisfaction. Subject to applicable laws, the Note Trustee and the Security Trustee, their Affiliates and their respective officers, directors and employees may acquire, hold or dispose of any Note, Certificate or other obligation of the Issuer and may engage or be interested in any financial or other transaction with the Issuer. and to act as Note Trustee or Security Trustee for any committee or body of Holders of Notes or Certificates without accounting to the Noteholders for profit resulting therefrom.

The Note Trustee and the Security Trustee are exempted from liability related to loss or theft or reduction in value of the Security and from an 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 not be obliged to take action on behalf of the Noteholders, the Certificateholders and the Secured Parties unless the Note Trustee and/or the Security Trustee is indemnified and/or secured and/or prefunded to its satisfaction. Further, neither the Note Trustee nor the Security Trustee will be obliged to act on behalf of the Noteholders, the Certificateholders and the Secured or other Secured Parties where it would not have the power to do so by virtue of applicable law or where such action would or might in its opinion be illegal in an applicable jurisdiction.

14. ***Replacement of Notes***

If a Note is lost, stolen, mutilated, defaced or destroyed it will be replaced on payment by the claimant of the expenses, taxes and duties as may be incurred in connection with such replacement, furnished the Principal Paying Agent with evidence, security and indemnity as the Issuer may require. Mutilated or defaced Notes must be surrendered to the Principal Paying Agent before replacements will be issued.

15. **Notices**

Subject to the subparagraphs below providing for other means of notices, and only if these other means are not practicable, notices to Noteholders will be valid if published in a leading English language daily newspaper of general circulation in London (which is expected to be the Financial Times). Such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of first publication, in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Note Trustee will approve.

Until such time as Definitive Notes are issued, there may, so long as Global Notes representing the Notes are held in their entirety on behalf of Clearstream, Luxembourg and/or Euroclear, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Clearstream, Luxembourg and/or Euroclear, for communication by them to the Holders of the Notes and, in addition, for so long as the Notes are listed on a stock exchange or are admitted to listing by any other relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in a leading English language daily newspaper of general circulation in the place or places required by that stock exchange or other relevant authority. Such notice will be deemed to have been given to the Holders of the Notes on the date on which such notice was given to Clearstream, Luxembourg and/or Euroclear.

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

For so long as the Notes are admitted to trading on the London Stock Exchange, copies of all notices given under these Conditions will be sent to the London Stock Exchange.

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, the laws of England and Wales.
- (b) The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes (including a dispute relating to the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with the Notes) and any legal action or proceedings arising out of or in connection with such disputes may be brought in such courts. The Issuer irrevocably submits to the exclusive jurisdiction of such courts and waives any objections to proceedings in such courts on the ground of venue or on the ground that they have been brought in an inconvenient forum. This submission is for the benefit of the Note Trustee and the Security Trustee and will not limit the rights of the Note Trustee and 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.

18. **Definitions**

"**Account Bank**" means Elavon Financial Services DAC, UK Branch, as at the Closing Date, and any replacement account bank appointed under the Account Bank Agreement.

"**Account Bank Agreement**" means the account bank agreement dated on or about the Closing Date between the Issuer, the Seller, the Security Trustee, the Account Bank and the Cash Manager.

"**accountholder**" has the meaning given to the term in the definition of Noteholders.

"**Additional Account**" means any additional account to be opened in the name of the Issuer pursuant to the terms of the Account Bank Agreement.

"**Affiliate**" means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company.

"**Agency Agreement**" means the agreement dated on or about the Closing Date between the Issuer, the Note Trustee, the Security Trustee and the Agents.

"**Agents**" means the Paying Agents and the Registrar and "**Agent**" means any one of these.

"**Ancillary Rights**" means in relation to each Purchased Receivable:

- (a) the right to demand, sue for, recover, receive and give receipts for all principal, interest, fees (including where applicable any Option to Purchase Fee) and other amounts due and to become due (whether or not from Customers or guarantors) under or relating to the Related Hire Purchase Agreements or the due but unpaid part thereof and the principal and interest and all other sums due or to become due thereon;
- (b) the benefit of all covenants and undertakings from Customers and from guarantors under the Related Hire Purchase Agreements from which such Receivables derive and related guarantees under and in connection with such Related Hire Purchase Agreements and guarantees;
- (c) the benefit of all causes and rights of action against Customers, guarantors and any Dealer in respect of a Vehicle under and relating to the Related Hire Purchase Agreements from which such Receivables derive and related guarantees;
- (d) the benefit of any insurance proceeds received by the Seller pursuant to Customer Insurances, in each case insofar as the same relates to Related Hire Purchase Agreements where the proceeds of claims under such policy are paid to (and can be retained by) the Seller;
- (e) the benefit of the Vehicle Contracts including all rights, title, interests, powers and benefit of the Seller present and future therein and thereunder (including the right to receive all amounts due thereunder (net of associated expenses and including the Vehicle Sales Proceeds)) and all causes and rights of action against any other party thereto and otherwise arising therefrom,

and for the purpose of this definition references to "**guarantees**" shall be deemed to include all other indemnities, security, collateral or other documents, agreements or arrangements whatsoever whereby any person (including, but without limitation, any Customer) agrees to make any payment to the Seller in respect of that Customer's obligations under the relevant Hire Purchase Agreement or to provide any security therefor and "**guarantors**" shall be construed accordingly.

"**Arranger**" means J.P. Morgan Securities plc, as arranger.

"**Available Funds**" means Available Interest Collections and Available Principal Collections.

"**Available Interest Collections**" means, in relation to an Interest Payment Date, an amount equal to the sum of:

- (a) the aggregate Interest Collections for Purchased Receivables during the immediately preceding Collection Period;
- (b) the aggregate Recoveries for all Purchased Receivables during the immediately preceding Collection Period;
- (c) interest earned on the Issuer Accounts (other than the Swap Collateral Account) during the immediately preceding Collection Period;

- (d) any amounts received from the Swap Counterparty under the Swap Agreement (including any amount to be applied as Swap Collateral Account Surplus in accordance with the Swap Collateral Account Priority of Payments but excluding any other amounts standing to the credit of the Swap Collateral Account to be applied in accordance with the Swap Collateral Account Priority of Payments);
- (e) any Interest Collections (other than those Interest Collections referred to in (a) above) that have not been applied on the immediately preceding Interest Payment Date;
- (f) any Surplus Available Principal Collections on such Interest Payment Date;
- (g) any Principal Addition Amount;
- (h) the Senior Liquidity Reserve Fund Release Amount;
- (i) the Senior Liquidity Reserve Fund Excess Amount;
- (j) the Junior Liquidity Reserve Fund Release Amount;
- (k) the Junior Liquidity Reserve Fund Excess Amount;
- (l) (without double counting) where the Seller repurchases the Final Receivables in accordance with the terms of the Receivables Sale and Purchase Deed in respect of an exercise by the Seller of the Clean-Up Call Option or the Portfolio Repurchase Option, such amount of the Final Repurchase Price received by the Issuer on such Interest Payment Date representing amounts other than the Principal Outstanding Balance of the Final Receivables as at such Interest Payment Date;
- (m) (on each Interest Payment Date immediately prior to the occurrence of a Swap Termination Shortfall caused by a Partial Swap Unwind) an amount equal to the Swap Termination Shortfall drawn down by the Issuer under the Subordinated Loan Note Issuance Agreement; and
- (n) any other amounts received by the Issuer in respect of the Purchased Receivables which is not in respect of the Principal Element of such Purchased Receivables,

but, for the avoidance of doubt, excluding any Retained Amount retained by the Issuer on any previous Interest Payment Date and any payments received by the Issuer in error which have been identified and communicated to the Issuer and the Cash Manager by the Servicer.

"Available Principal Collections" means, in relation to an Interest Payment Date, an amount equal to the sum of:

- (a) the aggregate Principal Collections for all Purchased Receivables during the immediately preceding Collection Period;
- (b) the amount, if any, to be credited to the Principal Deficiency Ledger pursuant to items (viii), (xi), (xiii), (xv), (xvii) and (xx) of the Pre-Enforcement Interest Priority of Payments on such Interest Payment Date;
- (c) any Principal Collections (other than those Principal Collections referred to in (a) above) that have not been applied on the immediately preceding Interest Payment Date;
- (d) (without double counting) where the Seller repurchases the Final Receivables in accordance with the terms of the Receivables Sale and Purchase Deed in respect of an exercise by the Seller of the Clean-Up Call Option or the Portfolio Repurchase Option, such amount of the Final Repurchase Price received by the Issuer on such Interest Payment Date representing the Principal Outstanding Balance of the Final Receivables as at such Interest Payment Date;
- (e) (on the first Interest Payment Date only) the residual issuance proceeds credited to the Distribution Account on the Closing Date; and

(f) any other amounts received by the Issuer in respect of the Purchased Receivables which is in respect of the Principal Element of such Purchased Receivables.

"**Basic Terms Modification**" has the meaning given to the term in Condition 12(a)(vi) and Certificates Condition 10(a)(vi).

"**Broker**" means any intermediary that has introduced the relevant Customer to the Seller.

"**Business Day**" means a day (other than Saturday, Sunday or public holidays) on which the banks are open in London for the settlement of interbank operations and the setting of market indices.

"**Calculation Date**" means the date falling five Business Days prior to each Interest Payment Date.

"**Cash Management Agreement**" means the cash management agreement dated on or about the Closing Date between the Issuer, the Servicer, the Cash Manager and the Security Trustee.

"**Cash Manager**" means U.S. Bank Global Corporate Trust Limited, in its capacity as cash manager, or such other person as may from time to time be appointed as cash manager pursuant to the Cash Management Agreement.

"**Cash Manager Termination Event**" means the events specified in clause 13.1(a) (*Cash Manager Termination Events*) of the Cash Management Agreement.

"**CCA**" means the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 and associated secondary legislation.

"**CCA Compensation Amount**" means the amount, calculated by the Servicer in accordance with the Servicing Agreement to compensate the Issuer for any loss caused as a result of a breach of the Receivables Warranties arising as a result of any Purchased Receivables or the Related Hire Purchase Agreement (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA, excluding for the avoidance of doubt any losses related to the Interest Element of the relevant Purchased Receivable.

"**CCA Compensation Payment**" means the payment made by the Seller to the Issuer to compensate the Issuer for any loss caused as a result of any Purchased Receivable or the Related Hire Purchase Agreement (or part thereof) being determined illegal, invalid non-binding or unenforceable under the CCA as an amount equal to the CCA Compensation Amount.

"**Certificateholder**" means the person in whose name such Certificate is registered at that time in the Register or, in the case of a joint holding, the first named person.

"**Certificates**" means the 100 Class RC Certificates due 2028 issued by the Issuer.

"**Certificates Conditions**" means the terms and conditions of the Certificates and "**Certificates Condition**" means any one of them.

"**Charged Property**" means the assets and agreements from time to time charged in the manner set out in the Deed of Charge and the Scottish Supplemental Charge to secure the Secured Obligations.

"**Class**" means each class of Notes.

"**Class A Margin**" has the meaning given to the term in Condition 4(b) (*Margin*).

"**Class A Noteholder**" means the Holder of a Class A Note.

"**Class A Notes**" means the £210,800,000 Class A Asset-Backed Floating Rate Notes due 2028 issued by the Issuer.

"**Class A Principal Deficiency**" has the meaning given to the term in Condition 2(d) (*Ledgers*).

"**Class A Principal Deficiency Ledger**" means a sub-ledger of the Principal Deficiency Ledger relating to the Class A Notes.

"**Class B Margin**" has the meaning given to the term in Condition 4(b) (*Margin*).

"**Class B Noteholder**" means the Holder of a Class B Note.

"**Class B Notes**" means the £26,400,000 Class B Asset-Backed Floating Rate Notes due 2028 issued by the Issuer.

"**Class B PDL Condition**" means that, on any Interest Payment Date (prior to any Available Interest Collections being applied in accordance with the Pre-Enforcement Interest Priority of Payments), either:

- (a) the Class B Notes are the Controlling Class, or
- (b) the balance of the Class B Principal Deficiency Ledger is zero.

"**Class B Principal Deficiency**" has the meaning given to the term in Condition 2(d) (*Ledgers*).

"**Class B Principal Deficiency Ledger**" means a sub-ledger of the Principal Deficiency Ledger relating to the Class B Notes.

"**Class C Margin**" has the meaning given to the term in Condition 4(b) (*Margin*).

"**Class C Noteholder**" means the Holder of a Class C Note.

"**Class C Notes**" means the £21,900,000 Class C Asset-Backed Floating Rate Notes due 2028 issued by the Issuer.

"**Class C Principal Deficiency**" has the meaning given to the term in Condition 2(d) (*Ledgers*).

"**Class C Principal Deficiency Ledger**" means a sub-ledger of the Principal Deficiency Ledger relating to the Class C Notes.

"**Class D Margin**" has the meaning given to the term in Condition 4(b) (*Margin*).

"**Class D Noteholder**" means the Holder of a Class D Note.

"**Class D Notes**" means the £11,800,000 Class D Asset-Backed Floating Rate Notes due 2028 issued by the Issuer.

"**Class D Principal Deficiency**" has the meaning given to the term in Condition 2(d) (*Ledgers*).

"**Class D Principal Deficiency Ledger**" means a sub-ledger of the Principal Deficiency Ledger relating to the Class D Notes.

"**Class E Margin**" has the meaning given to the term in Condition 4(b) (*Margin*).

"**Class E Noteholder**" means the Holder of a Class E Note.

"**Class E Notes**" means the £8,700,000 Class E Asset-Backed Floating Rate Notes due 2028 issued by the Issuer.

"**Class E Principal Deficiency**" has the meaning given to the term in Condition 2(d) (*Ledgers*).

"**Class E Principal Deficiency Ledger**" means a sub-ledger of the Principal Deficiency Ledger relating to the Class E Notes.

"**Class F Margin**" has the meaning given to the term in Condition 4(b) (*Margin*).

"**Class F Noteholder**" means the Holder of a Class F Note.

"**Class F Notes**" means the £13,300,000 Class F Asset-Backed Floating Rate Notes due 2028 issued by the Issuer.

"**Class F Principal Deficiency**" has the meaning given to the term in Condition 2(d) (*Ledgers*).

"**Class F Principal Deficiency Ledger**" means a sub-ledger of the Principal Deficiency Ledger relating to the Class F Notes.

"**Class Z Noteholder**" means the Holder of the Class Z Notes.

"**Class Z Notes**" means the £2,372,000 Class Z Asset-Backed Notes due 2028 issued by the Issuer.

"**Clean-Up Call Option**" means the optional call granted pursuant to Condition 5(d) (*Clean-Up Call Option*).

"**Clearing System**" means any clearing agency, settlement system or depository (including any entity that acts as a system for the central handling of cash in the country where it is incorporated or organised or that acts as a trans-national system for the central handling of cash) used in connection with transactions relating to cash, including Euroclear and Clearstream, Luxembourg, and any nominee or successor in title of the foregoing.

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*, which is an ICSD.

"**Closing Date**" means 26 November 2021.

"**Collection Account**" means the bank account or accounts in the name of the Seller into which amounts due from the Customers under their Hire Purchase Agreements are paid.

"**Collection Account Trust**" means the trust over the Collection Account by Startline in favour of the Issuer and the remaining beneficiaries (including the Seller and other securitisation issuers) made pursuant to the Collection Account Declaration of Trust.

"**Collection Account Declaration of Trust**" means the collection account declaration of trust dated on or about the Closing Date between, among others, the Issuer and the Security Trustee.

"**Collection Period**" means, in relation to an Interest Payment Date, the period from, and including, the 1st day of the calendar month prior to the calendar month of such Interest Payment Date to, but excluding, the 1st day of the calendar month of such Interest Payment Date, **provided that** the Collection Period in respect of the first Interest Payment Date is the period from, and including, the Cut-Off Date to, but excluding, 1 January 2022.

"**Collections**" means Interest Collections and Principal Collections.

"**Common Safekeeper**" means the ICSDs in their capacity as common safekeeper or, if so elected by the ICSDs, either one of them.

"**Compounded Daily SONIA**" has the meaning given to the term in Condition 4(d) (*Compounded Daily SONIA*).

"**Conditions**" means the terms and conditions of the Notes and "**Condition**" means any one of them.

"**Confidential Information**" means any information, however conveyed or presented, that relates to the business, affairs, operations, customers, processes, budgets, pricing policies, product information, strategies, developments, trade secrets, know-how, personnel and suppliers of a Transaction Party, together with all information derived by a party from any such information and any other information clearly designated by a Transaction Party as being confidential to it (whether or not it is marked "confidential"), or which ought reasonably be considered to be confidential.

"**Controlling Class**" means:

- (a) the Holders of Class A Notes for so long as Class A Notes are outstanding;
- (b) thereafter, the Holders of the Class B Notes for so long as Class B Notes are outstanding;
- (c) thereafter, the Holders of the Class C Notes for so long as Class C Notes are outstanding;
- (d) thereafter, the Holders of the Class D Notes for so long as Class D Notes are outstanding;

- (e) thereafter, the Holders of the Class E Notes for so long as Class E Notes are outstanding;
- (f) thereafter, the Holders of the Class F Notes for so long as Class F Notes are outstanding;
and
- (g) thereafter, the Holders of the Class Z Notes.

"Corporate Services Agreement" means the agreement dated on or about the Closing Date between, among others, the Issuer, Holdings, the Security Trustee and the Corporate Services Provider under which the Issuer and Holdings have appointed the Corporate Services Provider to perform certain corporate and administrative services for each of them.

"Corporate Services Provider" means CSC Capital Markets UK Limited in its capacity as corporate services provider, or any replacement corporate services provider appointed under the Corporate Services Agreement.

"Credit and Collection Procedures" means:

- (a) in the case of the Seller, the origination procedures employed by the Seller from time to time; and
- (b) in the case of the Servicer, the credit and collection procedures employed by the Servicer from time to time in relation to the provision of Services.

"Credit Support Annex" means a 1995 ISDA Credit Support Annex entered into between the Swap Counterparty and the Issuer in connection with the Swap Agreement (or any 1995 ISDA Credit Support Annex entered into between the Issuer and any replacement Swap Counterparty).

"Customer" means a customer of the Seller who has executed one or more Hire Purchase Agreements with the Seller.

"Customer Data" means any information or data (including Personal Data), whether or not Confidential Information or Personal Data made available to or processed by the Issuer and/or the Standby Servicer under the Servicing Agreement, the Standby Servicing Agreement and the Replacement Servicing Agreement.

"Customer Insurances" means any insurance policies issued by third party insurance providers to Customers and any other insurance policy to which a Customer becomes a party, in each case insofar as the same relates to Related Hire Purchase Agreements, where the proceeds of claims under such policy are paid to (and can be retained by) the Seller.

"Cut-Off Date" means 31 October 2021.

"Dealer" means any person from whom the Seller purchases a Vehicle to form the subject matter of a Hire Purchase Agreement.

"Deed of Charge" means the deed of charge dated on or about the Closing Date between the Issuer and the Security Trustee.

"Defaulted Receivable" means, as at any date of determination, any Purchased Receivable:

- (a) in respect of which all or part of any monthly instalment is not paid on its due date and which remains unpaid in whole or in part in an amount in excess of £70 for a period of more than 90 days from:
 - (i) the due date of such monthly instalment; or
 - (ii) in relation to any Purchased Receivable which has been a Forbearance Receivable but is no longer a Forbearance Receivable, the date on which the Customer is due to pay such monthly instalment pursuant to the forbearance process, as permitted by the Seller (for the avoidance of doubt, all payments received in respect of any Purchased Receivable in the Portfolio shall be allocated first towards discharge of any arrears owing in respect of such Purchased Receivable, commencing with

the earliest of such arrears), **provided that** such Purchased Receivable shall not count as a Defaulted Receivable if it is a Forbearance Receivable;

- (b) in respect of which the Vehicle has been repossessed and the Servicer has either liquidated or otherwise disposed of or held such Vehicle in its inventory for more than 60 days;
- (c) in respect of which a bankruptcy order has been made against the relevant Customer; or
- (d) which would be classified as a defaulted receivable in accordance with the applicable Credit and Collections Procedures.

"Deficiency" has the meaning given to the term under Condition 2(d) (*Ledgers*).

"Definitive Certificate" means a definitive certificate, in fully registered form, without interest coupons attached, representing the Certificates on issue, substantially in the form set out in schedule 3 (*Form of the Definitive Certificate*) to the Trust Deed.

"Definitive Note" means a definitive note, in fully registered form, without interest coupons attached, representing a Class of the Notes, substantially in the form set out in schedule 1 (*Forms of the Notes*) to the Trust Deed.

"Distribution Account" means the account maintained at the Account Bank (or any successor of such account bank) in the name of the Issuer with the IBAN GB34USBK04039873494901, beneficiary SWIFT USBKGB22 and intermediary SWIFT USBKGB33 or any other bank account specified as such in compliance with the Account Bank Agreement.

"Eligibility Criteria" means the criteria listed in Schedule 2 (*Eligibility Criteria*) to the Receivables Sale and Purchase Deed.

"Encumbrance" means any mortgage, sub-mortgage, security assignment or assignation, standard security, charge, sub-charge, pledge, lien, right of set-off or other encumbrance or security interest of any kind, however created or arising, including anything analogous to any of the foregoing under the laws of any jurisdiction.

"Enforcement Notice" means, after the occurrence of an Event of Default, the notice delivered by the Note Trustee to the Issuer, the Account Bank, the Cash Manager, the Security Trustee and the Principal Paying Agent declaring the Notes and/or the Certificates (as applicable) due and payable, after which the Security will become enforceable.

"EU CRA Regulation" means Regulation (EC) 1060/2009, as amended from time to time.

"EU EMIR" means Regulation (EU) 648/2012, as amended from time to time.

"EU Insolvency Regulation" means Regulation (EU) 2015/848, as amended from time to time.

"EU Prospectus Regulation" means Regulation (EU) 2017/1129, as amended from time to time.

"EU Securitisation Regulation" means Regulation (EU) 2017/2402, as amended from time to time.

"Euroclear" means Euroclear Bank S.A./N.V. as operator of the Euroclear system which is an ICSD.

"EUWA" means the European Union (Withdrawal) Act 2018.

"Event of Default" has the meaning given to the term in Condition 10 (*Events of Default*) and Certificates Condition 8 (*Events of Default*).

"Extraordinary Resolution" means:

- (a) a resolution passed at a meeting of Noteholders duly convened and held in accordance with Condition 12 (Meetings of Noteholders and Certificateholders; amendments, waiver,

substitution and exchange) by a majority of not less than 75% of the votes cast, whether on a show of hands or a poll;

- (b) a resolution passed at a meeting of Certificateholders duly convened and held in accordance with Certificates Condition 10 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*) by a majority of not less than 75% of the votes cast, whether on a show of hands or a poll; or
- (c) a Written Resolution.

"**FATCA**" means:

- (a) Sections 1471 to 1474 of the US Internal Revenue Code and the Treasury regulations and official guidance issued thereunder, each as amended from time to time ("US FATCA");
- (b) any inter-governmental agreement between the United States and any other jurisdiction entered into in connection with US FATCA (an "**IGA**");
- (c) any treaty, law, regulation or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of US FATCA or an IGA ("**Implementing Law**"); and
- (d) any agreement entered into with the US Internal Revenue Service, the US Government or any governmental or tax authority in any other jurisdiction in connection with US FATCA, an IGA or any Implementing Law.

"**FATCA Deduction**" means any withholding or deducting any amounts required by FATCA, pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service.

"**FATCA Exempt Party**" means a party that is entitled to receive payments free from any FATCA Deduction.

"**Final Legal Maturity Date**" means the Interest Payment Date falling in 17 August 2028.

"**Final Receivables**" means, on any date on which the Clean-Up Call Option or the Portfolio Repurchase Option is exercised, the Purchased Receivables then owned by the Issuer.

"**Final Repurchase Price**" means an amount equal to the higher of (a) the Principal Outstanding Balance of the Final Receivables at the end of the immediately preceding Interest Period and all other amounts accrued due and payable under the Hire Purchase Agreements from which the Final Receivables derive on or prior to the end of the immediately preceding Interest Period which have not been paid and (b) all amounts required to be paid on such Interest Payment Date in accordance with the relevant Priority of Payments (taking into account the redemption of the Notes in full) other than amounts due to the Certificateholders in respect of RC Payments less any Available Interest Collections and Available Principal Collections to be applied on such Interest Payment Date.

"**Forbearance Receivable**" means, at any time, any Purchased Receivable in respect of which the Seller, pursuant to the FCA COVID Payment Deferral Guidance, has permitted the Customer to make no payments or reduced payments only, for a specified period of time without considering such payments to be in arrears and which remains unpaid in whole or in part, **provided that**:

- (a) such Purchased Receivable shall no longer be considered a Forbearance Receivable after the specified period of time during which the Seller has permitted the Customer to make no payments or reduced payments only has ended; and
- (b) to the extent that any such forbearance is granted for longer than 4 months such Forbearance Receivable shall no longer be classified as such after the end of the initial 4 month forbearance period.

"**FSMA**" means the Financial Services and Markets Act 2000, as may be amended from time to time.

"**Global Note**" means a global note, in fully registered form, without interest coupons attached, representing a Class of the Notes on issue, substantially in the form set out in schedule 1 (*Forms of the Notes*) to the Trust Deed.

"**Governmental Authority**" means any multinational, national, federal, state, provincial or local governmental or regulatory or supervisory authority or entity or body or any subdivision thereof, including any agency, instrumentality, division, department, court or other body thereof and entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including, for the avoidance of doubt, the FCA.

"**Hire Purchase Agreement**" means a motor vehicle hire purchase agreement which is secured by retention of the title over a Vehicle (including any modifying agreements supplemental thereto relating to any replacement motor vehicle which becomes the subject matter of any such Hire Purchase Agreement in substitution for the original motor vehicle) from which any Receivable derives.

"**Holder**" means a Noteholder or a Certificateholder, as the case may be.

"**Holding Company**" means, in respect of a Subsidiary, a company which:

- (a) holds a majority of the voting rights in the afore-mentioned Subsidiary; or
- (b) is a member of the afore-mentioned Subsidiary and has the right to appoint or remove a majority of its board of directors; or
- (c) is a member of the afore-mentioned Subsidiary and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in it; or
- (d) is a Holding Company of another company which is the Holding Company of the afore-mentioned Subsidiary.

"**Holdings**" means Satus 2021-1 Holdings Limited, a private company with limited liability incorporated under the laws of England and Wales with registered number 13512149 and whose registered office is at 10th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom.

"**ICSDs**" means Euroclear and Clearstream, Luxembourg and "**ICSD**" means either one of them.

"**Incentive Fee**" means, in respect of a Vehicle, an incentive fee payable by the Issuer to the Seller pursuant to the Receivables Sale and Purchase Deed equal to the aggregate of (a) the reasonable costs and expenses of the Seller's Insolvency Official incurred in relation to the sale of such Vehicle and (b) 1% of the realisation proceeds (net of associated costs, charges, fees and expenses) in respect of such Vehicle.

"**Insolvency Event**" means, for a person:

- (a) the making of a general assignment for the benefit of creditors;
- (b) the filing of a voluntary petition in bankruptcy;
- (c) being adjudged bankrupt or insolvent, or having had an order entered against such person for relief in any bankruptcy or insolvency proceeding;
- (d) the filing by such person of a petition or answer seeking reorganisation, liquidation, dissolution or similar relief under any applicable statute, law or regulation (except for a solvent reorganisation);
- (e) seeking, consenting to or acquiescing in the appointment of a trustee, liquidator, receiver administrator or similar official of such person or of all or any substantial part of such person's assets;

- (f) a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or relating to all or substantially all of its revenues and assets is legally and validly appointed and such appointment is not discharged within 14 days;
- (g) the failure to obtain dismissal or a stay within 60 days of the start of, or the filing by such person of an answer or other pleading admitting or failing to contest the material allegations of, a petition filed against such person in any proceeding against such person seeking:
 - (i) reorganisation, liquidation, dissolution or similar relief under any applicable statute, law or regulation (except for a solvent reorganisation); or
 - (ii) the appointment of a trustee, liquidator, receiver or similar official of such person or of all or any substantial part of such person's assets; or
- (h) the inability of such person to pay its debts as they fall due within the meaning of Section 123(1) of the Insolvency Act 1986.

"Insolvency Official" means, in respect of any company, a liquidator, provisional liquidator, administrator (whether appointed by the court or otherwise), bank administrator, bank liquidator, administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction.

"Interest Amount" means the amount of interest payable on each Note for an Interest Period.

"Interest Collections" means, regarding a Purchased Receivable and a Collection Period, all amounts comprising of:

- (a) the Interest Element of the Purchased Receivables (other than Purchased Receivables that have become Defaulted Receivables or VT Receivables); and
- (b) any amount received in respect of any CCA Compensation Payments, Receivables Indemnity Amounts, Set-Off Indemnity Amounts and Repurchase Price, in each case to the extent that the same represents a payment in respect of the Interest Element of the Purchased Receivables.

"Interest Element" means, in relation to each Purchased Receivable, all amounts (other than the Principal Element of the Purchased Receivables) received (in the Collection Account or otherwise) from or on behalf of the Customer deriving (on and from the Cut-Off Date) from the Purchased Receivables and including, for the avoidance of doubt, all fees, costs, any interest charged on interest and expenses received in respect of the Purchased Receivables and any amounts paid into the Collection Account by the Servicer pursuant to the terms of the Servicing Agreement.

"Interest Payment Date" means, for an Interest Period, the 17th day of each calendar month or, if such day is not a Business Day, the following Business Day. The first Interest Payment Date will be the Interest Payment Date falling in 17 January 2022.

"Interest Period" means the period beginning from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date **provided that** the first Interest Period will be the period beginning from (and including) the Closing Date to (but excluding) the first Interest Payment Date.

"Investor Report" means a report to be prepared by the Cash Manager and delivered by electronic means:

- (a) until such time as the Issuer determines and notifies the Cash Manager in writing that the forms of Investor Report as required by the UK Securitisation Regulation and the EU Securitisation Regulation have deviated from one another, in the form of the template set out in Annex XII of the Commission Implementing Regulation (EU) 2020/1225 as it forms part of domestic law of the UK by virtue of the EUWA; and

- (b) thereafter, as amended by the Cash Manager as may be required following consultation with the Servicer and the Issuer, subject in all cases to commercial agreement between the Cash Manager, the Issuer and the Servicer.

"Irrecoverable VAT" means any amount in respect of VAT incurred by a Transaction Party (as part of a payment in respect of which it is entitled to be reimbursed or indemnified under the relevant Transaction Documents) to the extent that such Transaction Party does not or will not receive and retain a credit, deduction or repayment of such VAT (as input tax as that expression is defined in Section 24(1) of VATA or under Article 168 of the Council Directive 2006/112/EC as amended from time to time or any provision of a similar nature, under the law of a member state of the European Union, the United Kingdom or elsewhere).

"Issuer" means Satus 2021-1 plc, a public limited company incorporated under the laws of England and Wales with registered number 13512214 and whose registered office is at 10th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom.

"Issuer Accounts" means the Distribution Account, the Liquidity Reserve Account, the Swap Collateral Account, any Additional Account and/or any further account created under the Transaction Documents.

"Issuer Security Power of Attorney" means the security power of attorney provided by the Issuer in favour of the Security Trustee in the form set out in Schedule 1 (*Form of Issuer Security Power of Attorney*) to the Deed of Charge.

"Issuer Trust Amounts" means all amounts from time to time standing to the credit of the Collection Account to the extent that such amounts represent payments into the Collection Account derived from or resulting from the Purchased Receivables comprised in the Portfolio (but excluding any interest arising in respect of amounts standing to the credit of Collection Account).

"Junior Interest Collections Shortfall" means, on an Interest Payment Date, an amount equal to the greater of:

- (a)
- (i) the amount required to make payments under:
 - (A) to the extent that on such Interest Payment Date the Class C Notes are the Controlling Class, item (xii) of the Pre-Enforcement Interest Priority of Payments;
 - (B) to the extent that on such Interest Payment Date the Class D Notes are the Controlling Class, item (xiv) of the Pre-Enforcement Interest Priority of Payments;
 - (C) to the extent that on such Interest Payment Date the Class E Notes are the Controlling Class, item (xvi) of the Pre-Enforcement Interest Priority of Payments; or
 - (D) to the extent that on such Interest Payment Date the Class F Notes are the Controlling Class, item (xviii) of the Pre-Enforcement Interest Priority of Payments;
- minus*
- (ii) the Available Interest Collections (other than any Principal Addition Amount, any Surplus Available Principal Collections, any Senior Liquidity Reserve Fund Release Amount and any Junior Liquidity Reserve Fund Release Amount) to be applied on such Interest Payment Date after payment of each item of the Pre-Enforcement Interest Priority of Payments which ranks in priority to the amounts payable under limb (i) above; and

- (b) zero.

"Junior Liquidity Reserve Fund" means a fund of the Issuer, being, at any time, all amounts standing to the credit of the Junior Liquidity Reserve Ledger.

"Junior Liquidity Reserve Fund Excess Amount" means, on any Interest Payment Date, an amount equal to the greater of:

- (a) zero; and
- (b)
 - (i) the amount standing to the credit of the Junior Liquidity Reserve Ledger on such Interest Payment Date (before the application of the Pre-Enforcement Priority of Payments); *less*
 - (ii) the Junior Liquidity Reserve Fund Required Amount on the immediately preceding Calculation Date.

"Junior Liquidity Reserve Fund Release Amount" means, on any Calculation Date, an amount equal to the lesser of:

- (a) the amount standing to the credit of the Junior Liquidity Reserve Ledger on such Calculation Date; and
- (b) the sum of:
 - (i) the amount of the Senior Expenses Shortfall (if any) on such Calculation Date; *plus*
 - (ii) the amount of Junior Interest Collections Shortfall (if any) on such Calculation Date.

"Junior Liquidity Reserve Fund Required Amount" means:

- (a) on each Interest Payment Date prior to redemption in full of the Class B Notes, zero;
- (b) on each Interest Payment Date after the redemption in full of the Class B Notes but prior to the redemption in full of the Notes, an amount equal to 0.2% of the aggregate Principal Outstanding Balance of the Purchased Receivables as at the Closing Date; and
- (c) on each Interest Payment Date after to redemption in full of the Notes, zero.

"Junior Liquidity Reserve Ledger" means the ledger of the Liquidity Reserve Account maintained by the Cash Manager, established in order to record amounts credited to, and debited from, the Junior Liquidity Reserve Fund.

"Lead Manager" means J.P. Morgan Securities plc, as lead manager.

"Liquidity Reserve Account" means the account maintained at the Account Bank (or any successor of such account bank) in the name of the Issuer with the IBAN GB07USBK04039873494902, beneficiary SWIFT USBKGB22 and intermediary SWIFT USBKGB33 or any other bank account specified as such under the Account Bank Agreement.

"List of Receivables" means the list, dated on or about the Closing Date, containing:

- (a) the identifier number;
- (b) the origination date;
- (c) the maturity date;
- (d) the Principal Outstanding Balance as at the origination date;

- (e) the Principal Outstanding Balance as of the Cut-Off Date; and
- (f) the applicable interest rate,

for each Receivable to be purchased by the Issuer on the Closing Date, in an email unequivocally marked or identified and received by the Issuer and the Security Trustee on or before the Closing Date (or other media as agreed from time-to-time between the Seller and the Issuer including in a CD-ROM).

"Loan-Level Information" means the information to be prepared by the Servicer and delivered by electronic means:

- (a) until such time as the Issuer determines and notifies the Servicer in writing that the forms of Loan-Level Information as required by the UK Securitisation Regulation and the EU Securitisation Regulation have deviated from one another, in the form of the template set out in Annex V of the Commission Implementing Regulation (EU) 2020/1225 as it forms part of domestic law of the UK by virtue of the EUWA; and
- (b) thereafter, as amended by the Servicer as may be required following consultation with the Issuer.

"London Stock Exchange" means the main market of the London Stock Exchange plc.

"LTV" means, at the time of origination, in relation to a Receivable, the result (expressed as a percentage) of dividing the Principal Outstanding Balance of such Receivable by the Third Party Valuation of the relevant Vehicle.

"Mandatory Early Part Redemption Amount" means, for a Note and an Interest Payment Date, the principal amount redeemable for a Note of that Class on that Interest Payment Date under Condition 5(c) (*Mandatory early redemption in part*).

"Margin" means:

- (a) in respect of the Class A Notes, the Class A Margin;
- (b) in respect of the Class B Notes, the Class B Margin;
- (c) in respect of the Class C Notes, the Class C Margin;
- (d) in respect of the Class D Notes, the Class D Margin;
- (e) in respect of the Class E Notes, the Class E Margin; and
- (f) in respect of the Class F Notes, the Class F Margin.

"Master Framework Agreement" means the master framework agreement dated on or about the Closing Date between the Issuer, the Seller, the Servicer, the Cash Manager, the Subordinated Loan Note Subscriber, the Note Trustee, the Security Trustee, the Retention Holder, the Standby Servicer, the Account Bank, the Principal Paying Agent, the Registrar, the Swap Counterparty, the Corporate Services Provider, and Holdings.

"Material Adverse Effect" means:

- (a) with respect to any person or entity, a material adverse effect on:
 - (i) the business, operations, property, condition (financial or otherwise) or prospects of such person or entity to the extent it relates directly or indirectly to the Receivables (including without limitation, to the origination or servicing of Receivables);
 - (ii) the ability of such person or entity to perform its obligations under any Transaction Document to which it is a party or on any of the rights or remedies of any other party to such Transaction Document;

- (iii) the validity or enforceability of any Transaction Document to which it is a party;
or
 - (iv) the collectability or enforceability or the value of any Receivable; or
- (b) with respect to the Purchased Receivables (and without prejudice to paragraph (a) above), a material adverse effect on the interests of the Issuer in the Purchased Receivables, or on the ability of the Issuer (or the Servicer on the Issuer's behalf) to collect amounts due on the Purchased Receivables or on the ability of the Security Trustee to enforce the Security.

"**Minimum Rate of Interest**" means 0%.

"**Modification Certificate**" has the meaning given to that term in Condition 12(b)(ii) and Certificates Condition 10(b)(ii).

"**Moody's**" means Moody's Investors Service Limited, and any successor to its rating business.

"**Non-Compliant Receivable**" means a Purchased Receivable affected by a breach of the Receivables Warranties (by reference to the facts and circumstances then subsisting at the relevant date on which such Receivables Warranty was given) that materially and adversely affects the interests of the Issuer in such Purchased Receivable.

"**Non-Permitted Variation**" means any change to a Hire Purchase Agreement that relates to a Purchased Receivable, other than a Defaulted Receivable, and which has the effect of:

- (a) reducing the Principal Outstanding Balance of the Purchased Receivable;
- (b) sanctioning any kind of payment holiday (other than any payment holiday required to be sanctioned by any Requirement of Law or Regulatory Direction that the Seller does not elect, in its sole discretion, to classify as a Non-Permitted Variation);
- (c) reducing the total interest payable by the Customer over the term of the Purchased Receivable; or
- (d) extending the term of the Purchased Receivable by more than one month.

"**Note Trustee**" means U.S. Bank Trustees Limited or a successor trustee and/or additional trustee appointed under the Trust Deed.

"**Noteholder**" 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**" 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 regarding the payment of principal and interest (if any) on such Notes, the right to which will be vested as against the Issuer solely in the Holder of each Global Note under and subject to its terms.

"**Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.

"**New Safekeeping Structure**" or "**NSS**" means the new safekeeping structure under which the Notes will be deposited with one of Euroclear and/or Clearstream, Luxembourg (each an ICSD and together the ICSDs) as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper.

"**Opinion of Counsel**" means an opinion of counsel, which counsel will be reasonably acceptable to the Note Trustee, the Security Trustee, the Issuer and the Rating Agencies and be of international standing recognised in the field of securitisation, and which opinion will be addressed to the Issuer, the Note Trustee, the Security Trustee and each Secured Party.

"Option to Purchase Fee" means the final nominal option to purchase fee due under a relevant Hire Purchase Agreement.

"Ordinary Resolution" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with Condition 12 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*) or at a meeting of Certificateholders duly convened and held in accordance with Certificates Condition 10 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*), in each case, by a majority of not less than 50% of the votes cast, whether on a show of hands or a poll.

"Other Beneficiary Trust Amounts" means all amounts from time to time standing to the credit of the Collection Account to the extent such amounts represent amounts other than Issuer Trust Amounts or any amounts subject to any other trust arrangement.

"outstanding" means:

- (a) for any Class, all the Notes of that Class issued other than:
 - (i) those which have been redeemed in compliance with their Conditions;
 - (ii) those regarding which the due date for redemption has occurred in compliance with their Conditions and the redemption moneys and interest accrued on such moneys to the due date of such redemption and any interest payable after such date have been paid to the Note Trustee or to the Principal Paying Agent in the manner set out in the Agency Agreement and remain available for payment against presentation and surrender of the relevant Notes;
 - (iii) those regarding which claims have become void under their Conditions;
 - (iv) those mutilated or defaced Notes which have been surrendered and cancelled and regarding which replacements have been issued under their Conditions;
 - (v) (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 regarding which replacements have been issued under their Conditions; and
 - (vi) any Global Note to the extent that it has been exchanged for the related Definitive Notes under their respective terms;

provided that for each of the following purposes, namely:

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

(1) those Notes of the relevant Class, if any, which are beneficially held by or for the account of the Issuer will be deemed not to remain outstanding and (2) if Startline or any of its Affiliates, holds only some (but not all) of the Notes of the relevant Class, such Notes will be deemed not to remain outstanding; and

- (b) for the Certificates, all the Certificates issued other than:
 - (i) those regarding which claims have become void under their Certificates Conditions;
 - (ii) those mutilated or defaced Certificates which have been surrendered and cancelled and regarding which replacements have been issued under their Certificates Conditions; and
 - (iii) (for the purpose only of ascertaining the number of Certificates that is outstanding and without prejudice to their status for any other purpose) those Certificates which are alleged to have been lost, stolen or destroyed and regarding which replacements have been issued under their Certificates Conditions;

provided that for each of the following purposes, namely:

- (A) the determination of the total number of Certificates then in issue and outstanding for the purposes of their Certificates Conditions and the Trust Deed requiring calculation of the proportion of Certificateholders requesting or directing the Note Trustee to enforce the security for the Certificates, or the provisions for meetings of the Certificateholders set out in the Trust Deed;
- (B) any discretion, power or authority which the Note Trustee is required or permitted, expressly or impliedly, to exercise in or by reference to the interests of the Certificateholders or any of them; and
- (C) the determination by the Note Trustee whether, in its opinion, any event, circumstance, matter or thing is or would be materially prejudicial to the interests of the Certificateholders or any of them,

(1) those Certificates, if any, which are beneficially held by or for the account of the Issuer will be deemed not to remain outstanding and (2) if Startline or any of its Affiliates, holds only some (but not all) of the Certificates, such Certificates will be deemed not to remain outstanding.

"Party" means, in relation to a Transaction Document, a party thereto.

"Paying Agent" means a paying agent appointed under the Agency Agreement, including the Principal Paying Agent.

"PCP Agreement" means any personal contract purchase agreement entered into by the Seller providing for the purchase of a Vehicle under the terms of which the Customer has a contractual option to return the Vehicle financed under such personal contract purchase agreement in lieu of making a final balloon payment (and, for the avoidance of doubt, an Option to Purchase Fee does not constitute a final balloon payment).

"Perfection Event" means each of the following events:

- (a) the Seller (or the Servicer on behalf of the Seller) fails to pay any sum due from it to the Issuer in respect of the Purchased Receivables within five Business Days of the due date thereof or the date of demand, if payable on demand, in the currency and in the manner specified herein, and such failure is not remedied within ten Business Days following the earlier of the Issuer giving notice thereof to the Seller and the Seller becoming aware of such failure to pay; or
- (b) the Seller being required to perfect the Issuer's legal title to the Purchased Receivables (or procure the perfection of the Issuer's legal title to the Purchased Receivables) by an order of a court of competent jurisdiction or by any regulatory authority of which the Seller is a member or any organisation with whose instructions it is customary for the Seller to comply; or

- (c) it becoming necessary by law to perfect the Issuer's legal title to the Purchased Receivables, (or procure the perfection of the Issuer's legal title to the Purchased Receivables); or
- (d) the occurrence of a Servicer Termination Event; or
- (e) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (f) the occurrence of an Insolvency Event in respect of the Seller; or
- (g) the occurrence of a Severe Deterioration Event in respect of the Seller; or
- (h) it becoming necessary for enforcement of the Issuer's rights related to the Purchased Receivables, **provided that** if no Event of Default has occurred and is continuing, the Issuer will seek the approval of the Seller, such approval not to be unreasonably delayed or withheld.

"Permitted Exceptions" means:

- (a) any payment of Tax to the Tax Creditors or other payments to a Governmental Authority on a date not being an Interest Payment Date; and
- (b) any Swap Excluded Amounts,

which is a payment outside of the Priorities of Payments by the Issuer.

"Permitted Variation" means a change to a Hire Purchase Agreement that is made in accordance with the terms of the relevant Hire Purchase Agreement and the Credit and Collection Procedures and is not a Non-Permitted Variation.

"Personal Data" has the meaning given to it in the UK GDPR.

"Portfolio" means the Receivables and all other assets and rights relating to the Hire Purchase Agreements purported to be transferred or granted to the Issuer on the Closing Date.

"Portfolio Repurchase Option" means the optional call granted pursuant to Condition 5(e) (*Portfolio Repurchase Option*).

"Post-Enforcement Priority of Payments" has the meaning given to the term in Condition 2(j) (*Application of proceeds following delivery of an Enforcement Notice*) and Certificates Condition 2(h) (*Application of proceeds following delivery of an Enforcement Notice*).

"Pre-Enforcement Interest Priority of Payments" has the meaning given to the term in Condition 2(e) (*Pre-Enforcement Interest Priority of Payments*) and Certificates Condition 2(d) (*Pre-Enforcement Interest Priority of Payments*).

"Pre-Enforcement Principal Priority of Payments" has the meaning given to the term in Condition 2(f) (*Pre-Enforcement Principal Priority of Payments*).

"Pre-Enforcement Priorities of Payments" means the Pre-Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments.

"Principal Addition Amount" means, on any Calculation Date, an amount equal to the lesser of:

- (a) the Available Principal Collections on such Calculation Date; and
- (b) the sum of:
 - (i) the amount of the Senior Expenses Shortfall (if any) on such Calculation Date following application of the Junior Liquidity Reserve Fund Release Amount and the Senior Liquidity Reserve Fund Release Amount; and

- (ii) the amount of the Senior Interest Collections Shortfall (if any) on such Calculation Date following application of the Senior Liquidity Reserve Fund Release Amount.

"Principal Amount Outstanding" means, in relation to a Class of Notes or all Classes of Notes on any date (as applicable), its original principal amount less the aggregate amount of all principal payments in respect of such Class of Notes or Classes of Notes (as applicable) which have become paid since the Closing Date.

"Principal Collections" means, regarding a Purchased Receivable and a Collection Period, all amounts comprising of:

- (a) the Principal Element of the Purchased Receivables (other than Purchased Receivables that have become Defaulted Receivables or VT Receivables); and
- (b) any amount received in respect of any CCA Compensation Payments, Set-Off Indemnity Amounts, Receivables Indemnity Amounts and Repurchase Price, in each case to the extent that the same represents a payment in respect of the Principal Element of the Purchased Receivables.

"Principal Deficiency Ledger" means the ledger maintained by the Cash Manager, comprising the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger the Class C Principal Deficiency Ledger, the Class D Principal Deficiency Ledger, the Class E Principal Deficiency Ledger and the Class F Principal Deficiency Ledger, established in order to record, on each Interest Payment Date:

- (a) any Senior Expenses Shortfall;
- (b) the Principal Outstanding Balance of each Purchased Receivable that becomes a Defaulted Receivable during the immediately preceding Collection Period; and
- (c) the Principal Outstanding Balance of each VT Receivable in respect of which Vehicle Sales Proceeds were received during the immediately preceding Collection Period.

"Principal Element" means, in relation to each Purchased Receivable, all amounts received (in the Collection Account or otherwise) from or on behalf of the Customer deriving (on and from the Cut-Off Date) from payments of principal on that Purchased Receivable, calculated in accordance with the Credit and Collection Procedures (which for the avoidance of doubt shall include any Option to Purchase Fees and fees payable as part of the last payment under the Hire Purchase Agreement by the relevant Customer).

"Principal Outstanding Balance" means in relation to any Purchased Receivable and on any day, the principal amount of such Purchased Receivable calculated in accordance with the Credit and Collection Procedures, being the aggregate of:

- (a) the original principal amount advanced to any relevant Customer pursuant to the Related Hire Purchase Agreement; minus
- (b) any repayments of the amounts specified in (a) above,
- (c) and excluding any capitalised interest in respect of the Receivable at the time.

"Principal Paying Agent" means Elavon Financial Services DAC, UK Branch, in its capacity as principal paying agent.

"Priority of Payments" means the Pre-Enforcement Interest Priority of Payments, the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments and **"Priorities of Payments"** means all of them.

"Portfolio Repurchase Option Date" means any Interest Payment Date falling on or after 17 November 2024.

"Prospectus" means this prospectus.

"Provisional Cut-Off Date" means 31 October 2021.

"Provisional Portfolio" means the Receivables and all other assets and rights relating to the Hire Purchase Agreements purported to be transferred or granted to the Issuer on the Closing Date as at the Provisional Cut-Off Date.

"Purchase Price" means the amount, determined as at the Closing Date, as being an amount equal to the aggregate Principal Outstanding Balance due by the Customers under each Hire Purchase Agreement as at the Cut-Off Date (which, for the avoidance of doubt, shall include the last payment under the Hire Purchase Agreement).

"Purchased Receivable" means each Receivable purchased by the Issuer pursuant to the Receivables Sale and Purchase Deed which has neither been paid in full by or on behalf of the Customer nor repurchased by the Seller pursuant to the Receivables Sale and Purchase Deed, and **"Purchased Receivables"** means all such Receivables.

"Qualified Institution" means a bank:

- (a) that may make all payments of interest under the Account Bank Agreement without withholding or deduction for or on account of Tax;
- (b) in relation to which, either
 - (i)
 - (A) the rating assigned to it by Moody's (under the short-term rating scale) in respect of its short-term, unsecured and unsubordinated debt or counterparty obligations or counterparty risk assessment is "Prime-1" or above and the rating assigned to it by Moody's (under the long-term rating scale) in respect of its long-term, unsecured and unsubordinated debt or counterparty obligation or counterparty risk assessment is "A2" or above; and
 - (B) the rating assigned to it by S&P (under the short-term rating scale) in respect of its short-term, unsecured and unsubordinated debt or counterparty obligations or counterparty risk assessment is "A-1" or above and the rating assigned to it by S&P (under the long-term rating scale) in respect of its long-term, unsecured and unsubordinated debt or counterparty obligation or counterparty risk assessment is "A" or above,or, if the bank does not have such rating, it must be guaranteed by an institution having such rating; or
 - (ii) whose other rating is acceptable to the Rating Agencies from time to time; and
- (c) that is or will (before a FATCA Deduction may be required) become a FATCA Exempt Party.

"Rate of Interest" means the rate or rates (expressed as a percentage per year) of interest payable in respect of the Notes calculated or determined in accordance with the provisions of the Conditions.

"Rated Notes" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

"Rated Notes Redemption Date" means the Interest Payment Date on which the Rated Notes are repaid in full.

"Rating Agencies" means S&P and Moody's.

"Rating Agency Confirmation" means, a confirmation in writing by the relevant **"Rating Agencies"** that the then current ratings of the Controlling Class will not be downgraded, qualified or withdrawn as a result of the relevant event or matter **provided that** if: (a) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and (b) a written request for such confirmation affirmation or response is delivered to that Rating Agency by any of the Issuer, the Account Bank, the Servicer and/or the Note Trustee, as applicable (each a **"Requesting Party"**) and one or more of the Rating Agencies (each a **"Non-Responsive Rating Agency"**) indicates that it does not consider such confirmation, affirmation or response necessary in the circumstances, the Requesting Party shall be entitled to disregard the requirement for a confirmation or affirmation of rating or other response by each Non-Responsive Rating Agency which provides such indication and proceed on the basis of the confirmations or affirmations of rating or other responses received by each other Rating Agency or, if all the Rating Agencies indicate that they do not consider such confirmation, affirmation or response necessary in the circumstances, on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request. If a Rating Agency does not respond to a written request for a confirmation or affirmation of rating such non response shall not be interpreted to mean that such Rating Agency has given any deemed confirmation or affirmation of rating or other response in respect of such action or step or any deemed indication that it does not consider such confirmation, affirmation or response necessary in the circumstances, **provided that** in the event of a non-response from all Rating Agencies, the Requesting Party will be entitled to proceed on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request.

"RC Payment" means, on any date,:

- (a) prior to the delivery of an Enforcement Notice, in respect of each Interest Payment Date, the amount by which Available Interest Collections exceed the amounts required to satisfy items (i) to (xxiv) (inclusive) of the Pre-Enforcement Interest Priority of Payments on that Interest Payment Date; and
- (b) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items (i) to (xvi) (inclusive) of the Post-Enforcement Priority of Payments on that date.

"Receivables" means any and all claims and rights of the Seller against the Customers under or in connection with relevant Hire Purchase Agreements, including, for the avoidance of doubt, all payments due from the Customers under the relevant Hire Purchase Agreement (including any VAT or related fees and expenses due and payable by the Customers under the terms of the relevant Hire Purchase Agreements) and any Ancillary Rights and Option to Purchase Fees.

"Receivables Indemnity Amount" means, in relation to a Receivable which has never existed, or has ceased to exist, such that it is not outstanding on the date on which it is otherwise due to be repurchased under clause 6 (*Remedies and Repurchase*) of the Receivables Sale and Purchase Deed, the indemnity payable by the Seller to the Issuer, to be calculated by the Servicer and be determined in an amount equal to the sum of: (i) the Purchase Price of that Purchased Receivable, minus (ii) the sum of all Principal Collections and Interest Collections recovered or received in respect of such Purchased Receivable from the Cut-Off Date to the date on which the Receivables Indemnity Amount is paid, plus (iii) a deemed amount of accrued income on the relevant Purchased Receivable calculated on the basis of the annual percentage rate stated in the loan level data for such Purchased Receivable and determined as at the date on which the Receivables Indemnity Amount is paid.

"Receivables Sale and Purchase Deed" means the agreement for the sale and purchase of retail motor vehicle receivables dated on or around the Closing Date between the Seller, the Servicer, the Issuer and the Security Trustee.

"Receivables Warranties" means the representations and warranties made by the Seller in respect of the Purchased Receivables set out in the Receivables Sale and Purchase Deed.

"Receiver" means any receiver, including any administrative receiver or similar officer falling within the definition of "administrative receiver" under Section 29(2) of the UK Insolvency Act 1986, as amended from time to time (as appropriate).

"Records" means:

- (a) all agreements, files, microfiles, correspondence, notes of dealing and other documents, books, books of account, registers, records and other information; and
- (b) all computer tapes, discs, computer programs, data processing software and related property rights owned by or under the control and disposition of the Seller.

"Recoveries" means, during the relevant Collection Period, any amount received (including any Vehicle Sales Proceeds) in relation to a Defaulted Receivable or VT Receivable (which, for the avoidance of doubt, shall include any amounts paid by insurers under Customer Insurances and any amounts recovered from Dealers or other third parties).

"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 Certificates and the particulars of such Notes and Certificates held by them and all transfers and redemptions of such Notes and Certificates.

"Registrar" means Elavon Financial Services DAC, UK Branch, in its capacity as registrar.

"Regulation S" means Regulation S under the Securities Act.

"Regulatory Direction" means, in relation to any person, a direction or requirement of any Governmental Authority with whose directions or requirements such person accustomed to comply.

"Related Hire Purchase Agreement" means, in relation to a Receivable, the relevant Hire Purchase Agreement from which such Receivable derives.

"Relevant Date" means, regarding a Note or a Certificate, the date when payment on such Note or Certificate first becomes due or, if any amount of the money payable is improperly withheld or refused, the date when payment in full of the amount outstanding is made or (if earlier) the date seven days after the date when notice is given to the Noteholders in compliance with Condition 15 (*Notices*) or the Certificateholders in compliance with Certificates Condition 13 (*Notices*), that, on further presentation of the Note or the Certificate being made in compliance with the Conditions or the Certificates Conditions, such payment will be made, **provided that** payment is in fact made on such presentation.

"Replacement Servicing Agreement" means the substitute servicing agreement the form of which is set out in schedule 2 (*Replacement Servicing Agreement*) of the Standby Servicing Agreement.

"Replacement Swap Agreement" means an agreement between the Issuer and a replacement swap provider to replace the Swap Transaction.

"Replacement Swap Premium" means an amount received by the Issuer from a replacement swap provider or an amount paid by the Issuer to a replacement swap provider upon entry by the Issuer into a Replacement Swap Agreement.

"Repo Counterparty" means the entity that will enter into the Retention Financing with the Retention Holder.

"Repurchase Price" means, in relation to the repurchase of a Receivable, an amount, calculated by the Servicer, equal to the sum of (i) its Purchase Price, less (ii) the sum of all Principal Collections and Interest Collections recovered or received by the Issuer in respect of such Receivable from the Cut-Off Date to the date on which the Receivable is repurchased, plus (iii) any accrued and unpaid income in respect thereof as at the date on which the Receivable is repurchased.

"Repurchased Receivables" means, regarding a Collection Period, Purchased Receivables being repurchased by the Seller under the Receivables Sale and Purchase Deed on the Interest Payment Date following that Collection Period.

"Requirement of Law" means, for any person, a requirement of the memorandum of association or articles of association or other organisational or governing documents of such person, and any law, treaty, rule, requirement or regulation, or determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon such person or to which such person is subject.

"Retained Amount" means £1,200 per annum.

"Retained Interest" means 5% of the initial principal amount of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

"Retention Financing" means the financing arrangements in respect of the Retained Interest that the Retention Holder intends to enter into with the Repo Counterparty.

"Retention Holder" means Startline Holdings Limited, a company incorporated under the laws of the Cayman Islands with registered number 728368, having its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

"Risk Retention US Persons" means "US persons" as defined in the US Risk Retention Rules.

"S&P" means S&P Global Ratings UK Limited and any successor to its rating business.

"Scottish Supplemental Charge" means the assignation in security granted by the Issuer in respect of its interest in the Scottish Vehicle Sales Proceeds Floating Charge over the Vehicle Sales Proceeds, in substantially the form set out in the Deed of Charge.

"Scottish Vehicle Sales Proceeds Floating Charge" means the Scots law governed floating charge granted by the Seller in favour of the Issuer, in substantially the form set out in the Receivables Sale and Purchase Deed.

"Secured Obligations" means the aggregate of all moneys and other obligations for the time being due or owing by the Issuer to the Secured Parties.

"Secured Parties" means the Note Trustee, the Security Trustee, a Receiver, the Noteholders, the Corporate Services Provider, the Cash Manager, the Account Bank, the Standby Servicer, the Seller, the Retention Holder, the Subordinated Loan Note Subscriber, the Swap Counterparty, the Servicer, the Agents and each other person identified as a secured party by the Deed of Charge for the period of such designation.

"Securities Act" means the US Securities Act of 1933.

"Securitisation Repository" means:

- (a) until a securitisation repository has been registered under Article 10 of the UK Securitisation Regulation and appointed by the Issuer in relation to the Transaction, the website of EuroABS at www.euroabs.com, being a website that conforms with the requirements set out in Article 7(2) of the UK Securitisation Regulation; and
- (b) thereafter, the website of a securitisation repository registered under Article 10 of the UK Securitisation Regulation appointed by the Issuer in relation to the Transaction.

"Security" means the security and other rights and interests created or granted by the Issuer under and pursuant to the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge and the Issuer Security Power of Attorney, including those which arise by operation of law.

"Security Trustee" means U.S. Bank Trustees Limited or any successor security trustee and/or additional security trustee appointed under the Deed of Charge.

"Seller" means Startline, in its capacity as seller.

"Senior Expenses" means, on an Interest Payment Date, the amount required to make payments under items (i) to (vi) of the Pre-Enforcement Interest Priority of Payments.

"Senior Expenses Shortfall" means, on an Interest Payment Date, an amount equal to the greater of:

- (a)
 - (i) the Senior Expenses;
 - minus*
 - (ii) the Available Interest Collections (other than any Principal Addition Amount, any Surplus Available Principal Collections, any Senior Liquidity Reserve Fund Release Amount and any Junior Liquidity Reserve Fund Release Amount) to be applied on such Interest Payment Date; and
- (b) zero.

"Senior Interest Collections Shortfall" means, on an Interest Payment Date, an amount equal to the greater of:

- (a)
 - (i) the amount required to make payments under:
 - (A) to the extent that on such Interest Payment Date the Class A Notes are the Controlling Class, payments under item (vii) of the Pre-Enforcement Interest Priority of Payments; or
 - (B) to the extent that on such Interest Payment Date the Class B PDL Condition is satisfied, payments under item (ix) of the Pre-Enforcement Interest Priority of Payments;
 - minus*
 - (ii) the Available Interest Collections (other than any Principal Addition Amount, any Surplus Available Principal Collections, any Senior Liquidity Reserve Fund Release Amount and any Junior Liquidity Reserve Fund Release Amount) to be applied on such Interest Payment Date after payment of each item of the Pre-Enforcement Interest Priority of Payments which ranks in priority to the amounts payable under limb (i) above; and
- (b) zero.

"Senior Liquidity Reserve Fund" means a fund of the Issuer, being, at any time, all amounts standing to the credit of the Senior Liquidity Reserve Ledger.

"Senior Liquidity Reserve Fund Excess Amount" means, on any Interest Payment Date, an amount equal to the greater of:

- (a) zero; and
- (b)
 - (i) the amount standing to the credit of the Senior Liquidity Reserve Ledger on such Interest Payment Date (before the application of the Pre-Enforcement Priority of Payments); less
 - (ii) the Senior Liquidity Reserve Fund Required Amount on the immediately preceding Calculation Date.

"Senior Liquidity Reserve Fund Release Amount" means, on any Calculation Date, an amount equal to the lesser of:

- (a) the amount standing to the credit of the Senior Liquidity Reserve Ledger on such Calculation Date; and
- (b) the sum of:
 - (i) the amount of the Senior Expenses Shortfall (if any) on such Calculation Date following application of the Junior Liquidity Reserve Fund Release Amount; *plus*
 - (ii) the amount of Senior Interest Collections Shortfall (if any) on such Calculation Date.

"Senior Liquidity Reserve Fund Required Amount" means:

- (a) on Closing Date, an amount equal 1.0% of the Principal Amount Outstanding of the Class A Notes and the Class B Notes as at the Closing Date; and
- (b) on each Interest Payment Date prior to redemption in full of the Class B Notes, the greater of:
 - (i) an amount equal to 1.0% of the Principal Amount Outstanding of the Class A Notes and the Class B Notes as at the immediately preceding Calculation Date; and
 - (ii) an amount equal to 0.5% of the aggregate Principal Outstanding Balance of the of the Purchased Receivables as at the Closing Date.
- (c) on each Interest Payment Date after the redemption in full of the Class B Notes but prior to the redemption in full of the Notes, an amount equal to 0.3% of the aggregate Principal Outstanding Balance of the of the Purchased Receivables as at the Closing Date; and
- (d) on each Interest Payment Date after to redemption in full of the Notes, zero.

"Senior Liquidity Reserve Ledger" means the ledger of the Liquidity Reserve Account maintained by the Cash Manager, established in order to record amounts credited to, and debited from, the Senior Liquidity Reserve Fund.

"Servicer" means Startline, in its capacity as servicer, or such other person as may from time to time be appointed as servicer pursuant to the Servicing Agreement.

"Servicer Report" means a report to be prepared by the Servicer and delivered by electronic means to the Issuer and the Cash Manager (with a copy to the Note Trustee and the Security Trustee) no later than 10.00 am (London time) five Business Days before each Interest Payment Date, substantially in the form set out in schedule 1 (*Form of Servicer Report*) to the Servicing Agreement or as agreed between the Servicer, the Issuer and the Cash Manager from time to time.

"Servicer Termination Event" means the events specified in clause 14.1 (*Servicer Termination Events*) of the Servicing Agreement.

"Services" means the services provided by the Servicer in relation to the Purchased Receivables as set out in the Servicing Agreement.

"Servicing Agreement" means the servicing agreement dated on or around the Closing Date between the Seller, the Servicer, the Issuer and the Security Trustee.

"Servicing Fee" means for each Collection Period, the fees payable to the Servicer (inclusive of VAT, if any) for services rendered for such Collection Period in respect of the Purchased Receivables under the Servicing Agreement, including:

- (a) incentive fees payable to the Servicer;

- (b) fees payable in respect of the period prior to the termination (if any) of the Servicing Agreement which are invoiced after such termination invoices; and
- (c) any amounts received by the Servicer after termination of the Servicing Agreement but that relate to activities rendered prior to such termination, in each case as such agreements may from time to time be amended,

provided that, in the event Startline's appointment as Servicer is terminated in accordance with the Servicing Agreement, the Servicing Fee will be such fee as may be negotiated with any substitute servicer, as contemplated in the Servicing Agreement.

"Set-Off Indemnity Amount" means the amount of any indemnity against losses or expenses suffered or incurred by the Issuer and/or Security Trustee to be paid by the Seller to the Issuer and/or Security Trustee (as applicable) on demand as a direct result of the exercise or purported exercise by any Customer of any right of set-off in respect of any debt (present or future, actual or contingent) due or owing by such Customer to the Seller or alleged to be so due and owing (including, without limitation, any right of set-off pursuant to Section 56 and Section 75 and Section 75A of the CCA); or netting, any other equity, counterclaim or other similar right or action which reduces any amount payable by such Customer in respect of such Purchased Receivables according to the provisions of clause 6.5 (*Indemnity due to exercise of Set-Off Rights by a Customer*) of the Receivables Sale and Purchase Deed.

"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 £30,000,000 million 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 collectability of the Receivables.

"Standard Documentation" means those documents which were (or which are substantially similar to those which were) used by the Seller in connection with originating the Hire Purchase Agreements.

"Standby Servicer" means Equiniti Gateway Limited in its capacity as standby servicer, or any replacement Standby Servicer appointed under the Standby Servicing Agreement.

"Standby Servicing Agreement" means the standby servicing agreement dated on or about the Closing Date between the Issuer, the Servicer, the Security Trustee and the Standby Servicer.

"Startline" means Startline Motor Finance Limited, a company incorporated under the laws of England and Wales with registered number 08302453, having its registered office at 6th Floor, 60 Gracechurch Street, London, EC3V 0HR, United Kingdom.

"Sterling" or **"£"** means the lawful currency of the United Kingdom.

"Subordinated Loan Note" means the loan facility be made available by the Subordinated Loan Note Subscriber to the Issuer pursuant to the Subordinated Loan Note Issuance Agreement.

"Subordinated Loan Note Issuance Agreement" means the subordinated loan note issuance agreement between the Issuer, the Subordinated Loan Note Subscriber and the Security Trustee dated on or about the Closing Date.

"Subordinated Loan Note Subscriber" means Startline Motor Finance Limited, in its capacity as subordinated loan note subscriber under the Subordinated Loan Note Issuance Agreement.

"Subscription Agreement" means the subscription agreement for the Notes offered and sold outside the United States in reliance on Regulation S dated on or about the date of this Prospectus between the Issuer, the Arranger, the Lead Manager, the Seller and the Retention Holder.

"Subsidiary" of a company or corporation means any company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"Surplus Available Principal Collections" means Available Principal Collections to be applied as Available Interest Collections in accordance with item (viii) of the Pre-Enforcement Principal Priority of Payments.

"Swap Agreement" means the 1992 ISDA Master Agreement dated on or about the date hereof (together with the schedule, the confirmations and any amendment agreements thereto) between the Issuer and the Swap Counterparty or any permitted transferees and/or assignees thereto, or any replacement agreement between the Issuer and the Swap Counterparty or any permitted transferees and/or assignees thereto.

"Swap Collateral Account" means the account maintained at the Swap Collateral Account Bank (or any successor of such account bank) in the name of the Issuer with the IBAN GB77USBK04039873494903, beneficiary SWIFT USBKGB22 and intermediary SWIFT USBKGB33 or any other bank account specified as such in compliance with the Account Bank Agreement.

"Swap Collateral Account Bank" means the Account Bank, as at the Closing Date, and any replacement swap collateral account bank.

"Swap Collateral Account Surplus" means the amounts applied as Available Interest Collections pursuant to the Swap Collateral Account Priority of Payments.

"Swap Counterparty" means J.P. Morgan AG in its capacity as swap counterparty pursuant to the Swap Agreement and any permitted successor thereto in such capacity.

"Swap Counterparty Default" means the occurrence of an Event of Default (as defined in the Swap Agreement) where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement).

"Swap Counterparty Downgrade Event" means the occurrence of an Additional Termination Event (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Sole Affected Party.

"Swap Excluded Amounts" means any payments or delivery by the Issuer in respect of any Swap Collateral, any Return Amounts, Interest Amounts, Distributions, Equivalent Distributions and/or Tax Credits (such terms as defined in the Swap Agreement or Credit Support Annex relating thereto) or all Replacement Swap Premium.

"Swap Profile" means the fixed amortisation schedule determined as at the Closing Date as set out in the Annex to this Prospectus and at the commencement of each relevant period in respect of the Swap Transaction as set out in the Investor Reports.

"Swap Termination Shortfall" means, on an Interest Payment Date, an amount equal to the greater of:

- (a)
 - (i) the amount required to make payments under item (xxi) of the Pre-Enforcement Interest Priority of Payments;

minus

- (ii) the Available Interest Collections to be applied on such Interest Payment Date after payment of each item of the Pre-Enforcement Interest Priority of Payments which ranks in priority to the amounts payable under limb (i) above; and

- (b) zero.

"**Swap Transaction**" means the interest rate swap transaction entered into between the Issuer and the Swap Counterparty on or about the Closing Date to hedge against the possible variance between the rates of interest payable on the Purchased Receivables and in floating rates of interest payable on the Rated Notes.

"**SWIFT**" means Society for Worldwide Interbank Financial Telecommunication.

"**Tax**" or "**Taxes**" means any form of tax, levy, impost, duty, charge, fee, contribution, deduction or withholding whenever imposed, levied, collected, withheld or assessed by, or payable to, a tax authority including, without limitation, any tax on gross or net present or future income profit or gains, corporation tax, VAT, stamp duty, stamp duty land tax and any penalty, fine, charge, cost, surcharge and interest included in or relating to any of the above or to any obligation in respect of any of the above (in all cases, regardless of whether such taxes, duties, levies, charges, fees, imposts, withholdings, penalties, fines, charges, costs surcharges and interest are directly or primarily chargeable against, recoverable from or attributable to the relevant Party or any other person and regardless of whether relevant Party has, or may have, any right of reimbursement against any other person) and "**Taxes**" and "**Taxation**" shall be construed accordingly.

"**Tax Creditors**" means the United Kingdom and any other competent tax authority to which the Issuer owes Taxes.

"**Third Party Valuation**" means the vehicle valuation obtained by the Seller from an independent industry recognised provider.

"**Transaction**" means the transactions contemplated by the Transaction Documents.

"**Transaction Documents**" means:

- (a) the Conditions;
- (b) the Certificates Conditions;
- (c) the Notes;
- (d) the Certificates;
- (e) the Receivables Sale and Purchase Deed;
- (f) the Servicing Agreement;
- (g) the Account Bank Agreement;
- (h) the Trust Deed;
- (i) the Deed of Charge;
- (j) the Scottish Supplemental Charge;
- (k) Scottish Vehicle Sales Proceeds Floating Charge;
- (l) the Cash Management Agreement;
- (m) the Agency Agreement;
- (n) the Corporate Services Agreement;
- (o) the Standby Servicing Agreement;

- (p) the Subordinated Loan Note Issuance Agreement;
- (q) the Swap Agreement;
- (r) the Collection Account Declaration of Trust; and
- (s) the Master Framework Agreement,

and all other documents specified as such by the Transaction Parties.

"Transaction Parties" means each party to any of the Transaction Documents.

"Trust Deed" means the trust deed dated on or about the Closing Date between the Issuer and the Note Trustee.

"UK" means the United Kingdom of Great Britain and Northern Ireland.

"UK CRA Regulation" means Regulation (EC) 1060/2009 as it forms part of domestic law of the UK by virtue of the EUWA.

"UK EMIR" means Regulation (EU) 648/2012 as it forms part of domestic law of the UK by virtue of the EUWA.

"UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law of the UK by virtue of the EUWA.

"UK Securitisation Regulation" means Regulation (EU) 2017/2402 as it forms part of domestic law of the UK by virtue of the EUWA.

"United States" or **"US"** has the meaning given to the term in Regulation S.

"US Internal Revenue Code" means the US Internal Revenue Code of 1986.

"US Person" has the meaning given to the term in Regulation S.

"US Risk Retention Rules" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the US Securities Exchange Act of 1934, as amended from time to time, adopted under the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"VAT" means:

- (a) value added tax imposed by the Value Added Tax Act 1994;
- (b) any tax imposed in compliance with Council Directive 2006/112/EC as amended from time to time; and
- (c) any other tax of a similar nature, whether imposed in the United Kingdom or a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) or (b) above, or imposed elsewhere.

"Vehicle" means in relation to any Related Hire Purchase Agreement, the motor vehicle which is (or the motor vehicles which are) the subject of that Related Hire Purchase Agreement and listed by its vehicle identification number in the List of Receivables.

"Vehicle Contract" means all contracts (other than the Hire Purchase Agreements) entered into by the Seller relating to Vehicles which are the subject matter of the Related Hire Purchase Agreements, including for the purchase or sale of any Vehicle.

"Vehicle Sales Proceeds" means the proceeds derived from (including by way of sale or otherwise) any Vehicle relating to a Hire Purchase Agreement returned to or recovered by or on behalf of the Seller (comprising, as regards Vehicles located in Scotland, its rights relative thereto as holder of the Scottish Vehicle Sales Proceeds Floating Charge).

"VT Receivable" means any Purchased Receivable in relation to which a Customer serves a notice to the Seller pursuant to Section 99 of the CCA.

"Warehouse Lender" means any Affiliate of or asset-backed commercial paper conduit managed by the Arranger (or its Affiliates), respectively, that provides warehouse financing to the Seller.

"Written Resolution" means a resolution in writing signed by or on behalf of the Noteholders of not less than 75% in aggregate Principal Amount Outstanding of the Notes or the Certificateholders of not less than 75% of the number of Certificates then in issue and outstanding, which resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more such Holders of the Notes or the Certificates.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following is the text of the terms and conditions which, subject to completion and amendment, will be applicable to the Certificates represented by a certificate in definitive form.

The 100 Class RC Certificates due 2028 (the "**Certificates**") are constituted by a trust deed (the "**Trust Deed**") dated on or around the Closing Date and made between Satus 2021-1 plc (the "**Issuer**") and U.S. Bank Trustees Limited (in such capacity, the "**Note Trustee**", which expression will include all persons for the time being the Note Trustee or trustees under the Trust Deed) as Note Trustee for, among others, the Certificateholders (as defined in Certificates Condition 1 (*Form and title*)).

The Certificates are direct, secured under and on the terms set out in a deed of charge (the "**Deed of Charge**") dated on or around the Closing Date between the Issuer and U.S. Bank Trustees Limited (in such capacity, the "**Security Trustee**", which expression includes its permitted successors and assigns) on certain assets of the Issuer (the "**Charged Property**") 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 Documents (as defined below) which include an agency agreement (the "**Agency Agreement**") dated on or around the Closing Date between the Issuer, the Note Trustee, the Security Trustee, the Principal Paying Agent and the Registrar (the Principal Paying Agent, any other Paying Agents and the Registrar together being the "**Agents**").

The security created under the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge and the Issuer Security Power of Attorney is together referred to as the "**Security**".

Payments under the Certificates will be made under the Agency Agreement and the Cash Management Agreement (as defined below).

The Certificates, the Notes, the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge, the Scottish Vehicle Sales Proceeds Floating Charge, the Issuer Security Power of Attorney, the Corporate Services Agreement, the Agency Agreement, the Receivables Sale and Purchase Deed, the Servicing Agreement, the Standby Servicing Agreement, the Subordinated Loan Note Issuance Agreement, the Swap Agreement, the Account Bank Agreement, the Cash Management Agreement, the Collection Account Declaration of Trust, the Master Framework Agreement and the Conditions are, together with the Certificates Conditions (as defined below) referred to as the "**Transaction Documents**". References to each of the Transaction Documents are to it as from time to time modified in compliance with its terms 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 "**Certificates Conditions**") are subject to the detailed terms of the Trust Deed, the Deed of Charge, the Agency Agreement and the other Transaction Documents, copies of which are available for inspection at the specified office for the time being of the Principal Paying Agent. The Holders of the Certificates have the benefit of, are bound by and are deemed to have notice of all the terms in the Trust Deed, the Deed of Charge, and those applicable to them in the Agency Agreement and the other Transaction Documents.

References to "**Certificates Conditions**" are, unless the context otherwise reprises, to the numbered paragraphs of these Certificates Conditions. References to "**Conditions**" are, unless the context otherwise reprises, to the numbered paragraphs of the Conditions. Words and expressions used in these Certificates Conditions without definitions will have the meanings given to them in Condition 18 (*Definitions*).

The issue of the Certificates and the Notes was authorised by a resolution of the board of directors of the Issuer passed on 22 November 2021.

1. **Form and title**

The Certificates are issued in registered definitive form.

The Certificates which are offered and sold outside the United States to non-US persons in reliance on Regulation S will be represented by beneficial interests in the Definitive Certificate.

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 Certificates and the particulars of such Certificates held by them and all transfers, advances, payments, cancellations

and replacements of such Certificates. In these Certificates Conditions, "**Certificates**" means a Definitive Certificate, and "**Certificateholder**" or the "**Holder**" of a Certificate at any time means the person (or, in the case of a joint holding, the first named person) in whose name such Certificate is registered at that time in the Register.

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Note Trustee, the Registrar, the Principal Paying Agent and the other Paying Agents (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing on a Certificate or notice of a previous loss or theft of a Certificate) may (i) for the purpose of making payment on or on account of any Certificate deem and treat the person (or, in the case of a joint holding, the first named person) in whose name the Definitive Certificate 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 Certificate and all rights under such Certificate 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 the Definitive Certificate and (ii) for all other purposes deem and treat the person in whose name the Definitive Certificate is registered at the relevant time in the Register as the absolute owner of and of all rights under such Certificate 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 the Definitive Certificate.

A Certificate is not transferable except in compliance with the restrictions described in these Certificates Conditions and in the Trust Deed and the Agency Agreement. A 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 Certificate agrees to provide notice of the transfer restrictions set out in these Certificates Conditions and in the Trust Deed to the transferee.

No transfer of Certificates will be valid unless entered on the Register and no transfer of Certificates will be registered for a period of two Business Days immediately before each Interest Payment Date.

2. **Status and Security**

(a) **Status**

The Certificates are direct secured, limited recourse obligations of the Issuer, ranking *pro rata* and *pari passu* without preference among themselves subject to as set out in these Certificates Conditions.

The RC Payments on the Certificates represent deferred consideration and payment of further purchase price for the Receivables payable by the Issuer to the Seller in accordance with these Certificate 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.

In relation to any Vehicles located in Scotland, the Seller will grant a Scottish Vehicle Sales Proceeds Floating Charge in favour 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 in respect of the Issuer's interest in the Scottish Vehicle Sales Proceeds Floating Charge.

(c) **Application of proceeds**

On the Closing Date, the Issuer will use the net proceeds of the issue of the Certificates and the Notes (i) to finance the purchase from Startline (the "**Seller**", which expression includes its permitted successors and assigns) of a portfolio of retail motor vehicle receivables governed by the laws of England and Wales (all such purchased receivables,

the "**Purchased Receivables**") and all Ancillary Rights under an agreement for the sale and purchase of retail motor vehicle receivables dated on or around the Closing Date between the Seller, the Issuer, the Security Trustee and the Servicer (the "**Receivables Sale and Purchase Deed**"), (ii) to pay the initial fees and expenses incurred by the Issuer on or prior to the Closing Date in connection with the Transaction, (iii) to fund the Senior Liquidity Reserve Fund up to the Senior Liquidity Reserve Fund Required Amount and (iv) to credit the Distribution Account with any residual amounts. 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 receivables servicing agreement dated on or about the Closing Date between the Servicer, the Issuer, the Seller and the Security Trustee (the "**Servicing Agreement**").

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

Subject to clause 4 (*Liability of Cash Manager*) of the Cash Management Agreement, on each Interest Payment Date before the delivery of an Enforcement Notice, the Available Interest Collections deposited in the Distribution Account (excluding Permitted Exceptions) will be applied by Cash Manager in the following order of priority (the "**Pre-Enforcement Interest Priority of Payments**"):

- (i) *first*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Security Trustee, together with interest and any amount in respect of VAT (if any) on those amounts, and to make provision for any amounts due or to become due during the following Interest Period to the Security Trustee under or pursuant to the Deed of Charge; and
 - (B) the Note Trustee, together with interest and any amount in respect of VAT (if any) on those amounts, and to make provision for any amounts due or to become due during the following Interest Period to the Note Trustee under the Trust Deed,in each case, together with any arrears remaining unpaid for such amounts;
- (ii) *second*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Agents, the Cash Manager and the Account Bank together with interest and any amount in respect of VAT (if any) on those amounts, and any costs, charges, liabilities and expenses then due or to become due during the following Interest Period to the Agents, the Cash Manager and the Account Bank under the Agency Agreement, the Cash Management Agreement and the Account Bank Agreement, respectively;
- (iii) *third*, in or towards payment, *pro rata* and *pari passu*, of amounts due to any third party creditors of the Issuer (other than those referred to later in this Pre-Enforcement Interest Priority of Payments), which amounts have been incurred without breach by the Issuer of the Transaction Documents to which it is a party and for which payment has not been provided for elsewhere and to provide for any of those amounts expected to become due and payable during the following Interest Period by the Issuer and, to the extent the Retained Amounts are insufficient, to the extent of any insufficiency to pay or discharge any corporation tax liability of the Issuer;
- (iv) *fourth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Servicer, in the immediately succeeding Interest Period, under the Servicing Agreement;
 - (B) the Corporate Services Provider, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due, or

to become due to the Corporate Services Provider in the immediately succeeding Interest Period, under the Corporate Services Agreement;

- (C) to the extent applicable, the Standby Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Standby Servicer in the immediately succeeding Interest Period, under the Standby Servicing Agreement;
- (D) any auditors of, and other professional advisers to, the Issuer; and
- (E) any Insolvency Official of the Seller, in respect of the Incentive Fee (if any);
- (v) *fifth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Swap Counterparty under the provisions of the Swap Agreement (in each case, other than Swap Counterparty Subordinated Amounts and Swap Excluded Amounts);
- (vi) *sixth*, in or towards retention by the Issuer of the Retained Amount, from which the Issuer will (amongst other things) discharge its liability to corporation tax, the Tax Creditors for Taxes (which cannot be paid out of amounts previously retained as the Retained Amount) and any arrears remaining unpaid for any such liabilities or expenses, *pari passu* and *pro rata* amongst themselves;
- (vii) *seventh*, in or towards payment, *pari passu* and *pro rata*, to the Class A Noteholders of interest due and payable on the Class A Notes;
- (viii) *eighth*, in or towards credit to the Class A Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class A Principal Deficiency Ledger to zero;
- (ix) *ninth*, in or towards payment, *pari passu* and *pro rata*, to the Class B Noteholders of interest due and payable on the Class B Notes (including any Deferred Interest and Additional Interest in respect of the Class B Notes);
- (x) *tenth*, in or towards payment to the Liquidity Reserve Account (to be credited in the Senior Liquidity Reserve Ledger) of the amount required to replenish the Senior Liquidity Reserve Fund up to the Senior Liquidity Reserve Fund Required Amount;
- (xi) *eleventh*, in or towards credit to the Class B Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class B Principal Deficiency Ledger to zero;
- (xii) *twelfth*, in or towards payment, *pari passu* and *pro rata*, to the Class C Noteholders of interest due and payable on the Class C Notes (including any Deferred Interest and Additional Interest in respect of the Class C Notes);
- (xiii) *thirteenth*, in or towards credit to the Class C Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class C Principal Deficiency Ledger to zero;
- (xiv) *fourteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class D Noteholders of interest due and payable on the Class D Notes (including any Deferred Interest and Additional Interest in respect of the Class D Notes);
- (xv) *fifteenth*, in or towards credit to the Class D Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class D Principal Deficiency Ledger to zero;
- (xvi) *sixteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class E Noteholders of interest due and payable on the Class E Notes (including any Deferred Interest and Additional Interest in respect of the Class E Notes);

- (xvii) *seventeen*, in or towards credit to the Class E Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class E Principal Deficiency Ledger to zero;
- (xviii) *eighteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class F Noteholders of interest due and payable on the Class F Notes (including any Deferred Interest and Additional Interest in respect of the Class F Notes);
- (xix) *nineteenth*, in or towards payment to the Liquidity Reserve Account (to be credited in the Junior Liquidity Reserve Ledger) of the amount required to replenish the Junior Liquidity Reserve Fund up to the Junior Liquidity Reserve Fund Required Amount;
- (xx) *twentieth*, in or towards credit to the Class F Principal Deficiency Ledger of the amount required to reduce the amount recorded as a debit to the Class F Principal Deficiency Ledger to zero;
- (xxi) *twenty-first*, in or towards payment of any Swap Counterparty Subordinated Amounts, if any, due and payable to the Swap Counterparty in respect of the Swap Agreement;
- (xxii) *twenty-second*, in or towards payment, *pari passu* and *pro rata*, to the Class Z Noteholders of principal of the Class Z Notes until paid in full;
- (xxiii) *twenty-third*, in or towards payment to the Subordinated Loan Note Subscriber of any principal amount due and payable on the Subordinated Loan Note;
- (xxiv) *twenty-fourth*, in or towards payment, *pari passu* and *pro rata*, to any other party of any amounts due by the Issuer under the Transaction Documents to whom payment has not already been provided for elsewhere; and
- (xxv) *twenty-fifth*, in or towards payment, *pari passu* and *pro rata*, to the Certificateholders of any RC Payments,

in each case only to the extent that all payments of a higher priority to be paid or provided for on such Interest Payment Date have been made in full.

(e) **Shortfalls**

To the extent that the Issuer does not receive sufficient Available Interest Collections and/or Available Principal Collections from the Purchased Receivables and there is not a sufficient available balance standing to the credit of the Issuer Accounts to be applied to meet payments due under the Notes, the Subordinated Loan Note and/or the Certificates after meeting prior ranking claims in accordance with the Pre-Enforcement Interest Priority of Payments and/or the Pre-Enforcement Principal Priority of Payments (as applicable), the Issuer will be unable to the same extent to make payments under the Notes and/or the Certificates. Any shortfall will be borne first by the Certificates, second by the Subordinated Loan Note, third by the Class Z Notes, fourth by the Class F Notes, fifth by the Class E Notes, sixth by the Class D Notes, seventh by the Class C Notes, eighth by the Class B Notes and ninth by the Class A Notes, *pro rata* and *pari passu* as between the Notes of the same Class or the Certificates.

(f) **Failure to provide a Servicer Report**

If the Servicer fails to supply the Cash Manager with any information it requires to make any relevant determinations under the Cash Management Agreement (including for the avoidance of doubt, any Servicer Report), the Cash Manager will make all reasonable enquiries of the Servicer to obtain such information. If the Servicer fails to provide such information, the Cash Manager will make its determinations based on the information it does have in connection with payments due on the Notes and the Certificates on the relevant Interest Payment Date and will not be liable to any person for making such determination (in the absence of gross negligence, fraud or wilful default). If the Cash

Manager does not have sufficient information to make such determinations it can make its determinations based on information provided to it by the Servicer on or around the three preceding Calculation Dates and will not be liable to any person (in the absence of the Cash Manager's gross negligence, fraud, or wilful default) for the accuracy of such determinations.

(g) **Enforcement of the Security**

After the occurrence of an Event of Default and the delivery of an Enforcement Notice under Certificates Condition 8 (*Events of Default*) below, 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 (or, if the Notes have been redeemed in full, the Certificateholders) acting by way of an Extraordinary Resolution.

The Note Trustee may at its discretion and will do so if it has been directed to do so by the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) acting by way of an Extraordinary Resolution, (subject to the Note Trustee and the Security Trustee 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 concerning the Issuer or any other person to enforce its obligations under the Transaction Documents, the Conditions or these Certificate Conditions and/or take other proceedings (including lodging an appeal in any proceedings) concerning the Issuer;
- (ii) exercise its rights under, or in connection with a Transaction Document; and/or
- (iii) give directions to the Security Trustee under or in connection with a Transaction Document.

To the extent that the Note Trustee acts in compliance with such directions of the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders), as described above, it will have no obligation to take the interests of any other party into account or to follow a direction given by any other party.

(h) **Application of proceeds following delivery of an Enforcement Notice**

Subject to clause 4 (*Liability of Cash Manager*) of the Cash Management Agreement, following the delivery of an Enforcement Notice, the Security Trustee will give notice to all Secured Parties (of which it has notice details in the Transaction Documents) and apply amounts available for distribution to the satisfaction of the amounts and in the order of priority set out below. Following the delivery of an Enforcement Notice, all Available Funds (excluding Permitted Exceptions) will be applied by the Security Trustee (or the Cash Manager on its behalf), to the extent permitted by applicable law, in the following order of priority (the "**Post-Enforcement Priority of Payments**"):

- (i) *first*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Security Trustee and any Receiver (including any administrative receiver) appointed by the Security Trustee, together with interest and any amount in respect of VAT (if any) on those amounts and any amounts then due or to become due and payable to the Security Trustee and the receiver under or pursuant to the provisions of the Deed of Charge; and
 - (B) the Note Trustee, together with interest and any amount in respect of VAT (if any) on those amounts and any amounts then due or to become due and payable to the Note Trustee under the provisions of the Trust Deed,

in each case, together with any arrears remaining unpaid for such amounts;

- (ii) *second*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Agents, the Cash Manager and the Account Bank together with interest and any amount in respect of VAT (if any) on those amounts, and any costs, charges, liabilities and expenses then due or to become due during the following Interest Period to the Agents, the Cash Manager and the Account Bank under the Agency Agreement, the Cash Management Agreement and the Account Bank Agreement, respectively;
- (iii) *third*, in or towards payment, *pro rata* and *pari passu*, of amounts due to any third party creditors of the Issuer (other than those referred to later in this Post-Enforcement Priority of Payments), which amounts have been incurred without breach by the Issuer of the Transaction Documents to which it is a party and for which payment has not been provided for elsewhere and to provide for any of those amounts expected to become due and payable during the following Interest Period by the Issuer and, to the extent the Retained Amounts are insufficient, to the extent of any insufficiency to pay or discharge any corporation tax liability of the Issuer;
- (iv) *fourth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to:
 - (A) the Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Servicer, in the immediately succeeding Interest Period, under the Servicing Agreement;
 - (B) the Corporate Services Provider, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due, or to become due to the Corporate Services Provider in the immediately succeeding Interest Period, under the Corporate Services Agreement;
 - (C) to the extent applicable, the Standby Servicer, together with any amount in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Standby Servicer in the immediately succeeding Interest Period, under the Standby Servicing Agreement;
 - (D) any auditors of, and other professional advisers to, the Issuer; and
 - (E) any Insolvency Official of the Seller, in respect of the Incentive Fee (if any);
- (v) *fifth*, in or towards payment, *pro rata* and *pari passu*, of amounts due to the Swap Counterparty under the provisions of the Swap Agreement (in each case, other than Swap Counterparty Subordinated Amounts and Swap Excluded Amounts);
- (vi) *sixth*, in or towards payment, *pari passu* and *pro rata*, to the Class A Noteholders:
 - (A) *first*, of interest due and payable on the Class A Notes; and
 - (B) *second*, of principal of the Class A Notes until paid in full;
- (vii) *seventh*, in or towards payment, *pari passu* and *pro rata*, to the Class B Noteholders:
 - (A) *first*, of interest due and payable on the Class B Notes (including any Deferred Interest and Additional Interest in respect of the Class B Notes); and
 - (B) *second*, of principal of the Class B Notes until paid in full;

- (viii) *eighth*, in or towards payment, *pari passu* and *pro rata*, to the Class C Noteholders:
 - (A) *first*, of interest due and payable on the Class C Notes (including any Deferred Interest and Additional Interest in respect of the Class C Notes); and
 - (B) *second*, of principal of the Class C Notes until paid in full;
- (ix) *ninth*, in or towards payment, *pari passu* and *pro rata*, to the Class D Noteholders:
 - (A) *first*, of interest due and payable on the Class D Notes (including any Deferred Interest and Additional Interest in respect of the Class D Notes); and
 - (B) *second*, of principal of the Class D Notes until paid in full;
- (x) *tenth*, in or towards payment, *pari passu* and *pro rata*, to the Class E Noteholders:
 - (A) *first*, of interest due and payable on the Class E Notes (including any Deferred Interest and Additional Interest in respect of the Class E Notes); and
 - (B) *second*, of principal of the Class E Notes until paid in full;
- (xi) *eleventh*, in or towards payment, *pari passu* and *pro rata*, to the Class F Noteholders:
 - (A) *first*, of interest due and payable on the Class F Notes (including any Deferred Interest and Additional Interest in respect of the Class F Notes); and
 - (B) *second*, of principal of the Class F Notes until paid in full;
- (xii) *twelfth*, in or towards payment of any Swap Counterparty Subordinated Amounts, if any, due and payable to the Swap Counterparty in respect of the Swap Agreement;
- (xiii) *thirteenth*, in or towards payment, *pari passu* and *pro rata*, to the Class Z Noteholders of principal of the Class Z Notes until paid in full;
- (xiv) *fourteenth*, in or towards payment to the Subordinated Loan Note Subscriber of any principal amount due and payable on the Subordinated Loan Note;
- (xv) *fifteenth*, in or towards retention by the Issuer of the Retained Amount, from which the Issuer will (amongst other things) discharge its liability to corporation tax, the Tax Creditors for Taxes and any arrears remaining unpaid for any such liabilities or expenses, *pari passu* and *pro rata* amongst themselves;
- (xvi) *sixteenth*, in or towards payment, *pari passu* and *pro rata*, of any other amounts due and payable by the Issuer under the Transaction Documents (to the extent not already covered above); and
- (xvii) *seventeenth*, in or towards payment, *pari passu* and *pro rata*, to the Certificateholders of any RC Payments,

in each case only to the extent that all payments of a higher priority due to be paid or provided for on such Interest Payment Date have been made in full.

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

If the net proceeds of the Security being enforced and liquidated under the Deed of Charge and the Scottish Supplemental Charge are not sufficient, after payment of all other claims ranking in priority to the Certificates, to cover all payments due on the Certificates, the

obligations of the Issuer under the Certificates will be limited to such net proceeds and such net proceeds will be applied in compliance with the Post-Enforcement Priority of Payments and no other assets of the Issuer will be available for any further payments on the Certificates. 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.

(j) **Relationship between the Certificates and the Classes of Notes**

(i)

- (A) 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, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates.
- (B) Payments of interest on the Class B Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates.
- (C) Payments of interest on the Class C Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of interest on the Class D Notes, the Class E Notes and the Class F Notes, payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates.
- (D) Payments of interest on the Class D Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of interest on the Class E Notes and the Class F Notes, payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates.
- (E) Payments of interest on the Class E Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of interest on the Class F Notes, payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates.
- (F) Payments of interest on the Class F Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of principal on the Class Z Notes and payments of any RC Payments on the Certificates.
- (G) Payments of principal on the Class Z Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of any RC Payments on the Certificates.
- (H) Payments of any RC Payments on the Certificates will rank *pro rata* and *pari passu* between themselves and subordinate to payments of interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and principal on the Class Z Notes.

(ii) If the Issuer does not have sufficient Available Interest Collections on the relevant Interest Payment Date to meet payments in full, any shortfall will be borne:

- (A) *first*, by the Certificates;
- (B) *second*, by the Class Z Notes;
- (C) *third*, to the extent that principal due on the Class Z Notes on such Interest Payment Date is less than such shortfall, by the Class F Notes;

- (D) *fourth*, to the extent that interest due on the Class F Notes and *fourth* due on the Class Z Notes on such Interest Payment Date is less than such shortfall, by the Class E Notes;
- (E) *fifth*, to the extent that interest due on the Class E Notes and the Class F Notes and principal due on the Class Z Notes on such Interest Payment Date is less than such shortfall, by the Class D Notes;
- (F) *sixth*, to the extent that interest due on the Class D Notes, the Class E Notes and the Class F Notes and principal due on the Class Z Notes on such Interest Payment Date is less than such shortfall, by the Class C Notes;
- (G) *seventh*, to the extent that interest due on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and principal due on the Class Z Notes on such Interest Payment Date is less than such shortfall, by the Class B Notes; and
- (H) *eighth*, to the extent that interest due on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and principal due on the Class Z Notes on such Interest Payment Date is less than such shortfall, by the Class A Notes,

in each case, *pro rata* and *pari passu* between the Certificates or the Notes of each Class.

- (iii) The Trust Deed and the Deed of Charge contain terms requiring the Note Trustee or the Security Trustee to take into account the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and the Certificateholders equally as regards all trusts, rights, powers, authorities or discretions of the Note Trustee or the Security Trustee (except where expressly provided otherwise), but requiring the Note Trustee or the Security Trustee, to take into account:
 - (A) only the interests of the Class A Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class A Noteholders and the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and/or the Certificateholders;
 - (B) only the interests of the Class B Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class B Noteholders and the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and/or the Certificateholders;
 - (C) only the interests of the Class C Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class C Noteholders and the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and/or the Certificateholders;
 - (D) only the interests of the Class D Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class D Noteholders and the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and/or the Certificateholders;
 - (E) only the interests of the Class E Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and/or the Certificateholders;

- (F) only the interests of the Class F Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class F Noteholders, the Class Z Noteholders and/or the Certificateholders; and
- (G) only the interests of the Class Z Noteholders if, in the opinion of the Note Trustee or the Security Trustee there is a conflict between the interests of the Class Z Noteholders and the Certificateholders.

In addition, if there is a conflict between the interests of (1) the Noteholders, (2) the Certificateholders and/or (3) the other Secured Parties, the Security Trustee will, to the extent permitted by applicable law, take into account only the interests of the Noteholders.

(iv)

- (A) The Class B Noteholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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 the Note Trustee will not be responsible to the Class B Noteholders for disregarding such request, direction or resolution.
- (B) The Class C Noteholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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 or the Class B Noteholders and the Note Trustee will not be responsible to the Class C Noteholders for disregarding such request, direction or resolution.
- (C) The Class D Noteholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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, the Class B Noteholders or the Class C Noteholders and the Note Trustee will not be responsible to the Class D Noteholders for disregarding such request, direction or resolution.
- (D) The Class E Noteholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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, the Class B Noteholders, the Class C Noteholders or the Class D Noteholders and the Note Trustee will not be responsible to the Class E Noteholders for disregarding such request, direction or resolution.
- (E) The Class F Noteholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders or the Class E Noteholders and the Note Trustee will not be responsible to the Class F Noteholders for disregarding such request, direction or resolution.
- (F) The Class Z Noteholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders,

Class E Noteholders or the Class F Noteholders and the Note Trustee will not be responsible to the Class Z Noteholders for disregarding such request, direction or resolution.

- (G) The Certificateholders may not request or direct the Note Trustee or the Issuer to take action or pass an 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, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, Class E Noteholders, the Class F Noteholders or the Class Z Noteholders and the Note Trustee will not be responsible to the Certificateholders for disregarding such request, direction or resolution.

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

The Note Trustee and the Security Trustee have the right to assume, for the purposes of exercising any trusts, rights, powers, authorities, duties or discretions under or related to the Conditions, these Certificates Conditions, the Trust Deed, the Deed of Charge or the other Transaction Documents or for the purposes of paragraphs (v) or (vi) of Condition 2(l) (*Relationship between the Classes of Notes and the Certificates*), that to do so will not be materially prejudicial to the interests of the Noteholders of any Class and/or the Certificateholders (i) if it has obtained the consent of the Noteholders of each affected Class and/or the Certificateholders or (ii) if the Note Trustee is satisfied that the current ratings of the Rated Notes will not be affected or (iii) regarding 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 Certificates remains outstanding, the Issuer will not without the consent of the Note Trustee, unless otherwise provided by these Certificates Conditions or the Transaction Documents:

- (a) carry on business other than performing its functions and duties and discharging its obligations and liabilities set out in the Transaction Documents and in connection with that business will not engage in an 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 Certificates and/or the Notes;
 - (iii) enter into, amend, consent to a variation of, or release a party from an obligation under, the Certificates, the Notes, the Transaction Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for, the Certificates and the Notes;
 - (iv) own and exercise its rights regarding the Security and its interests in the Security and perform its obligations regarding the Security and the Transaction Documents;
 - (v) preserve and/or exercise and/or enforce its rights and perform and observe its obligations under the Certificates, the Notes, the Transaction Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for, the Certificates and the Notes;
 - (vi) use its property or assets in the manner set out in or contemplated by the Transaction Documents; and
 - (vii) perform other acts incidental to or necessary in connection with items (i) to (vi) above;
- (b) have employees or own premises;

- (c) incur indebtedness for borrowed money or give a guarantee or indemnity for any indebtedness except under the Notes, the Certificates or under the Transaction Documents;
- (d) create any Encumbrances over, or use, invest, sell or otherwise dispose of, its assets other than as expressly contemplated by the Transaction Documents;
- (e) commingle its property or assets with the property or assets of another person;
- (f) have a Subsidiary or subsidiary undertaking (each as defined in the Companies Act 2006);
- (g) create an "establishment" (as that expression is used in the EU Insolvency Regulation) in a jurisdiction other than England and Wales;
- (h) pay a dividend or make a distribution to its shareholders in an accounting period which is greater than the amount left to the Issuer after UK corporation tax is charged on the Retained Amount;
- (i) issue shares in the Issuer (other than such shares as are in issue as at the Closing Date);
- (j) permit the validity or effectiveness of or the priority of the Security created by or under the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge and the Issuer Security Power of Attorney to be amended, terminated, postponed or discharged, or permit a person whose obligations form part of the Security to be released from such obligations;
- (k) open a further account for the purposes of depositing any monies it receives in connection with the Transaction Documents, unless such account is secured in favour of the Security Trustee for the benefit of the Secured Parties;
- (l) consolidate or merge with another person or convey or transfer its properties or assets substantially as an entirety to another person;
- (m) acquire obligations or securities of its officers or shareholders;
- (n) amend the articles of association (or other constitutional document) of the Issuer; and
- (o) enter into any derivatives or hedging contracts having the same economic effect.

In giving its consent to the foregoing, the Note Trustee may require the Issuer to amend the Transaction Documents and/or may impose such other conditions as it deems to be in the interests of the Certificateholders under Certificates Condition 10 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*) below.

4. **RC Payments**

(a) **Rights to RC Payments**

Each Certificate represents a *pro rata* entitlement to receive any RC Payments in relation to the number of Certificates then in issue and outstanding.

(b) **Payment of RC Payments**

A RC Payment may be payable in respect of the Certificates on each Interest Payment Date and each other date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments.

(c) **Determination and publication of RC Payments**

- (i) On each Calculation Date, the Issuer (or the Cash Manager on its behalf) shall determine any RC Payments payable on the following Interest Payment Date in respect of each Certificate and shall notify the Note Trustee, the Security Trustee, the Paying Agents, the Registrar, any stock exchange or other relevant competent authority or quotation system on which the Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing, and the

Certificateholders by means of notification in accordance with Certificates Condition 13 (*Notices*).

- (ii) All calculations made by the Cash Manager will (in the absence of manifest or proven error) be conclusive for all purposes and binding on the Note Trustee, the Noteholders, the Certificateholders and the other Transaction Parties.

(d) **Termination of Payments**

Following application of all Available Interest Collections and Available Principal Collections pursuant to the applicable Priority of Payments on an Interest Payment Date, no Certificateholder shall be entitled to receive any further RC Payments.

Following the redemption in full of the Notes (including in accordance with Condition 5(b) (*Redemption for taxation and other reasons*), Condition 5(d) (*Clean-Up Call Option*)) and Condition 5(e) (*Portfolio Repurchase Option*), the realisation of the Charged Property and payment of the proceeds of realisation in accordance with the applicable Priority of Payments, no more RC Payments will be made by the Issuer and the Certificates shall be cancelled.

5. **Payments**

(a) **Method of payment**

Except as provided below, payments on the Certificates will be made by transfer to a Sterling account maintained by the payee with a bank as specified by the payee and as notified by the Principal Paying Agent to the Paying Agents.

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

All payments are subject in all cases to:

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

but without prejudice to Certificates Condition 6 (*Taxation*). No commission or expenses will be charged to the Certificateholders for such payments.

(c) **General terms applicable to payments**

The Holder of the Definitive Certificate will be the only person with the right to receive payments on the Certificates represented by the Definitive Certificate and the Issuer will be discharged by payment to, or to the order of, the Holder of the Definitive Certificate for each amount so paid.

(d) **Appointment of Agents**

The Principal Paying Agent and the Registrar initially appointed by the Issuer and their respective specified offices are listed at the end of these Certificates Conditions. The Principal Paying Agent and the Registrar act solely as agents of the Issuer (unless an 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 an obligation or relationship of agency or trust for or with the Certificateholders. 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 Principal Paying Agent and the Registrar and to appoint additional or other Paying Agents or Registrars, **provided that** the Issuer will at all times maintain (i) a Registrar and (ii) a Paying Agent.

Notice of such change or a change of specified office will promptly be given to the Certificateholders in compliance with Certificates Condition 13 (*Notices*).

(e) **Non-Business Days**

If a date for payment on a Certificate is not a Business Day, the Holder will not have a right to payment until the next following Business Day nor to interest or other sums related to such postponed payment.

(f) **Limited recourse**

- (i) No amounts will be payable by the Issuer except in accordance with the Priorities of Payments (excluding Permitted Exceptions) and any payment obligations of the Issuer under these Certificates Conditions may only be satisfied from the amounts received by it under or in connection with the Transaction Documents.
- (ii) If the Security constituted by the Deed of Charge and the Scottish Supplemental 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 and the Scottish Supplemental 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 compliance with the Deed of Charge and the Scottish Supplemental Charge) and, after payment to each such party of its respective share of such remaining proceeds, the obligations of the Issuer to each such party will be extinguished in full.
- (iii) The provisions of this Certificates Condition 5(g) (*Limited recourse*) will survive the termination of these Certificates Conditions. In the case of discrepancy between this Certificates Condition 5(g) (*Limited recourse*) and any other provision, the provisions of this Certificates Condition 5(g) (*Limited recourse*) will prevail.

6. **Taxation**

Payment of any RC Payments on the Certificates will be made without withholding or deduction for, or on account of, present or future taxes, duties, assessments or governmental charges of any nature by the Issuer or any Paying Agent unless required by law (or under FATCA), in which case the Issuer or that 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 any Paying Agent will be obliged to make any additional payments to Certificateholders for such withholding or deduction.

7. **Prescription**

The Certificates will become void unless claims for payment of any RC Payments are made within ten years of the Relevant Date for such Certificates. After the date when a Certificate becomes void, no claim may be made regarding such Certificate.

8. **Events of Default**

If the following events (each an "**Event of Default**") occur, the Note Trustee will give notice to the Certificateholders in compliance with Certificates Condition 13 (*Notices*) and may, and (subject to the Note Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) if so directed by the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) acting by way of an Extraordinary Resolution will, deliver an Enforcement Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager, the Swap Counterparty and the Principal Paying Agent (with a copy to each Rating Agency) declaring the Notes and/or the Certificates (as applicable) immediately due and payable, without further action or formality, and the Security will become enforceable:

(a) **Non-payment**

subject to Condition 8 (*Taxation*) and Certificates Condition 6 (*Taxation*), (i) a default occurring in relation to the payment of interest on the Controlling Class of Notes on any Interest Payment Date or, following redemption in full of the Notes, any RC Payment due in respect of the Notes (and such default is not remedied within 14 Business Days of its occurrence) or (ii) the Issuer defaulting in the payment of principal on the Controlling Class of Notes when due, and such default continuing for a period of 7 Business Days;

(b) **Breach of other obligations**

the Issuer failing to perform or observe any of its other material obligations under the Certificates, the Notes or the Transaction Documents and such failure continuing for a period of 30 calendar days following written notice from the Note Trustee or any other Secured Party, **provided that** the Note Trustee (acting on the instructions of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders)) has certified in writing to the Issuer that such event is, in the opinion of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders), materially prejudicial to the interests of the Holders of the Controlling Class of Notes (or, if the Notes have been redeemed in full, the Certificateholders);

(c) **Security**

the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge, the Issuer Security Power of Attorney or any Security created thereunder ceasing, for any reason, to be in full force and effect or being declared null and void, the validity or enforceability thereof being contested by the Issuer, or the Issuer denying that it has any or further liability or obligation thereunder or in respect thereto; or

(d) **Insolvency Event**

an Insolvency Event occurring in respect of the Issuer.

Following an Enforcement Notice being given by the Note Trustee under this Certificates Condition 8 (*Events of Default*), notice to that effect will be given by the Note Trustee to all Certificateholders in compliance with Certificates Condition 13 (*Notices*).

9. ***Enforcement and non-petition***

Only the Note Trustee and the Security Trustee may pursue the remedies available under the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge or the Issuer Security Power of Attorney, as applicable, to enforce the rights of the Secured Parties. No other Secured Party has the right to proceed against the Issuer. Neither the Security 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 of such Security distributed in compliance with Certificates 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 have the right, until the expiry of two years and one day after the payment of all amounts outstanding under the Certificates, 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 under this Certificates Condition 9 (*Enforcement and non-petition*), the Security Trustee will, except as otherwise directed by the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) acting 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 trusts, rights, powers, authorities or discretions conferred on them by or under the Trust Deed, the Deed of Charge or any Transaction Document to which they are a party or conferred on them by operation of law.

The provisions of this Certificates Condition 9 (*Enforcement and non-petition*) will survive the termination of these Certificates Conditions. In the case of discrepancy between this Certificates Condition 9 (*Enforcement and non-petition*) and any other provision, the provisions of this Certificates Condition 9 (*Enforcement and non-petition*) will control.

10. ***Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange***

(a) **Meetings of Noteholders and Certificateholders**

- (i) The Trust Deed contains terms for convening separate meetings of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders and the Certificateholders to consider matters affecting their interests, including the sanctioning by a resolution passed at a meeting convened and held in compliance with the Trust Deed by at least 75% of votes cast of a modification of the Trust Deed, the Deed of Charge, the Conditions or these Certificates Conditions.
- (ii) A meeting of Noteholders or Certificateholders may be convened by the Issuer or by the Note Trustee and shall be convened by the Note Trustee, subject to its being indemnified and/or prefunded and/or secured to its satisfaction, upon the request in writing of Noteholders holding not less than one-tenth of the aggregate Principal Amount Outstanding of Notes or Certificateholders holding not less than one-tenth of the Certificates, in each case then outstanding.
- (iii) Subject as provided below, the quorum for meetings of Holders of the Notes for passing an Ordinary Resolution will be one or more persons holding or representing 20% of the Principal Amount Outstanding of the relevant Class of Notes for the time being outstanding or 20% of the total number of Certificates then in issue and outstanding or, at an adjourned meeting, one or more persons holding or representing Noteholders of the relevant Class or Certificateholders, whatever the principal amount of the Notes of the relevant Class or Certificates held or represented.
- (iv) The quorum for meetings of Holders of the Notes for passing an Extraordinary Resolution (other than in respect of a Basic Terms Modification) will be one or more persons holding or representing 50% of the Principal Amount Outstanding of the relevant Class of Notes for the time being outstanding or 50% of the total number of Certificates then in issue and outstanding or, at an adjourned meeting, one or more persons holding or representing Noteholders of the relevant Class or Certificateholders, whatever the principal amount of the Notes of the relevant Class or Certificates held or represented.
- (v) An Extraordinary Resolution passed at a meeting of Class of Noteholders or Certificateholders will be binding on all Noteholders of that Class or the Certificateholders (as applicable) whether or not they were present at such meeting. An Extraordinary Resolution which in the sole opinion of the Note Trustee affects more than one Class of Noteholders or the Certificateholders and gives or may give rise to a conflict of interest between the Holders of such Classes of Notes and/or the Certificateholders will be deemed to have been passed only if it will be passed by at least 75% of the Holders of a meeting of the most senior affected Class of Notes notwithstanding a resolution of the Holders of the other affected Classes of Notes, **provided that** no resolution of Holders of the Controlling Class which would have the effect of changing a due date for payment of principal and/or interest (if any) on Notes of such Controlling Class, increasing the amount required to redeem the Notes of such Controlling Class, or the amount of interest (if any) payable on the Notes of such Controlling Class or changing the method of calculation therefore, releasing or substituting the Security or part of the Security or altering this proviso will be effective unless sanctioned by an Extraordinary Resolution of the Noteholders or the Certificateholders.

- (vi) The quorum at any meeting of Noteholders or Certificateholders for passing an Extraordinary Resolution to:
 - (A) sanction a modification of the date of maturity of the Notes;
 - (B) sanction a modification of the date of payment of principal or interest (if any) in respect of the Notes, or where applicable, of the method of calculating the date of payment of principal or interest (if any) in respect of the Notes or any RC Payments in respect of the Certificates;
 - (C) sanction a modification of the amount of principal or the Rate of Interest payable in respect of the relevant Notes, or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes or any RC Payments in respect of the Certificates (including, in relation to any Class of Notes or the Certificates, if any such modification is proposed for any Class of Notes ranking senior to such Class or the Certificates in the Priorities of Payments);
 - (D) alter the currency in which payments under the Notes or the Certificates are to be made;
 - (E) alter the quorum or majority required in relation to this exception;
 - (F) sanction any scheme or proposal for the sale, conversion or cancellation of the Notes or the Certificates;
 - (G) alter any of the provisions contained in this exception; or
 - (H) make any change to the definition of Basic Terms Modification,

(each, a "**Basic Terms Modification**") will be one or more persons holding or representing 75% of the Principal Amount Outstanding of the relevant Class of Notes for the time being outstanding or 75% of the total number of Certificates then in issue and outstanding or, at an adjourned such meeting, at least one-quarter of the Principal Amount Outstanding of the relevant Class of Notes for the time being outstanding or one-quarter of the total number of Certificates then in issue and outstanding.

(b) **Amendments and waiver**

- (i) Subject to those matters constituting a Basic Terms Modification, the Note Trustee may without consulting or obtaining the consent of the Noteholders, Certificateholders or any other Secured Party at any time and from time to time concur with the Issuer in making any modification:
 - (A) to these Certificates Conditions, the Conditions or any Transaction Document (excluding in relation to a Basic Terms Modification) which in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Noteholders and the Certificateholders (subject to Certificates Condition 2(j)(iv)); or
 - (B) to these Certificates Conditions, the Conditions or any Transaction Document (including in relation to a Basic Terms Modification) if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature, to correct a manifest error.
- (ii) Notwithstanding the provisions of Certificates Conditions 10(b)(i), the Note Trustee shall be obliged, and shall direct the Security Trustee, without any consent or sanction of the Noteholders, the Certificateholders or the other Secured Parties, but subject to the receipt of written consent from each of the Transaction Parties that are a party to any Transaction Document being modified, to concur with the Issuer in making any modification (other than in respect of a Basic Terms

Modification) to these Certificates Conditions, the Conditions or any other Transaction Document that the Issuer considers necessary:

- (A) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, **provided that**:
 - (1) the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
 - (2) in the case of any modification to the Conditions, the Certificates Conditions or any Transaction Document proposed by the Account Bank in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, advancing funds):
 - (aa) the Account Bank certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (2)(x) and/or (y) above;
 - (bb) either:
 - (i) the Account Bank obtains from each of the Rating Agencies a Rating Agency Confirmation and, if relevant, delivers a copy of each such confirmation to the Issuer, the Note Trustee and the Security Trustee; or
 - (ii) the Issuer certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent);
 - (cc) the Account Bank pays (from the Distribution Account) all costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee and the Security Trustee in connection with such modification; and
- (B) in order to enable the Issuer and/or the Swap Counterparty to comply with any obligation which applies to it under the UK EMIR and/or the EU EMIR, **provided that** the Issuer or the Swap Counterparty, as appropriate, certifies to the Note Trustee and the Swap Counterparty and the Swap Counterparty or the Issuer, as applicable, in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;
- (C) for the purpose of complying with any changes in the Retention Requirements after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the Retention Requirements or any other risk retention 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;

- (D) for the purpose of enabling the Notes and/or the Certificates to be (or to remain) listed on the London 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;
- (E) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a tax authority in relation thereto), **provided that** the Issuer or the relevant Transaction Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (F) for the purpose of enabling the Issuer to open any cash account for the receipt of any collateral posted by the Swap Counterparty under the Swap Agreement in the form of cash, **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;
- (G) in order to allow the Issuer to open Additional Accounts with an additional account bank or to move the Issuer Accounts to be held with an alternative account bank with the required ratings, **provided that** the Issuer has certified to the Note Trustee and the Security Trustee that (i) such action would not have an adverse effect on the then current ratings of the Controlling Class of Rated Notes, and (ii) if a new account bank agreement is entered into, such agreement will be entered into on substantially the same terms as the Account Bank Agreement **provided further that** if the Issuer determines that it is not practicable to agree terms substantially similar to those set out in the Account Bank Agreement with such replacement financial institution or institutions and the Issuer certifies in writing to the Note Trustee and the Security Trustee that the terms upon which it is proposed the replacement bank or financial institution will be appointed are reasonable commercial terms taking into account the then prevailing current market conditions, whereupon a replacement agreement will be entered into on such reasonable commercial terms and the Note Trustee and the Security Trustee shall be entitled to rely absolutely on such certification without any liability to any person for so doing (notwithstanding that the fee payable to the replacement account bank may be higher or other terms may differ materially from those on which the previously appointed bank or financial institution agreed to act);
- (H) if the Notes are intended to be held in a manner which will allow for Eurosystem eligibility, to satisfy any eligibility 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 drafted solely to such effect;
- (I) for the purpose of complying with any changes in the requirements (including, but not limited to, transparency and/or investor due diligence) of and/or enabling the Issuer or the Seller to comply with an obligation in respect of the direct application of the requirements of the UK Securitisation Regulation and/or the indirect application of the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official

guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date (including the appointment of a third party to assist with the Issuer's reporting obligations in relation thereto), **provided that** the Issuer (or the Servicer on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; and

- (J) for the purpose of complying with any changes in the requirements of the UK CRA Regulation or the EU CRA Regulation (in each case, if and to the extent applicable) after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or the EU CRA Regulation and Commission Delegated Regulation 2015/3 or Commission Delegated Regulation 2015/3 as it forms part of domestic law of the UK by virtue of the EUWA (including, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators), as amended from time to time (the "**CRA3 Requirements**"), including any requirements imposed by any other obligation which applies under the CRA3 Requirements and/or any new 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,

(the certificate to be provided pursuant to Certificates Conditions 10(b)(ii)(A) to (J) (inclusive) above being "**Modification Certificate**"), **provided that:**

- (1) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee and the Security Trustee;
- (2) the Modification Certificate in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee are notified of the proposed modification and on the date that such modification takes effect; and
- (3) the consent of each Secured Party which is party to the relevant Transaction Document has been obtained;

and **provided further that**, other than in the case of a modification pursuant to Certificates Condition 10(b)(ii)(B) and (D):

- (4) other than in the case of modification pursuant to Certificates Condition 10(b)(ii)(A)(2) above, either:
 - (aa) 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
 - (bb) the Issuer certifies in the Modification Certificate that it has given the Rating Agencies at least 10 Business Days' prior written notice of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, qualification or, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any such Rated Notes on rating watch negative (or equivalent);

- (5) the Issuer has (i) provided at least 30 calendar days' notice to the Noteholders of each Class and the Certificateholders of the proposed modification in accordance with Condition 15 (*Notices*) and Certificates Conditions 13 (*Notices*) and by publication on the website of Bloomberg on the "Company Filings" screen relating to the Notes, and (ii) certified to the Note Trustee and the Security Trustee that Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Controlling Class then outstanding (or, if the Notes have been redeemed in full, Certificateholders holding at least 10% in number of the Certificates then in issue and outstanding) have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Controlling Class then outstanding (or, if the Notes have been redeemed in full, Certificateholders holding at least 10% in number of the Certificates then in issue and outstanding) have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) is passed in favour of such modification in accordance with this Certificates Condition 10 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*).

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.

- (iii) Other than where specifically provided in this Certificates Condition 10(b)(iii) or any Transaction Document:
- (A) when implementing any modification pursuant to this Certificates Condition 10(b)(iii) (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), the Note Trustee shall not consider the interests of the Noteholders, the Certificateholders, any other Secured Party or any other person and shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Certificates Condition 10(b)(iii) and shall not be liable to the Noteholders, the Certificateholders, 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; and
- (B) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in its sole opinion would have the effect of (i) exposing it to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing its rights or protection in the Transaction Documents, the Conditions and/or these Certificates Conditions.

- (iv) Any such modification shall be binding on all Noteholders and Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:
 - (A) so long as any of the Rated Notes remain outstanding, each Rating Agency;
 - (B) the Secured Parties;
 - (C) the Noteholders in accordance with Condition 15 (*Notices*); and
 - (D) the Certificateholders in accordance with Certificates Condition 13 (*Notices*).

The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Parties and without prejudice to its rights in respect of any subsequent breach or Event of Default, at any time and from time to time but only if and in so far as in its opinion the interests of the Controlling Class (or, if the Notes have been redeemed in full, the Certificateholders) shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in these Certificates Condition, the Conditions or any other Transaction Document or determine that any Event of Default shall not be treated as such for the purposes of these Certificates Condition.

The Issuer shall not request or agree to any amendment without the prior written consent of the Swap Counterparty if the proposed amendment would affect the amount, timing or priority of any payments or deliveries due to be made by it or to the Swap Counterparty. In circumstances where the consent of the Swap Counterparty is not required pursuant to the above, the Issuer shall certify as such in writing to the Note Trustee and the Swap Counterparty, prior to the making of such amendment and the Note Trustee shall be entitled to rely absolutely on such certification without any liability to any person for so doing.

(c) **Additional right of modification**

- (i) In addition to the provisions of Certificates Condition 10(b) (*Amendments and waiver*) but subject to Certificates Condition 10(d) (*Substitution and exchange*), the Note Trustee shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or any of the other Secured Parties, to concur with the Issuer in making any modification (other than a Basic Terms Modification, but subject to Certificates Condition 10(d) (*Substitution and exchange*) below) to any Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary for the purpose of changing Compounded Daily SONIA or the relevant base rate that then applies in respect of the Rated Notes and/or any consequential amendments to any related Swap Agreement to an alternative base rate (any such rate, whether new or amended, which may include an alternative computation of SONIA, an "**Alternative Base Rate**") (which, for the avoidance of doubt, may include any adjustment spread as the Issuer reasonably determines having regard to market practice at the relevant time) and make such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Base Rate Modification**"), in each case in accordance with Condition 10(c)(i).
- (ii) The Note Trustee is only obliged to concur with the Issuer in making any modification (other than a Basic Terms Modification, but subject to Certificates Condition 10(d) (*Substitution and exchange*) below) to any Transaction Document pursuant to this Certificates Condition 10(c) (*Additional Right of Modification*) if:

- (A) the Base Rate Modification Certificate in relation to such modification shall be provided to the Note Trustee both at the time the Note Trustee is notified of the proposed modification and on the date that such modification takes effect;
- (B) the consent of each Secured Party (other than the Note Trustee) which is party to the Transaction Documents proposed to be modified has been obtained (evidence of which shall be provided to the Note Trustee at the same time as the provision of the Base Rate Modification Certificate); and
- (C) the person who proposes such modification pays all fees, costs and expenses (including legal fees) incurred by the Issuer and the Note Trustee and each other applicable party including, without limitation, any of the Secured Parties in connection with such modifications,

and provided further that:

- (1) either: (I) the Issuer obtains from each of the Rating Agencies written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent) (such written confirmation to be provided with the Base Rate Modification Certificate); or (II) the Issuer certifies in the Base Rate Modification Certificate that it has notified in writing each of the Rating Agencies of the proposed modification and in its opinion, formed on the basis of due consideration, such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by any Rating Agency or (y) any Rating Agency placing any Rated Notes on rating watch negative (or equivalent); and
- (2) the Issuer certifies in writing to the Note Trustee (which certification maybe in the Base Rate Modification Certificate) that in relation to such modification that (I) the Issuer has provided at least 30 calendar days' notice to the Noteholders and the Certificateholders of the proposed modification in accordance with Condition 15 (*Notices*) and Certificates Condition 13 (*Notices*) (and shall have provided a draft of such notice to the Note Trustee at least 5 Business Days before delivery to the Noteholders and the Certificateholders) and by publication on the website of Bloomberg on the "Company News" screen relating to the Notes in each case specifying the date and time by which Noteholders and the Certificateholders must respond (which must be no less than 30 calendar days after the date on which the notice above is published in accordance with Condition 15 (*Notices*) and Certificates Condition 13 (*Notices*)), the relevant circumstance giving rise to the Base Rate Modification under Certificates Condition 10(c)(i)(A), the Alternative Base Rate being proposed under Certificates Condition 10(c)(i)(B) and details of any consequential or related amendments, and (II) Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Controlling Class then outstanding have not contacted the Issuer via the Principal Paying Agent in accordance with the notice and the then current practice of any applicable Clearing System through which such Notes may be held by the time specified in such notice that such Noteholders do not consent to the modification.

(iii) If, in connection with Certificates Condition 10(c)(ii)(1)(I), a written request for written confirmation from each of the Rating Agencies is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee) and:

- (A) (1) one Rating Agency (such Rating Agency, a "**Non-Responsive Rating Agency**") indicates that it does not consider such written confirmation necessary in the circumstances or that it does not, as a matter of practice or policy provide such written confirmation, or (2) within 30 days of delivery of such written request to a Rating Agency, no written confirmation is received from such Rating Agency and/or such written request elicits no statement by such Rating Agency that such written confirmation could not be given; and
- (B) one Rating Agency gives such written confirmation based on the same facts,

then Certificates Condition 10(c)(ii)(1)(I) shall be deemed modified so that there shall be no requirement for the written confirmation from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee a certificate signed by two directors certifying and confirming that each of the events in paragraphs (a)(I) or (II) and (b) above has occurred, the Issuer having sent a written request to each Rating Agency, and the Note Trustee shall be entitled to rely upon such certificate without further enquiry or liability to any person for so doing.

- (iv) The Note Trustee shall be entitled to rely without further enquiry or liability to any person on any certificate delivered to it in connection with a Non-Responsive Rating Agency pursuant to this Certificates Condition 10 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*). The Note Trustee shall not be required to investigate any action taken by the Issuer or such Non-Responsive Rating Agency and shall treat Certificates Condition 10(c)(ii)(1)(I) as having been modified with the consent of all Noteholders and Certificateholders so that there shall be no requirement for such written confirmation from such Non-Responsive Rating Agency.
- (v) If Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Controlling Class then outstanding have notified the Issuer via the Principal Paying Agent in accordance with the notice and the then current practice of any applicable Clearing System through which such Notes may be held by the time specified in such notice that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Controlling Class then outstanding is passed in favour of such modification in accordance with Condition 12 (*Meetings of Noteholders and Certificateholders; amendments, waiver, substitution and exchange*).
- (vi) When implementing any modification pursuant to this Certificates Condition 10(c) (*Additional Right of Modification*), the Note Trustee shall not consider the interests of the Noteholders, the Certificateholders, any other Secured Party or any other person and shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Certificates Condition 10(c) (*Additional Right of Modification*) and shall not be liable to the Noteholders, the Certificateholders, 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.
- (vii) The Note Trustee shall not be obliged to agree to any modification pursuant to this Certificates Condition 10(c) (*Additional Right of Modification*) which, in the sole opinion of the Note Trustee would have the effect of (i) exposing the Note Trustee to any liability against which is has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or

decreasing the rights or protection, of the Note Trustee in the Trust Deed or the Transaction Documents.

(viii) Any modification implemented pursuant to this Certificates Condition 10(c) (*Additional Right of Modification*) shall be binding on all Noteholders and Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:

- (A) so long as any of the Rated Notes remain outstanding, each Rating Agency;
- (B) the Secured Parties;
- (C) the Noteholders in accordance with Condition 15 (*Notices*); and
- (D) the Certificateholders in accordance with Certificates Condition 13 (*Notices*).

(d) **Substitution and exchange**

(i) Subject to the more detailed terms of the Trust Deed and subject to such amendment of the Trust Deed, the Deed of Charge and the other Transaction Documents and such other conditions as the Note Trustee may require, including as to satisfaction that the interests of the Noteholders and the Certificateholders 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, the Certificateholders or the Secured Parties, the Note Trustee may agree to (A) the substitution of any other company or other entity in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Certificates and replacement for it under the Deed of Charge and the other Transaction Documents, **provided that** the Rating Agencies confirm that such substitution will not adversely affect the then current rating of each Class of Rated Notes, or (B) the exchange of the Notes and/or the Certificates, in whole but not in part only, for other securities or instruments having substantially the same rights and benefits as the Notes and/or the Certificates, **provided that** the then current rating of each Class of Rated Notes is assigned to such new securities or instruments. Such substitution or exchange will be subject to the relevant terms of the Trust Deed, the Notes, the Certificates and the other Transaction Documents and to such amendments of the Trust Deed, the Notes, the Certificates and the other Transaction Documents as the Note Trustee may deem appropriate. Under the Trust Deed, the Issuer is required to use its best efforts to cause the substitution as principal debtor under the Trust Deed, the Notes and the Certificates and replacement for it under the Deed of Charge and other Transaction Documents by a company or other entity incorporated in some other jurisdiction (approved by the Note Trustee) if the Issuer becomes subject to a form of Tax on its income or payments on the Notes and/or the Certificates. Such substitution will be binding on the Noteholders and the Certificateholders.

(ii) The Note Trustee may, without the consent of the Noteholders, the Certificateholders or 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 and the Certificateholders 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 withholding or deduction to be made on payments on the Notes and the Certificates.

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

In connection with the exercise of its powers, trusts, authorities or discretions (including, without limitation those related to a proposed amendment, waiver, authorisation or substitution) the Note Trustee will take into account the interests of the Noteholders as a Class and the Certificateholders and, without prejudice to the generality of the foregoing, will not take into account the consequences of such exercise for individual Noteholders and individual Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, a particular territory and the Note Trustee will not have the right to require, nor will the Noteholders or the Certificateholders have the right to claim, from the Issuer or any other person indemnification or payment for a Tax consequence of an exercise for individual Noteholders or individual Certificateholders.

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

The Trust Deed, the Deed of Charge and certain other of the Transaction Documents contain terms for the indemnification of the Note Trustee and the Security Trustee and for their relief from responsibility including for the exercise of rights under the Trust Deed and the other Transaction Documents (including, but without limitation, those related to the Security), for the sufficiency and enforceability of the Trust Deed and the other Transaction Documents (which neither the Note Trustee or the Security Trustee has investigated) and the validity, sufficiency and enforceability of the Deed of Charge and for taking proceedings to enforce payment unless, indemnified and/or secured and/or prefunded to its satisfaction. Subject to applicable laws, the Note Trustee and the Security Trustee, their Affiliates and their respective officers, directors and employees may acquire, hold or dispose of any Note, Certificate or other obligation of the Issuer and may engage or be interested in any financial or other transaction with the Issuer, and to act as Note Trustee or Security Trustee for any committee or body of Holders of Notes or Certificates without accounting to the Noteholders for profit resulting therefrom.

The Note Trustee and the Security Trustee are exempted from liability related to loss or theft or reduction in value of the Security and from an 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 not be obliged to take action on behalf of the Noteholders, the Certificateholders and the Secured Parties unless the Note Trustee and/or the Security Trustee is indemnified and/or secured and/or prefunded to its satisfaction. Further, neither the Note Trustee nor the Security Trustee will be obliged to act on behalf of the Noteholders, the Certificateholders and the Secured or other Secured Parties where it would not have the power to do so by virtue of applicable law or where such action would or might in its opinion be illegal in an applicable jurisdiction.

12. ***Replacement of Certificates***

If a Note is lost, stolen, mutilated, defaced or destroyed it will be replaced on payment by the claimant of the expenses, taxes and duties as may be incurred in connection with such replacement, furnished the Principal Paying Agent with evidence, security and indemnity as the Issuer may require. Mutilated or defaced Notes must be surrendered to the Principal Paying Agent before replacements will be issued.

13. ***Notices***

Subject to the subparagraphs below providing for other means of notices, and only if these other means are not practicable, notices to Certificateholders will be valid if published in a leading English language daily newspaper of general circulation in London (which is expected to be the Financial Times). Such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of first publication, in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Note Trustee will approve.

For so long as the Certificates are listed on a stock exchange or are admitted to listing by any other relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in a leading English language daily newspaper of general circulation in the place or places required by that stock exchange or other relevant authority.

Notice to the Certificateholders will be validly given if transmitted individually to the address set out in the Register for such Certificateholder.

14. ***Governing law and jurisdiction***

- (a) The Certificates and all non-contractual obligations arising out of or in connection with the Certificates are governed by, and will be construed in accordance with, the laws of England and Wales.
- (b) The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Certificates (including a dispute relating to the existence, validity or termination of the Certificates or any non-contractual obligation arising out of or in connection with the Certificates) and any legal action or proceedings arising out of or in connection with such disputes may be brought in such courts. The Issuer irrevocably submits to the exclusive jurisdiction of such courts and waives any objections to proceedings in such courts on the ground of venue or on the ground that they have been brought in an inconvenient forum. This submission is for the benefit of the Note Trustee and the Security Trustee and will not limit the rights of the Note Trustee and 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).

15. ***Rights of third parties***

No person will have any right to enforce any term or condition of the Certificates 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.

TAXATION

United Kingdom Taxation

General

The following summary is a general discussion based on current UK law and practice. It relates only to withholding tax. It is not a complete analysis of all tax considerations relating to the Notes and the Certificates and should be treated with appropriate caution. This discussion does not address any other UK tax considerations which may be relevant to a Holder or prospective Holder of the Notes and/or the Certificates (for example income tax, capital gains tax or corporation tax). This overview is based on the laws of England and Wales currently in force and as applied on the date of this Prospectus, which are subject to change, possibly also with retroactive or retrospective effect.

The comments relate only to the position of persons who are absolute beneficial owners of the Notes and/or the Certificates. 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 and Certificateholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders and Certificateholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes and/or the Certificates 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 and the Certificates. In particular, Noteholders and Certificateholders 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 and the Certificates even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

You should also read "*Risk Factors*" in conjunction with this section.

Withholding tax on interest paid under the Rated Notes

Interest on the Rated Notes will be payable without withholding or deduction for or on account of United Kingdom income tax **provided that** the Rated Notes are and remain listed on a "recognised stock exchange" within the meaning of Section 1005 of the Income Tax Act 2007 ("**ITA 2007**") for the purposes of section 987 of ITA 2007. The London Stock Exchange is currently "a recognised stock exchange". **Provided that** the Rated Notes are and remain admitted to trading on the London Stock Exchange, and the London Stock Exchange continues to be a "recognised stock exchange" for the purposes of Section 1005 of the ITA 2007, the interest on the Rated Notes will be payable without withholding or deduction for or on account of United Kingdom income tax.

If the Rated Notes cease to be listed on a "recognised stock exchange", an amount may need to be withheld for or on account of United Kingdom income tax at the basic rate, currently 20%, from interest paid on them, subject to (a) a direction to the contrary from HM Revenue and Customs related to such relief as may be available under the terms of an applicable double taxation treaty, or (b) certain other exceptions.

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

The references to "*interest*" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Conditions, the Certificates Conditions or any related documentation.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Condition 12(d) (*Substitution and exchange*) and/or Certificates Condition 10(d) (*Substitution and exchange*) and does not consider the tax consequences of any such substitution.

FATCA

Pursuant to certain provisions of the US Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes and the Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes and the Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes and the Certificates, 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 Notes and Certificates 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 US Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes and/or the Certificates. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes and the Certificates, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Purchase of the Notes and the Certificates

J.P. Morgan Securities plc as the Lead Manager will subscribe for 95% of the initial principal amount of the Class A Notes, at an issue price of 100% of their initial principal amount, 95% of the initial principal amount of the Class B Notes, at an issue price of 100% of their initial principal amount, 95% of the initial principal amount of the Class C Notes, at an issue price of 100% of their initial principal amount, 95% of the initial principal amount of the Class D Notes, at an issue price of 100% of their initial principal amount, 95% of the initial principal amount of the Class E Notes, at an issue price of 100% of their initial principal amount, and 95% of the initial principal amount of the Class F Notes, at an issue price of 100% of their initial principal amount (the "**LM Notes**") under the Subscription Agreement.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Lead Manager in certain circumstances before payment for the Notes and the Certificates to the Issuer.

Startline will subscribe for 100% of the number of Certificates under the Subscription Agreement.

The Retention Holder will subscribe for 5% of the initial principal amount of the Class A Notes, at an issue price of 100% of their initial principal amount, 5% of the initial principal amount of the Class B Notes, at an issue price of 100% of their initial principal amount, 5% of the initial principal amount of the Class C Notes, at an issue price of 100% of their initial principal amount, 5% of the initial principal amount of the Class D Notes, at an issue price of 100% of their initial principal amount, 5% of the initial principal amount of the Class E Notes, at an issue price of 100% of their initial principal amount, 5% of the initial principal amount of the Class F Notes, at an issue price of 100% of their initial principal amount, and 100% of the initial principal amount of the Class Z Notes, at an issue price of 100% of their initial principal amount under the Subscription Agreement.

The Retention Holder will retain, on an ongoing basis, a material net economic interest of no less than a material net economic interest of at least 5 per cent. of the nominal value of each of the tranches sold or transferred to investors, in accordance with Article 6(3)(a) of the UK Securitisation Regulation and Article 6(3)(a) of the EU Securitisation Regulation.

No action has been taken in any jurisdiction that would permit a public offering of the Notes and/or the Certificates, or possession or distribution of this Prospectus or other offering materials, in any country or jurisdiction where action for the purpose is required. The Lead Manager, the Issuer, the Seller and the Retention Holder will undertake under the Subscription Agreement to, to the best of their knowledge, comply with all relevant securities laws and directives in each jurisdiction in which they purchase Notes and/or Certificates or have in their possession this Prospectus or other offering materials.

US Risk Retention Rules

The Transaction described in this Prospectus is not intended to involve the retention by a sponsor of at least 5% of the credit risk of the securitised assets for purposes of compliance with the US Risk Retention Rules, but rather intends to rely on an exemption under Section 20 of the US Risk Retention Rules regarding non-US transactions.

Except with the prior written consent of the Seller and where such sale falls within the exemption provided by Section 20 of the US Risk Retention Rules, the Notes offered and sold by the Issuer and the Certificates may not be purchased by, or for the account or benefit of, any "US person" as defined in the US Risk Retention Rules. Under the US Risk Retention Rules, and subject to limited exceptions, "**US 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;¹

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

- Any estate of which any executor or administrator is a US person (as defined under any other clause of this definition);
- Any trust of which any trustee is a US 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 US 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:
 - Organized or incorporated under the laws of any foreign jurisdiction; and
 - Formed by a "US 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

The material difference between the definitions of "US person" under Regulation S and under the US Risk Retention Rules is that (a) a "US 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 "US 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 (b) any organization or entity described in (a) is treated as a "US person" under the US 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 and/or Certificates, including beneficial interests in such Notes and/or Certificates will be deemed, and in certain circumstances will be required, to have made certain representations and agreements, including that it (a) is not a Risk Retention US Person (unless it has obtained a prior written consent of the Seller); (b) is acquiring such Notes and/or Certificates or a beneficial interest in such Notes and/or Certificates for its own account and not with a view to distribute such Notes and/or Certificates; and (c) is not acquiring such Notes and/or Certificates or a beneficial interest in such Notes and/or Certificates as part of a scheme to evade the requirements of the US Risk Retention Rules. Each prospective investor will be required to make these representations as a condition to placing any order to purchase the Notes and/or Certificates. Lead Manager, the Issuer, the Seller and the Retention Holder will rely on these representations, without further investigation.

Selling Restrictions

The Lead Manager represents and agrees to the Issuer and the Seller in the Subscription Agreement the following with respect to the LM Notes:

General

Subject to being entitled to rely on the representations from each prospective investor relating to its status as a Risk Retention US Person without further investigation, and in reliance on the Seller regarding the sale of any LM Notes to, or for the account or benefit of, Risk Retention US Persons (as consented to by the Seller) under the "foreign offering" exemption from the US Risk Retention Rules, the Lead Manager will not, directly or indirectly, offer, sell or deliver any of the LM Notes or distribute the Prospectus, the preliminary Prospectus or any other offering material relating to the LM Notes, in or from any jurisdiction

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

except under circumstances that will result, to the best of its knowledge and belief, in compliance with the applicable laws and regulations of such jurisdiction.

United States

The LM Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US Persons, except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws and under circumstances designed to preclude the Issuer from having to register under the Investment Company Act.

The Lead Manager has not offered, sold or delivered the LM Notes, and will not offer, sell or deliver the LM Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering of the LM Notes and the Closing Date (the "**distribution compliance period**") within the United States or to, or for the account or benefit of any US Person (as defined in Regulation S), except in compliance with Rule 903 of Regulation S. Neither the Lead Manager, its respective affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act, or "affiliates"), or any persons acting on its or their behalf have engaged or will engage in any (i) directed selling efforts (within the meaning of Regulation S) with respect to the LM Notes, and the Lead Manager, its respective affiliates and any such persons have complied and will comply with the offering restrictions requirement of Regulation S, and (ii) general solicitation or general advertising within the meaning of Rule 501(a) under the Securities Act with respect to the LM Notes. In addition, until the expiration of the Distribution Compliance Period, any offer or sale of LM Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made other than in accordance with Regulation S or pursuant to another available exemption from registration under the Securities Act.

At or prior to confirmation of sales of the LM Notes, the Lead Manager agrees that it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases LM Notes from it during the distribution compliance period (as defined in Regulation S) a confirmation or notice to substantially the following effect:

"The LM Notes offered under this Prospectus have not been and will not be registered under the Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, US persons by any person referred to in Rule 903(b)(2)(iii) of Regulation S under the Securities Act (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the LM Notes and the date of closing of the relevant offering except in either case in compliance with Regulation S under the Securities Act."

Terms used in paragraphs above have the meaning given to them by Regulation S under the Securities Act.

US Risk Retention Rules

The Lead Manager shall only, directly or indirectly, sell and deliver the LM Notes to a prospective investor in the LM Notes who has provided representations to the Lead Manager and the Seller relating to its status as a Risk Retention US Person and has been approved by the Seller as a person to whom a sale is to be made. Each prospective investor will be required to provide representations to the Lead Manager and the Seller relating to its status as a Risk Retention US Person from the time of the announcement of the securitisation transaction involving the issuance of the LM Notes and if such representations have not been previously made, as a condition to placing any offer to purchase the LM Notes. The Lead Manager, the Issuer, the Seller and the Retention Holder will rely on the representations each prospective investor will be required to make as outlined in the immediately preceding sentence without further investigation.

Notwithstanding the foregoing, the parties acknowledge and agree that the Issuer can, with the consent of, and in reliance on, the Seller, sell a limited portion of the LM Notes to, or for the account or benefit of, Risk Retention US Persons under the "foreign offering" exemption from the US Risk Retention Rules.

See the section entitled "*Transfer Restrictions and Investor Representations*" below.

United Kingdom

The Lead Manager represents, warrants and agrees that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any LM Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any LM Notes in, from or otherwise involving the United Kingdom.

Public Offers Generally

Other than the approval of the Prospectus by the FCA, the filing of the Prospectus with the FCA and making the Prospectus available to the public in accordance with the UK 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 LM 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.

Prohibition of Sales to EEA Retail Investors

The Lead Manager represents, warrants and agrees that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, any LM Notes to any retail investor in the European Economic Area (the "EEA"). For the purposes of this provision, the expression "**EEA retail investor**" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of EU MiFID II;
- (b) a customer within the meaning of Directive (EU) 2016/97 as amended from time to time, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or
- (c) not a qualified investor as defined in the EU Prospectus Regulation.

Prohibition of Sales to UK Retail Investors

The Lead Manager represents, warrants and agrees that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, any LM Notes to any retail investor in the United Kingdom (the "UK"). For the purposes of this provision, the expression "**UK retail investor**" means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of domestic law of the UK by virtue of the EUWA;
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 as amended from time to time, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA; or
- (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

Offers and Sales by the Purchasers

The Notes and the Certificates (including interests therein represented by a Global Note, Definitive Note or Definitive Certificate or a beneficial interest in the Global Notes recorded by Euroclear or Clearstream, Luxembourg (a "**Book-Entry Interest**")) may only be offered, sold, resold, delivered or transferred: (i) outside the United States to a non US person (as defined in Regulation S) in an offshore transaction in reliance on Rule 903 or 904 of Regulation S; or (ii) following the expiration of the Distribution Compliance Period, pursuant to an applicable exemption from the registration requirements of the Securities Act and in accordance with any applicable securities law of any state of the United States.

Investor Representations and Restrictions on Resale

By its purchase of the Notes and/or the Certificates, each purchaser of the Notes and/or the Certificates (each initial purchaser, together with each subsequent transferee are referred to herein as the "**Purchaser**", which term for the purposes of this section will be deemed to include any interests in the Notes and/or the Certificates, including Book-Entry Interests) will be deemed to have represented and agreed to the following (undefined terms used in this section that are defined in Regulation S are used herein as defined therein):

- (a) the purchaser is located outside the United States and is not a US person (as defined under Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate and is acquiring such Notes and/or Certificates for its own account or as a fiduciary or agent for other non-US persons in an offshore transaction (as defined under Regulation S) pursuant to an exemption from registration provided by Regulation S;
- (b) the Notes and the Certificates have not been and will not be registered under the Securities Act and such Notes and/or Certificates are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such Notes and/or Certificates, then it agrees that it will offer, resell, pledge or transfer such Notes and/or Certificates only: (i) to a purchaser who is not a US Person (as defined in Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate, and who is not acquiring the Notes and/or the Certificates for the account or benefit of a US Person (as defined in Regulation S) and who is acquiring the Notes and/or the Certificates in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S; or (ii) pursuant to an effective registration statement under the Securities Act; or (iii) pursuant to another exemption from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States; **provided, that** the agreement of such purchaser is subject to any Requirement of Law that the disposition of the purchaser's property shall at all times be and remain within its control;
- (c) if the Purchaser purchased the Notes and/or the Certificates during the initial syndication of the Notes and/or the Certificates, it (1) either (i) is not a Risk Retention US Person or (ii) has obtained the prior written consent of the Seller, (2) is acquiring such Notes and/or Certificates or a beneficial interest therein for its own account and not with a view to distribute such Notes and/or Certificates and (3) is not acquiring such Notes and/or Certificates or a beneficial interest therein as part of a scheme to evade the requirements of the US Risk Retention Rules (including acquiring such Notes and/or Certificates through a non-Risk Retention US Person, rather than a Risk Retention US Person, as part of a scheme to evade the 10% Risk Retention US Person limitation in the exemption provided for in Section 20 of the US Risk Retention Rules);
- (d) unless the relevant legend set out below has been removed from the Notes and/or the Certificates such purchaser shall notify each transferee of Notes and/or Certificates (as applicable) from it that: (i) such Notes and/or Certificates have not been registered under the Securities Act; (ii) the Holder of such Notes and/or Certificates is subject to the restrictions on the resale or other transfer thereof described in paragraph (a), (b) and (c) above; (iii) such transferee shall be deemed to have represented that such transferee is a non-US Person (as defined in Regulation S) and acquiring the Notes and/or the Certificates in an offshore transaction and that such transfer is made pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S; and (iv)

such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;

- (e) the Notes, the Certificates and related documentation may be amended or supplemented from time to time to modify the restrictions on and procedures for resales and other transfers of the Notes and/or the Certificates to reflect any change in applicable law or regulation (or the interpretation thereof) or in practices relating to the resales or transfer of securities such as the Notes and/or the Certificates generally, and that it will be deemed, by its acceptance of such Notes and/or Certificates, to have agreed to any such amendment or supplement;
- (f) the Issuer may receive a list of participants holding positions in its securities from one or more book entry depositaries, and that those participants may further disclose to the Issuer the names and positions of holders of its securities;
- (g) it will promptly: (i) inform the Issuer if, during any time it holds a Note and/or a Certificate, there shall be any change in the acknowledgements, representations and agreements contained above or if they shall become false for any reason; and (ii) deliver to the Issuer such other representations and agreements as to such matters as the Issuer may, in the future, request in order to comply with applicable law and the availability of any exemption therefrom; and
- (h) the Issuer, the Registrar, the Arranger, the Lead Manager and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Each Purchaser understands that: (i) the sale of the Notes and/or the Certificates (including interests therein represented by a Global Note, Definitive Note or Definitive Certificate or a Book-Entry Interest) to it is being made in reliance on Regulation S; and (ii) the Notes and the Certificates (including interests therein represented by a Global Note, Definitive Note or Definitive Certificate or a Book-Entry Interest) may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below:

THE NOTES AND THE CERTIFICATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR ANY OTHER RELEVANT JURISDICTION AND IS SUBJECT TO UNITED STATES TAX LAW REQUIREMENTS, AND, AS A MATTER OF US LAW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A US PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) OTHERWISE PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CERTIFICATES AND THE CLOSING OF THE OFFERING OF THE NOTES AND THE CERTIFICATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND OTHERWISE IN ACCORDANCE WITH UNITED STATES TAX LAW REQUIREMENTS.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF STARTLINE MOTOR FINANCE LIMITED AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**US RISK RETENTION RULES**"), ANY NOTES OFFERED AND SOLD BY THE ISSUER AND THE CERTIFICATES MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "US PERSON" AS DEFINED IN THE US RISK RETENTION RULES ("**RISK RETENTION US PERSONS**").

PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "US PERSON" IN THE US RISK RETENTION RULES IS DIFFERENT FROM THE DEFINITION OF "US PERSON" IN REGULATION S, AND PERSONS WHO ARE NOT "*US PERSONS*" UNDER REGULATION S MAY BE "*US PERSONS*" UNDER THE US RISK RETENTION RULES. ANY PURCHASER OF THE NOTES AND/OR THE CERTIFICATES, INCLUDING BENEFICIAL INTERESTS THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES AND THE CERTIFICATES, BY ITS ACQUISITION OF THE NOTES AND/OR THE CERTIFICATES OR BENEFICIAL INTEREST THEREIN, WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES REQUIRED, TO MAKE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION US PERSON (UNLESS IT HAS OBTAINED A PRIOR WRITTEN CONSENT OF STARTLINE MOTOR FINANCE LIMITED), (2) IS ACQUIRING SUCH NOTES AND/OR CERTIFICATES OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTES AND/OR CERTIFICATES, AND (3) IS NOT ACQUIRING SUCH NOTES AND/OR CERTIFICATES OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE US RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTES AND/OR CERTIFICATES OR A

BENEFICIAL INTEREST THEREIN THROUGH A NON-RISK RETENTION US PERSON, RATHER THAN A RISK RETENTION US PERSON, AS PART OF A SCHEME TO EVADE THE 10% RISK RETENTION US PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE US RISK RETENTION RULES).

THE NOTES AND THE CERTIFICATES 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 (THE "EEA"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED FROM TIME TO TIME (THE "EU MIFID II"); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 AS AMENDED FROM TIME TO TIME, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF EU MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN THE EU PROSPECTUS REGULATION. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) 1286/2014 (THE "EU PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES AND/OR THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES AND/OR THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE EU PRIIPS REGULATION.

THE NOTES AND THE CERTIFICATES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UK. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) 2017/565 AS IT FORMS PART OF DOMESTIC LAW OF THE UK BY VIRTUE OF THE EUWA; (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FSMA AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97 AS AMENDED FROM TIME TO TIME, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) 600/2014 AS IT FORMS PART OF DOMESTIC LAW OF THE UK BY VIRTUE OF THE EUWA ("UK MIFIR"); OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF THE UK PROSPECTUS REGULATION. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) 1286/2014 AS IT FORMS PART OF DOMESTIC LAW OF THE UK BY VIRTUE OF THE EUWA (THE "UK PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES AND/OR THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES AND/OR THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

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

SOLELY FOR THE PURPOSES OF EACH MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES AND THE CERTIFICATES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES AND THE CERTIFICATES IS ONLY ELIGIBLE COUNTERPARTIES, AS DEFINED IN THE FCA HANDBOOK CONDUCT OF BUSINESS SOURCEBOOK, AND PROFESSIONAL CLIENTS, AS DEFINED IN UK MIFIR; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES AND THE CERTIFICATES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY DISTRIBUTOR SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS' TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO THE FCA HANDBOOK PRODUCT INTERVENTION AND PRODUCT GOVERNANCE SOURCEBOOK IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES AND THE CERTIFICATES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THE PURCHASER IS HEREBY NOTIFIED THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK ENTRY DEPOSITARIES, AND

THAT THOSE PARTICIPANTS MAY FURTHER DISCLOSE TO THE ISSUER THE NAMES AND POSITIONS OF HOLDERS OF ITS SECURITIES.

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

GENERAL INFORMATION

1. The Legal Entity Identifier (LEI) code of the Issuer is 6354009RPGD3VEUB2K73.
2. The issue of the Notes and the Certificates has been authorised by a resolution of the board of directors of the Issuer passed on 22 November 2021.
3. It is expected that listing of the Notes offered by this Prospectus on the Official List of the FCA will be granted on or before the Closing Date, subject only to the issue of the Notes.
4. The Issuer is not and has not been involved in governmental, legal or arbitration proceedings (including proceedings which are pending or threatened of which the Issuer is aware) which may have or have had, since its incorporation, a significant effect on the financial position or results of the Issuer.
5. Since the date of the Issuer's incorporation, there has been no material adverse change in the financial position or prospects of the Issuer.
6. The expenses related to the application for admission to trading are expected to be £2,000 (inclusive of VAT, if any).
7. For the duration of the securitisation transaction, copies of the following documents will be available for inspection by the Noteholders and the Certificateholders, in printed or electronic form, at the office of the Principal Paying Agent and the registered office of the Issuer during usual business hours on a weekday (public holidays excepted):
 - the memorandum and articles of association of the Issuer;
 - the annual financial statements of the Issuer, as soon as published;
 - each Investor Report;
 - this Prospectus;
 - the Master Framework Agreement;
 - the Agency Agreement;
 - the Trust Deed;
 - the Deed of Charge;
 - the Scottish Supplemental Charge;
 - the Scottish Vehicle Sales Proceeds Floating Charge;
 - the Receivables Sale and Purchase Deed;
 - the Servicing Agreement;
 - the Cash Management Agreement;
 - the Account Bank Agreement;
 - the Subordinated Loan Note Issuance Agreement;
 - the Swap Agreement;
 - the Standby Servicing Agreement; and
 - the Corporate Services Agreement.

In addition, some of the documents above may also be made available from time to time in electronic form on a website indicated in the Investor Reports prepared by the Cash Manager.

The Issuer has not started trading and has not published an opening balance sheet or annual financial statements and has not published and does not intend to publish interim financial statements. It is anticipated that the first published annual financial statements of the Issuer will be for the year ending 31 December 2022. As soon as published, such financial statements and all future financial statements of the Issuer will be available, free of charge, at the office of the Principal Paying Agent.

8. The Issuer's auditors are PricewaterhouseCoopers LLP whose address is at 1 Embankment Place, London, WC2N 6RH, United Kingdom.
9. The Issuer does not intend to provide post-issuance information on the Notes, the Certificates or the collateral other than what is set out in the Servicing Agreement regarding reporting duties.
10. For the purposes of Article 8(1) and Article 20(9) of the UK Securitisation Regulation and Article 8(1) of the EU Securitisation Regulation, the assets of the Issuer do not include securitisation positions.
11. The Issuer confirms that the assets backing the issue of the Notes and the Certificates have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes and the Certificates. However, investors are advised that this confirmation is based on the information available to the Issuer at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of the Notes and the Certificates. Consequently, investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.
12. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The table below lists the Common Codes and ISIN for the Notes.

| Class of Notes | ISIN | Common Code |
|-----------------------|--------------|--------------------|
| Class A Notes..... | XS2406633094 | 240663309 |
| Class B Notes..... | XS2406633177 | 240663317 |
| Class C Notes..... | XS2406633250 | 240663325 |
| Class D Notes..... | XS2406633508 | 240663350 |
| Class E Notes..... | XS2406634571 | 240663457 |
| Class F Notes..... | XS2406634654 | 240663465 |
| Class Z Notes..... | XS2406635032 | 240663503 |

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ISSUER

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**ANNEX
SWAP PROFILE**

| From (and including) | To (but excluding*) | Notional Amount (GBP) |
|---------------------------------|--------------------------------|----------------------------------|
| Closing Date | 17-Jan-2022 | £ 292,875,469.85 |
| 17-Jan-2022 | 17-Feb-2022 | £ 275,360,368.53 |
| 17-Feb-2022 | 17-Mar-2022 | £ 266,716,753.57 |
| 17-Mar-2022 | 17-Apr-2022 | £ 258,148,009.45 |
| 17-Apr-2022 | 17-May-2022 | £ 249,657,913.39 |
| 17-May-2022 | 17-Jun-2022 | £ 241,249,350.39 |
| 17-Jun-2022 | 17-Jul-2022 | £ 232,917,725.03 |
| 17-Jul-2022 | 17-Aug-2022 | £ 224,670,092.27 |
| 17-Aug-2022 | 17-Sep-2022 | £ 216,500,492.55 |
| 17-Sep-2022 | 17-Oct-2022 | £ 208,412,269.58 |
| 17-Oct-2022 | 17-Nov-2022 | £ 200,416,488.05 |
| 17-Nov-2022 | 17-Dec-2022 | £ 192,529,247.21 |
| 17-Dec-2022 | 17-Jan-2023 | £ 184,747,280.88 |
| 17-Jan-2023 | 17-Feb-2023 | £ 177,070,538.50 |
| 17-Feb-2023 | 17-Mar-2023 | £ 169,501,328.34 |
| 17-Mar-2023 | 17-Apr-2023 | £ 162,068,417.39 |
| 17-Apr-2023 | 17-May-2023 | £ 154,776,457.42 |
| 17-May-2023 | 17-Jun-2023 | £ 147,626,242.64 |
| 17-Jun-2023 | 17-Jul-2023 | £ 140,631,589.28 |
| 17-Jul-2023 | 17-Aug-2023 | £ 133,814,443.99 |
| 17-Aug-2023 | 17-Sep-2023 | £ 127,169,707.85 |
| 17-Sep-2023 | 17-Oct-2023 | £ 120,687,291.73 |
| 17-Oct-2023 | 17-Nov-2023 | £ 114,374,860.99 |
| 17-Nov-2023 | 17-Dec-2023 | £ 108,219,929.51 |
| 17-Dec-2023 | 17-Jan-2024 | £ 102,208,828.11 |
| 17-Jan-2024 | 17-Feb-2024 | £ 96,333,729.39 |
| 17-Feb-2024 | 17-Mar-2024 | £ 90,595,592.88 |
| 17-Mar-2024 | 17-Apr-2024 | £ 85,022,566.45 |
| 17-Apr-2024 | 17-May-2024 | £ 79,635,467.19 |
| 17-May-2024 | 17-Jun-2024 | £ 74,420,013.22 |
| 17-Jun-2024 | 17-Jul-2024 | £ 69,373,732.33 |
| 17-Jul-2024 | 17-Aug-2024 | £ 64,529,616.24 |
| 17-Aug-2024 | 17-Sep-2024 | £ 59,856,506.03 |
| 17-Sep-2024 | 17-Oct-2024 | £ 55,364,227.13 |
| 17-Oct-2024 | 17-Nov-2024 | £ 51,066,963.59 |
| 17-Nov-2024 | 17-Dec-2024 | £ 46,953,732.04 |
| 17-Dec-2024 | 17-Jan-2025 | £ 42,983,398.37 |
| 17-Jan-2025 | 17-Feb-2025 | £ 39,157,554.20 |
| 17-Feb-2025 | 17-Mar-2025 | £ 35,478,421.01 |
| 17-Mar-2025 | 17-Apr-2025 | £ 31,978,014.50 |
| 17-Apr-2025 | 17-May-2025 | £ 28,679,393.08 |
| 17-May-2025 | 17-Jun-2025 | £ 25,500,543.14 |

| | | |
|-------------|-------------|-----------------|
| 17-Jun-2025 | 17-Jul-2025 | £ 22,413,089.78 |
| 17-Jul-2025 | 17-Aug-2025 | £ 19,559,791.34 |
| 17-Aug-2025 | 17-Sep-2025 | £ 16,941,638.97 |
| 17-Sep-2025 | 17-Oct-2025 | £ 14,541,122.05 |
| 17-Oct-2025 | 17-Nov-2025 | £ 12,397,235.46 |
| 17-Nov-2025 | 17-Dec-2025 | £ 10,453,595.23 |
| 17-Dec-2025 | 17-Jan-2026 | £ 8,653,518.60 |
| 17-Jan-2026 | 17-Feb-2026 | £ 6,994,321.21 |
| 17-Feb-2026 | 17-Mar-2026 | £ 5,476,524.21 |
| 17-Mar-2026 | 17-Apr-2026 | £ 4,124,689.31 |
| 17-Apr-2026 | 17-May-2026 | £ 2,989,656.17 |
| 17-May-2026 | 17-Jun-2026 | £ 2,060,872.59 |
| 17-Jun-2026 | 17-Jul-2026 | £ 1,309,799.55 |
| 17-Jul-2026 | 17-Aug-2026 | £ 743,579.49 |
| 17-Aug-2026 | 17-Sep-2026 | £ 337,155.17 |
| 17-Sep-2026 | 17-Oct-2026 | £ 84,787.99 |

* Provided that if such date would otherwise fall on a day that is not a Business Day, it will instead fall on the first following day that is a Business Day.