



**SC Germany Auto 2011-1 UG (haftungsbeschränkt)**  
(incorporated with limited liability in the Federal Republic of Germany)

€ 573,000,000 Class A Floating Rate Notes due September 2021

Issue Price: 100 %

€ 27,000,000 Class B Floating Rate Notes due September 2021

Issue Price: 100 %

The Class A Notes and the Class B Notes (each such class, a "**Class**", and all Classes collectively, the "**Notes**") of SC Germany Auto 2011-1 UG (haftungsbeschränkt) (the "**Issuer**") are backed by a portfolio of loan claims (the "**Purchased Receivables**") secured by security interests in certain passenger cars, motor cycles and trailers located in Germany (the "**Financed Vehicles**") and certain other collateral (the Financed Vehicles, the other collateral and the proceeds therefrom, the "**Related Collateral**", and together with the Purchased Receivables, the "**Portfolio**"). The obligations of the Issuer under the Notes will be secured by first-ranking security interests granted to Wilmington Trust (London) Limited (the "**Transaction Security Trustee**") acting in a fiduciary capacity for the holders of the Notes pursuant to a transaction security agreement dated 21 September 2011 (the "**Transaction Security Agreement**") and an English security deed dated 21 September 2011 (the "**English Security Deed**"). Although the Notes will share in the same security, the Class A Notes will rank in priority to the Class B Notes in the event of the security being enforced, see "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT". The Issuer will on or before the Note Issuance Date purchase and acquire from Santander Consumer Bank AG, Mönchengladbach (the "**Seller**") Receivables and Related Collateral constituting the Portfolio on the Note Issuance Date. Certain characteristics of the Purchased Receivables and the Related Collateral are described under "DESCRIPTION OF THE PORTFOLIO" herein.

The Notes will be issued at the issue price indicated above on or about 23 September 2011 (the "**Note Issuance Date**").

**This Prospectus constitutes a prospectus for the purpose of Article 5.3 of Directive 2003/71/EC (the "Prospectus Directive"). Application has been made to the Commission de Surveillance du Secteur Financier for approval of this Prospectus for the purposes of the Prospectus Directive and relevant implementing measures in Luxembourg as a prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with respect to the issue of the Notes. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Services Directive 2004/39/EC.**

Each of Banco Santander, S.A., NATIXIS and WestLB AG (each, a "**Joint Lead Manager**" or a "**Manager**" and collectively, the "**Joint Lead Managers**" or the "**Managers**") will purchase the Notes from the Issuer and will offer the Notes, from time to time, in negotiated transactions or otherwise, at varying prices to be determined at the time of the sale. The Issuer will draw an advance under the Funding Loan (as defined herein) to pay, *inter alia*, any selling concessions, transaction structuring fees and underwriting and placement commissions and expenses of the Managers.

**For a discussion of certain significant factors affecting investments in the Notes, see "RISK FACTORS". An investment in the Notes is suitable only for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.**

**Arranger**  
**WestLB AG**

**Co-Arranger**  
**Banco Santander, S.A.**

**Joint Lead Managers**  
**Banco Santander, S.A. NATIXIS WestLB AG**

The date of this Prospectus is 21 September 2011.

*For reference to the definitions of capitalised words and phrases appearing herein, see "INDEX OF DEFINED TERMS".*

The Notes will be governed by the laws of the Federal Republic of Germany ("**Germany**").

Each of the Class A Notes and the Class B Notes will be initially represented by a temporary global note in bearer form (each, a "**Temporary Global Note**") without interest coupons attached. Each Temporary Global Note will be exchangeable, as described herein (see "OUTLINE OF THE TRANSACTION — The Notes — Form and Denomination") for a permanent global note in bearer form which is recorded in the records of Euroclear and Clearstream Luxembourg (as defined below) (each, a "**Permanent Global Note**", and together with the Temporary Global Notes, the "**Global Notes**" and each, a "**Global Note**") without interest coupons attached. Each Temporary Global Note will be exchangeable not earlier than 40 calendar days and not later than 180 calendar days after the Note Issuance Date, upon certification of non-U.S. beneficial ownership, for interests in a Permanent Global Note. The Global Notes representing the Class A Notes will be deposited with a common safekeeper (the "**Class A Notes Common Safekeeper**") appointed by the operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream Luxembourg**" and, together with Euroclear, the "**Clearing Systems**") on or prior to the Note Issuance Date. The Class A Notes Common Safekeeper will hold the Global Notes representing the Class A Notes in custody for Euroclear and Clearstream Luxembourg. The Global Notes representing the Class B Notes will be deposited with a common safekeeper (the "**Class B Notes Common Safekeeper**" and together with the Class A Notes Common Safekeeper, the "**Common Safekeepers**" and each, a "**Common Safekeeper**") appointed by the operator of the Clearing Systems on or prior to the Note Issuance Date. The Class B Notes Common Safekeeper will hold the Global Notes representing the Class B Notes in custody for Euroclear and Clearstream Luxembourg. The Notes represented by Global Notes may be transferred in book-entry form only. The Notes will be issued in denominations of EUR 100,000. The Global Notes will not be exchangeable for definitive securities. See "TERMS AND CONDITIONS OF THE NOTES — Form and Denomination".

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Class A Notes are intended upon issue to be deposited with one of the Clearing Systems as Class A Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

THE NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF ANY MANAGER, THE ARRANGER, THE CO-ARRANGER, THE SELLER, THE SERVICER (IF DIFFERENT), THE INTEREST RATE SWAP COUNTERPARTY, THE TRANSACTION SECURITY TRUSTEE, THE DATA TRUSTEE, THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH ADMINISTRATOR, THE EURIBOR DETERMINATION AGENT, THE ACCOUNT BANK, THE LUXEMBOURG LISTING AGENT, THE LUXEMBOURG INTERMEDIARY, ANY COMMON SAFEKEEPER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUER). NEITHER THE NOTES NOR THE UNDERLYING RECEIVABLES WILL BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR BY ANY MANAGER, THE ARRANGER, THE CO-ARRANGER, THE SELLER, THE SERVICER (IF DIFFERENT), THE INTEREST RATE SWAP COUNTERPARTY, THE TRANSACTION SECURITY TRUSTEE, THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH ADMINISTRATOR, THE EURIBOR DETERMINATION AGENT, THE ACCOUNT BANK, THE LUXEMBOURG LISTING AGENT, THE LUXEMBOURG INTERMEDIARY, ANY COMMON SAFEKEEPER OR ANY OF THE RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUER) OR BY ANY OTHER PERSON OR ENTITY EXCEPT AS DESCRIBED HEREIN.

Class	Class Principal Amount	Interest Rate	Issue Price	Expected Ratings (Fitch/Moody's/ S&P)	Legal Maturity Date	ISIN
A	EUR 573,000,000	EURIBOR + 0.90 %	100 %	AAAsf / Aaa (sf) / AAA (sf)	Payment Date falling in September 2021	XS0642101819

B	EUR 27,000,000	EURIBOR + 1.55 %	100 %	A+sf / not rated / A (sf)	Payment Date falling in September 2021	XS0642102205
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Interest on the Notes will accrue on the outstanding principal amount of each Note at a per annum rate equal to the sum of the European Inter-bank Offered Rate (EURIBOR) for one month ("**EURIBOR**") (in the case of the first Interest Period, the linear interpolation between two weeks and three weeks) and 0.90 % in the case of the Class A Notes and 1.55 % in the case of the Class B Notes. Interest will be payable in euro by reference to successive interest accrual periods (each, an "**Interest Period**") monthly in arrear on the thirteenth day of each calendar month, unless such date is not a Business Day, in which case the Payment Date shall be the next succeeding Business Day (each, a "**Payment Date**"). The first Payment Date will be the Payment Date falling on 13 October 2011. "**Business Day**" shall mean a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET2**") are operational and on which commercial banks and foreign exchange markets are open or required to be open for business in Luxembourg, Madrid, Spain, London, England, Frankfurt am Main, Germany and Düsseldorf, Germany. See "TERMS AND CONDITIONS OF THE NOTES — Payments of Interest".

If any withholding or deduction for or on account of taxes should at any time apply to the Notes, payments of interest on, and principal in respect of, the Notes will be made subject to such withholding or deduction. The Notes will not provide for any gross-up or other payments in the event that payments on the Notes become subject to any such withholding or deduction on account of taxes. See "TAXATION".

Amortisation of the Notes will commence on the first Payment Date. See "TERMS AND CONDITIONS OF THE NOTES — Redemption".

The Notes will mature on the Payment Date falling in September 2021 (the "**Legal Maturity Date**"), unless previously redeemed in full. The Notes are expected to be redeemed on the Payment Date falling in September 2018 (the "**Scheduled Maturity Date**"), unless previously redeemed in full. In addition, the Notes will be subject to partial redemption, early redemption and/or optional redemption before the Legal Maturity Date in specific circumstances and subject to certain conditions. See "TERMS AND CONDITIONS OF THE NOTES — Redemption".

The Class A Notes are expected, on issue, to be rated by Fitch Ratings Limited ("**Fitch**"), Moody's Investors Service Limited ("**Moody's**") and Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**", and together with Fitch and Moody's, the "**Rating Agencies**"). The Class B Notes are expected, on issue, to be rated by Fitch and S&P. It is a condition of the issue of each Class of Notes that such Class of Notes are assigned the ratings indicated in the above table.

Each rating of any Class of Notes by S&P and Fitch addresses the likelihood that the holders of the Notes (each, a "**Noteholder**") of such Class will receive all payments to which they are entitled, as described herein. The ratings of "**AAA (sf)**" and "**AAAsf**" are the highest ratings that each of S&P and Fitch, respectively, assigns to long-term obligations. Each rating takes into consideration the characteristics of the Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Notes. The rating assigned by Moody's to the Class A Notes addresses the risk of expected loss in proportion to the initial Class Principal Amount of the Class A Notes posed to the Noteholders by the Legal Maturity Date. The rating of "**Aaa (sf)**" is the highest rating that Moody's assigns to long-term debt obligations. The Moody's rating addresses only the credit risks associated with this transaction.

However, the ratings assigned to any Class of 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 amortisation or may fail to recoup their initial investments.

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

The Issuer has not requested a rating of any Class of Notes by any rating agency other than the Rating Agencies; there can be no assurance, however, as to whether any other rating agency will rate any Class of Notes or, if it

does, what rating would be assigned by such other rating agency. The rating assigned any Class of Notes by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies.

Under Article 122a of Directive 2006/48/EC (as amended) (the "**EU Capital Requirements Directive**" or "**CRD**"), a credit institution, other than when acting as an originator, a sponsor or original lender, will be exposed to the credit risk of a securitisation position in its trading book or non-trading book only if the originator, sponsor or original lender has explicitly disclosed to the credit institution that it will retain, on an ongoing basis, a material net economic interest which, in any event, will not be less than 5 per cent. of the aggregate nominal amount of securities exposures. Pursuant to Article 122a paragraph (1)(d) of the CRD, a net economic interest may be retained, *inter alia*, by way of retention of a first loss tranche so that the retention equals in total no less than 5 per cent. of the aggregate nominal amount of the securities exposures. With a view to support compliance with the requirements of Article 122a paragraph (1)(d) of the CRD, the Seller will retain, on an ongoing basis until the earlier of (i) the redemption of the Notes in full and (ii) the Legal Maturity Date, a first loss tranche constituted by the claim for repayment of a loan advance of EUR 30,000,000.00 made available by the Seller in its capacity as Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement as of the Note Issuance Date. The nominal amount of such loan advance equals 5 per cent. of the Aggregate Outstanding Principal Amount as of the Note Issuance Date. Subject to certain additional restrictions, the loan advance will only become repayable to the Seller on any relevant date if and to the extent its outstanding amount exceeds an amount equal to the Required Reserve Amount as of such date. Prior to the redemption of the Notes in full, the Required Reserve Amount will equal to at least 5 per cent. of the Aggregate Outstanding Principal Amount as of such date. Pursuant to the Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments (as applicable), any payments due under the Subordinated Loan Agreement are subordinated to payments due under the Notes.

Article 122a paragraph (7) of the CRD requires, *inter alia*, that prospective investors have readily available access to certain data in the context of the securitisation. With a view to support compliance with Article 122a paragraph (7) of the CRD, the Seller in its capacity as Servicer will, on a monthly basis after the Note Issuance Date, provide relevant information to investors in the form of the Detailed Investor Reports including data with regard to the Purchased Receivables and an overview of the retention of the material net economic interest. The Cash Administrator will make each Detailed Investor Report provided to it by the Servicer publicly available without undue delay on its website <https://gctinvestorreporting.bnymellon.com/Home.jsp>, by posting it on Bloomberg and by arranging for its publication on the website of True Sale International GmbH ([www.true-sale-international.de](http://www.true-sale-international.de)).

Each prospective investor and Noteholder is required to independently assess and determine the sufficiency of the information described in the preceding two paragraphs for the purposes of complying with Article 122a of the CRD, and none of the Issuer, the Seller (in its capacity as the Seller and the Servicer), the Joint Lead Managers, the Arranger, the Co-Arranger nor the Managers gives any representation or assurance that such information is sufficient in all circumstances for such purposes. In addition, if and to the extent Article 122a of the CRD or any implementing provisions of domestic law are relevant to any prospective investor and Noteholder, such investor and Noteholder should ensure that it complies with the provisions implementing Article 122a of the CRD in its relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in any relevant jurisdiction should seek guidance from the competent regulator.

In this Prospectus, references to "**euro**", "**Euro**", "**€**" or "**EUR**" are to the single currency which was introduced in Germany as of 1 January 1999. In this Prospectus, references to "**USD**" or "**\$**" are to the lawful currency of the United States of America.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

### **Responsibility for the Contents of this Prospectus**

**The Issuer assumes responsibility for the information contained in this Prospectus except as otherwise stated herein and except that**

- (i) the Seller only is responsible for the information under "OUTLINE OF THE TRANSACTION – The Portfolio: Purchased Receivables and Related Collateral" on page 15, "OUTLINE OF THE TRANSACTION – Servicing of the Portfolio" on pages 15 and 16, "RISK FACTORS – Reliance on Administration and Collection Procedures" on page 43, "CREDIT STRUCTURE – Vehicle Loan**

Interest Rates" on page 46, "CREDIT STRUCTURE – Cash Collection Arrangements" on page 46, "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS" on page 121, "DESCRIPTION OF THE PORTFOLIO" on pages 122 to 152 (except for the information under "DESCRIPTION OF THE PORTFOLIO – Eligibility Criteria"), "CREDIT AND COLLECTION POLICY" on pages 153 to 156, and "THE SELLER" on pages 160 to 162;

- (ii) the Interest Rate Swap Counterparty only is responsible for the information under "THE INTEREST RATE SWAP COUNTERPARTY" on page 165;
- (iii) the Transaction Security Trustee only is responsible for the information under "THE TRANSACTION SECURITY TRUSTEE" on page 166;
- (iv) the Account Bank only is responsible for the information under "THE ACCOUNTS – Accounts Agreement" on pages 167 and 168;
- (v) each of the Principal Paying Agent, the Calculation Agent and the Cash Administrator only is responsible, together with the Data Trustee, for the information under "THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH ADMINISTRATOR AND THE DATA TRUSTEE" on page 163 and, together with the EURIBOR Determination Agent, for the information under "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Agency Agreement" on pages 117 and 118;
- (vi) the Data Trustee only is responsible for the information "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Data Trust Agreement" on page 116; and
- (vii) the Corporate Administrator only is responsible for the information under "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Corporate Administration Agreement" on pages 118 to 120 and together with the EURIBOR Determination Agent, for the information under "THE CORPORATE ADMINSTRATOR AND THE EURIBOR DETERMINATION AGENT" on page 164.

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

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

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

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

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

Each of the Principal Paying Agent, the Calculation Agent and the Cash Administrator hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which each of the Principal Paying Agent, the Calculation Agent and the Cash Administrator, respectively, is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

**Each of the Corporate Administrator and the EURIBOR Determination Agent hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Corporate Administrator and the EURIBOR Determination Agent, respectively, is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.**

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

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

*Prospective purchasers of Notes should conduct such independent investigation and analysis as they deem appropriate to evaluate the merits and risks of an investment in the Notes. **If you are in doubt about the contents of this document, you should consult your stockbroker, bank manager, legal adviser, accountant or other financial adviser.** Neither any of the Managers, the Arranger nor the Co-Arranger makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Issuer in connection with the Notes and accepts any responsibility or liability therefor. Neither any of the Managers, the Arranger nor the Co-Arranger undertakes to review the financial condition or affairs of the Issuer or to advise any investor or potential investor in the Notes of any information coming to the attention of the Managers, the Arranger or the Co-Arranger.*

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

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

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

**THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (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 PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. EACH MANAGER**

HAS REPRESENTED AND AGREED THAT IT HAS NOT OFFERED AND SOLD THE NOTES, AND WILL NOT OFFER AND SELL THE NOTES (I) AS PART OF ITS DISTRIBUTION AT ANY TIME AND (II) OTHERWISE UNTIL 40 CALENDAR DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL NOTES ONLY IN ACCORDANCE WITH RULE 903 OF THE REGULATIONS PROMULGATED UNDER THE SECURITIES ACT. NEITHER ANY MANAGER, ITS RESPECTIVE AFFILIATES NOR ANY PERSONS ACTING ON ITS OR THEIR BEHALF HAVE ENGAGED OR WILL ENGAGE IN ANY DIRECTED SELLING EFFORTS WITH RESPECT TO THE NOTES, AND IT AND THEY HAVE COMPLIED AND WILL COMPLY WITH THE OFFERING RESTRICTIONS REQUIREMENTS OF REGULATIONS UNDER THE SECURITIES ACT. AT OR PRIOR TO CONFIRMATION OF SALE OF NOTES, IT WILL HAVE SENT TO EACH DISTRIBUTOR, DEALER OR PERSON RECEIVING A SELLING CONCESSION, FEE OR OTHER REMUNERATION THAT PURCHASES NOTES FROM IT DURING THE RESTRICTED PERIOD A CONFIRMATION OR NOTICE TO SUBSTANTIALLY THE FOLLOWING EFFECT:

"THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS BY ANY PERSON REFERRED TO IN RULE 903 (B)(2) (III) (X) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (Y) OTHERWISE UNTIL 40 CALENDAR DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF THE SECURITIES AS DETERMINED AND CERTIFIED BY THE MANAGERS, EXCEPT IN EITHER CASE IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT. TERMS USED ABOVE HAVE THE MEANING GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT."

TERMS USED IN THE FOREGOING PARAGRAPH HAVE THE MEANING GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT.

FURTHER, EACH MANAGER HAS REPRESENTED AND AGREED THAT:

- (A) EXCEPT TO THE EXTENT PERMITTED UNDER U.S. TREAS. REG. SECTION 1.163-5 (c)(2)(i)(D) (THE "**TEFRA D RULES**"), (X) IT HAS NOT OFFERED OR SOLD, AND DURING THE RESTRICTED PERIOD WILL NOT OFFER OR SELL, DIRECTLY OR INDIRECTLY, NOTES IN BEARER FORM TO A PERSON WHO IS WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON, AND (Y) IT HAS NOT DELIVERED AND WILL NOT DELIVER, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR ITS POSSESSIONS DEFINITIVE NOTES IN BEARER FORM THAT ARE SOLD DURING THE RESTRICTED PERIOD;
- (B) IT HAS AND THROUGHOUT THE RESTRICTED PERIOD WILL HAVE IN EFFECT PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ITS EMPLOYEES OR AGENTS WHO ARE DIRECTLY ENGAGED IN SELLING NOTES IN BEARER FORM ARE AWARE THAT SUCH NOTES MAY NOT BE OFFERED OR SOLD DURING THE RESTRICTED PERIOD TO A PERSON WHO IS WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON, EXCEPT AS PERMITTED BY THE TEFRA D RULES;
- (C) IF IT WAS CONSIDERED A UNITED STATES PERSON, THAT IT IS ACQUIRING THE NOTES FOR PURPOSES OF RESALE IN CONNECTION WITH THEIR ORIGINAL ISSUANCE AND AGREES THAT IF IT RETAINS NOTES IN BEARER FORM FOR ITS OWN ACCOUNT, IT WILL ONLY DO SO IN ACCORDANCE WITH THE REQUIREMENTS OF U.S. TREAS. REG. SECTION 1.63-5 (c)(2)(i)(D)(6); AND
- (D) WITH RESPECT TO EACH AFFILIATE THAT ACQUIRES FROM IT NOTES IN BEARER FORM FOR THE PURPOSE OF OFFERING OR SELLING SUCH NOTES DURING THE RESTRICTED PERIOD THAT IT WILL EITHER (i) REPEAT AND CONFIRM THE REPRESENTATIONS AND AGREEMENTS CONTAINED IN SUB-CLAUSES (A), (B) AND (C); OR (ii) OBTAIN FROM SUCH AFFILIATE FOR THE BENEFIT OF THE ISSUER THE REPRESENTATIONS AND AGREEMENTS CONTAINED IN SUB-CLAUSES (A), (B) AND (C).

TERMS USED IN THE FOREGOING PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY THE U.S. INTERNAL REVENUE CODE AND REGULATIONS THEREUNDER, INCLUDING THE TEFRA D RULES.

EACH MANAGER HAS REPRESENTED, WARRANTED AND AGREED THAT:

- (A) IT HAS ONLY COMMUNICATED OR CAUSED TO BE COMMUNICATED AND WILL ONLY COMMUNICATE OR CAUSE TO BE COMMUNICATED ANY INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FSMA")) RECEIVED BY IT IN CONNECTION WITH THE ISSUE OF THE NOTES IN CIRCUMSTANCES IN WHICH SECTION 21 (1) OF THE FSMA DOES NOT APPLY TO THE ISSUER, AND
- (B) IT HAS COMPLIED AND WILL COMPLY WITH ALL APPLICABLE PROVISIONS OF THE FSMA WITH RESPECT TO ANYTHING DONE BY IT IN RELATION TO THE NOTES IN, FROM OR OTHERWISE INVOLVING THE UNITED KINGDOM.

IN THE FOREGOING PARAGRAPH, "UNITED KINGDOM" SHALL MEAN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND.

EACH MANAGER HAS REPRESENTED, WARRANTED AND AGREED THAT IT HAS NOT OFFERED OR SOLD AND WILL NOT OFFER OR SELL, DIRECTLY OR INDIRECTLY, NOTES TO THE PUBLIC IN FRANCE, AND THAT, IT HAS NOT DISTRIBUTED OR CAUSED TO BE DISTRIBUTED AND WILL NOT DISTRIBUTE OR CAUSE TO BE DISTRIBUTED TO THE PUBLIC IN FRANCE THIS PROSPECTUS OR ANY OTHER OFFERING MATERIAL RELATING TO THE NOTES AND SUCH OFFERS, SALES AND DISTRIBUTIONS HAVE BEEN AND WILL BE MADE IN FRANCE ONLY TO (A) PROVIDERS OF INVESTMENT SERVICES RELATING TO PORTFOLIO MANAGEMENT FOR THE ACCOUNT OF THIRD PARTIES, AND/OR (B) QUALIFIED INVESTORS (*INVESTISSEURS QUALIFIÉS*), AS DEFINED IN AND IN ACCORDANCE WITH ARTICLES L.411-1, L.411-2 AND D.411-1 TO D.411-3 OF THE FRENCH MONETARY AND FINANCIAL CODE (*CODE MONÉTAIRE ET FINANCIER*).

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

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

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

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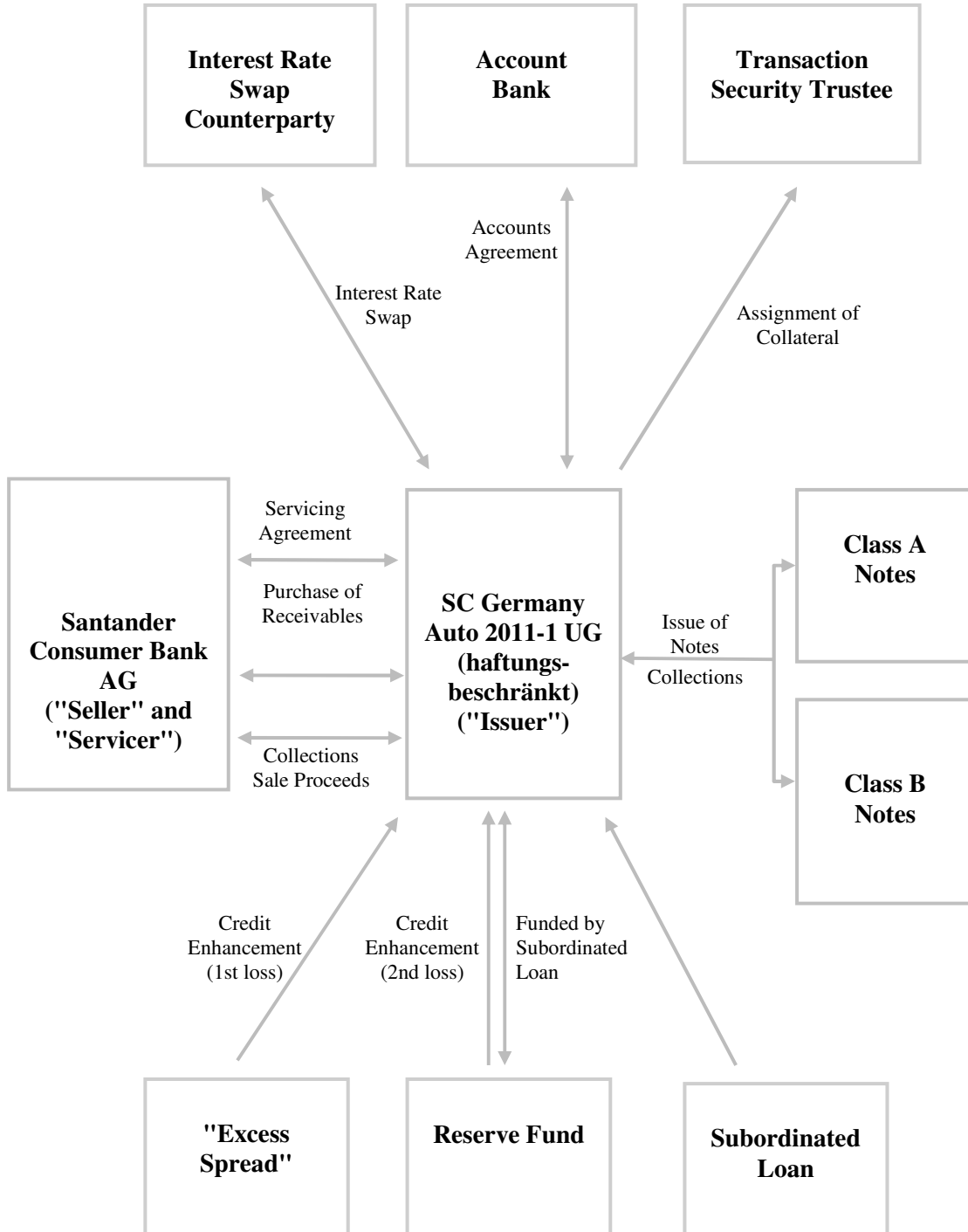
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## Transaction Structure

### Diagrammatic Overview

(as of the close of business on the Note Issuance Date)

This diagrammatic overview of the transaction structure is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Prospectus.



## Outline of the Transaction

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

### THE PARTIES

<b>Issuer</b>	SC Germany Auto 2011-1 UG (haftungsbeschränkt), a special purpose company incorporated with limited liability ( <i>Unternehmergeellschaft (haftungsbeschränkt)</i> ) under the laws of the Federal Republic of Germany (" <b>Germany</b> ") and which has its registered office at c/o Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Germany. See "THE ISSUER".
<b>Corporate Administrator</b>	Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Corporate Administration Agreement" and "THE CORPORATE ADMINISTRATOR AND THE EURIBOR DETERMINATION AGENT".
<b>Seller</b>	Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany. See "THE SELLER".
<b>Servicer</b>	The Loan Contracts will be serviced by the Seller (in this capacity, the " <b>Servicer</b> "). See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement".
<b>Transaction Security Trustee</b>	Wilmington Trust (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom. See "THE TRANSACTION SECURITY TRUSTEE".
<b>Data Trustee</b>	The Bank of New York Mellon, acting through its Frankfurt Branch, Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Data Trust Agreement" and "THE PRINCIPAL PAYING AGENT, THE CASH ADMINISTRATOR, THE CALCULATION AGENT AND THE DATA TRUSTEE".
<b>Interest Rate Swap Counterparty</b>	Banco Santander, S.A., Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain (the " <b>Interest Rate Swap Counterparty</b> "). See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Interest Rate Swap" and "CREDIT STRUCTURE — Interest Rate Swap".
<b>Subordinated Loan Provider</b>	Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement".
<b>Funding Loan Provider</b>	Santander Consumer Finance, S.A., Ciudad Grupo Santander, Avenida de Cantabria, s/n, 28660 Boadilla del Monte (Madrid), Spain. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Funding Loan Agreement".
<b>Account Bank</b>	Banco Santander, S.A., Frankfurt Branch, Eschersheimer Landstr. 27, 60322 Frankfurt am Main, Germany. See "THE ACCOUNTS".
<b>Arranger</b>	WestLB AG, Herzogstraße 15, 40217 Düsseldorf, Germany.

<b>Co-Arranger</b>	Banco Santander, S.A., Paseo de Pareda, 9-12, 39004, Santander, Spain.
<b>Joint Lead Managers</b>	Banco Santander, S.A., Paseo de Pareda, 9-12, 39004, Santander, Spain, NATIXIS, 47, quai d'Austerlitz, 75013 Paris, France, and WestLB AG, Herzogstraße 15, 40217 Düsseldorf, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subscription Agreement".
<b>Principal Paying Agent, Cash Administrator and Calculation Agent</b>	The Bank of New York Mellon, acting through its London Branch, One Canada Square, London E14 5AL, England. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Agency Agreement" and "THE PRINCIPAL PAYING AGENT, THE CASH ADMINISTRATOR, THE CALCULATION AGENT AND THE DATA TRUSTEE".
<b>EURIBOR Determination Agent</b>	Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Agency Agreement" and "THE CORPORATE ADMINISTRATOR AND THE EURIBOR DETERMINATION AGENT".
<b>Luxembourg Listing Agent and Luxembourg Intermediary</b>	The Bank of New York Mellon (Luxembourg) S.A., 2-4 rue Eugene Ruppert, Vertigo Building – Polaris, L-2453 Luxembourg, Luxembourg.
<b>Rating Agencies</b>	Fitch Ratings Limited, Moody's Investors Service Limited and Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc.

## THE NOTES

<b>The Transaction</b>	The Seller will sell and assign Receivables, together with the Related Collateral, to the Issuer on or before the Note Issuance Date pursuant to a receivables purchase agreement dated 21 September 2011 and entered into between the Issuer and the Seller (the " <b>Receivables Purchase Agreement</b> "). See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".
<b>Classes of Notes</b>	The EUR 573,000,000 Class A Floating Rate Notes due on the Payment Date falling in September 2021 (the " <b>Class A Notes</b> ") and the EUR 27,000,000 Class B Floating Rate Notes due on the Payment Date falling in September 2021 (the " <b>Class B Notes</b> "), will be backed by the Portfolio. See "TERMS AND CONDITIONS OF THE NOTES".
<b>Note Issuance Date</b>	23 September 2011.
<b>Funding Loan</b>	Santander Consumer Finance, S.A. (the " <b>Funding Loan Provider</b> ") will make available to the Issuer an interest-bearing amortising funding loan (the " <b>Funding Loan</b> ") which is not credit-linked to the Portfolio and which will, subject to certain conditions, be disbursed on the Note Issuance Date to provide the Issuer with the funds necessary to pay certain amounts payable on the Note Issuance Date under the other Transaction Documents (including, without limitation, the fees, costs and expenses payable on the Note Issuance Date to the Managers and to other parties in connection with the offer and sale of the Notes) and certain other costs. The Seller will pay to the Issuer a fee (the " <b>Transaction Cost Fee</b> ") on each Payment Date in accordance with the Receivables Purchase Agreement. The Transaction Cost Fee will not form part of the Available Distribution Amount. The claims and rights under the Funding Loan will be limited to the amounts received by the Issuer from time to time in respect of the Transaction Cost Fee. The Funding Loan will be repaid in eighteen (18) instalments on each Payment Date following the Note Issuance Date. The Funding Loan will be subject to partial repayment, early repayment or optional

repayment in specific circumstances and subject to certain conditions. All payment obligations of the Issuer under the Funding Loan constitute limited obligations to pay out only the Transaction Cost Fee received by the Issuer under the Receivables Purchase Agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Funding Loan Agreement".

**Form and Denomination**

Each of the Class A Notes and the Class B Notes will initially be represented by a Temporary Global Note of the relevant Class, without interest coupons attached. The Global Notes representing the Class A Notes will be deposited with a common safekeeper for Clearstream Luxembourg and Euroclear and the Global Notes representing the Class B Notes will be deposited with a common safekeeper for Clearstream Luxembourg and Euroclear. The Notes will be transferred in book-entry form only. The Notes will be issued in denominations of EUR 100,000. The Global Notes will not be exchangeable for definitive securities. See "TERMS AND CONDITIONS OF THE NOTES — Form and Denomination".

**Status and Priority**

The Notes constitute direct, secured and (subject to Condition 3.2 (*Limited Recourse*) of the terms and conditions of the Notes (the "**Terms and Conditions**") unconditional obligations of the Issuer. The Class A Notes rank *pari passu* among themselves in respect of security. Following the occurrence of an Issuer Event of Default (as defined in Condition 3.5 (*Issuer Event of Default*)), the Class A Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments. The Class B Notes rank *pari passu* among themselves in respect of security. Following the occurrence of an Issuer Event of Default, the Class B Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments, see "CREDIT STRUCTURE — Post-Enforcement Priority of Payments" and "TERMS AND CONDITIONS OF THE NOTES — Status and Priority". The Funding Loan constitutes direct, unsecured, unconditional and limited recourse obligations of the Issuer to the extent that the Issuer receives the Transaction Cost Fee under the Receivables Purchase Agreement.

Prior to the occurrence of an Issuer Event of Default, the Issuer's obligations to make payments of principal and interest on the Class A Notes and the Class B Notes rank in accordance with the Pre-Enforcement Priority of Payments.

The Issuer's obligations to make payments of principal and interest on the Class B Notes are subordinated to the Issuer's obligations to make payments of principal and interest on the Class A Notes in accordance with the Terms and Conditions of the Notes, see "CREDIT STRUCTURE — Pre-Enforcement Priority of Payments" and "TERMS AND CONDITIONS OF THE NOTES — Redemption — Pre-Enforcement Priority of Payments".

**Limited Recourse**

The Notes will be limited recourse obligations of the Issuer. See "TERMS AND CONDITIONS OF THE NOTES — Provision of Security; Limited Payment Obligation; Issuer Event of Default" and "RISK FACTORS — Liability under the Notes; Limited Recourse".

**Interest**

On each Payment Date, interest on each Note is payable monthly in arrear by applying the EURIBOR plus the relevant margin to the Note Principal Amount (as defined in Condition 5.2 (*Note Principal Amount*) of the Terms and Conditions) of such Note. With respect to the Class A Notes, the margin will be 0.90 % per annum and, with respect to the Class B Notes, the margin will be 1.55 % per annum. See "TERMS AND CONDITIONS OF THE NOTES — Payments of Interest".

The Interest Period with respect to each Payment Date will be the period commencing on (and including) the Payment Date immediately preceding such

Payment Date and ending on (but excluding) such Payment Date with the first Interest Period commencing on (and including) the Note Issuance Date and ending on (but excluding) the first Payment Date. See "TERMS AND CONDITIONS OF THE NOTES — Payments of Interest".

<b>Payment Dates</b>	Payments of principal and interest will be made to the Noteholders on the thirteenth day of any calendar month, unless such date is not a Business Day in which case the Payment Date shall be the next succeeding Business Day and the first Payment Date will be the Payment Date falling on 13 October 2011.
<b>Legal Maturity Date</b>	Unless previously redeemed as described herein, each Class of Notes will be redeemed on the Payment Date falling in September 2021, subject to the limitations set forth in Condition 3.2 ( <i>Limited Recourse</i> ) of the Terms and Conditions. The Issuer will be under no obligation to make any payment under the Notes after the Legal Maturity Date. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Legal Maturity Date".
<b>Scheduled Maturity Date</b>	The Payment Date falling in September 2018. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Scheduled Maturity Date".
<b>Amortisation</b>	On each Payment Date, the Notes will be subject to redemption in accordance with the Pre-Enforcement Priority of Payments sequentially in the following order: first the Class A Notes until full redemption and thereafter the Class B Notes. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Amortisation".
<b>Clean-up Call</b>	On any Payment Date on which the Aggregate Outstanding Principal Amount has been reduced to less than 10 % of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date, the Seller will have, subject to certain requirements, the option under the Receivables Purchase Agreement to repurchase all outstanding Purchased Receivables (together with any Related Collateral) held by the Issuer, and the Issuer shall, upon due exercise of such repurchase option, redeem all (but not some only) of the Notes on the Early Redemption Date, if the proceeds distributable as a result of such repurchase will be at least equal to the then Aggregate Outstanding Note Principal Amount plus accrued interest thereon together with all amounts ranking prior thereto according to the Pre-Enforcement Priority of Payments. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Early Redemption".
<b>Optional Redemption for Taxation Reasons</b>	In the event that the Issuer is required by law to deduct or withhold certain taxes with respect to any payment under the Notes, the Notes may, at the option of the Issuer and subject to certain conditions, be redeemed in whole but not in part at their then outstanding aggregate Note Principal Amounts, together with accrued interest (if any) to the date (which must be a Payment Date) fixed for redemption. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Optional Redemption for Taxation Reasons".
<b>Taxation</b>	All payments of principal of and interest on the Notes will be made free and clear of, and without any withholding or deduction for or on account of, tax (if any) applicable to the Notes under any applicable jurisdiction, unless such withholding or deduction is required by law. If any such withholding or deduction is imposed, the Issuer will not be obliged to pay any additional or further amounts as a result thereof. See "TAXATION".
<b>Resolutions of Noteholders</b>	In accordance with the German Act on Debt Securities of 2009 ( <i>Schuldverschreibungsgesetz</i> ), the Notes contain provisions pursuant to which the Noteholders may agree by resolution to amend the Terms and Conditions and to decide upon certain other matters regarding the Notes including, without limitation, the appointment or removal of a common representative for the Noteholders of any Class. Resolutions of Noteholders of any Class properly

adopted, by vote taken without a meeting in accordance with the Terms and Conditions, are binding upon all Noteholders of such Class. Resolutions which do not provide for identical conditions for all Noteholders of any Class are void, unless Noteholders of such Class which are disadvantaged expressly consent to their being treated disadvantageously. In no event, however, may any obligation to make any payment or render any other performance be imposed on any Noteholder of any Class by resolution. As set out in the Terms and Conditions, resolutions providing for certain material amendments to the Terms and Conditions require a majority of not less than 75 per cent. of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast. See "TERMS AND CONDITIONS OF THE NOTES — Resolutions of Noteholders".

#### **Note Collateral**

The obligations of the Issuer under the Notes will be secured by first ranking security interests granted to the Transaction Security Trustee for the benefit of the Noteholders and other Beneficiaries in respect of (i) the Issuer's claims under the Purchased Receivables and the Related Collateral acquired by the Issuer pursuant to the Receivables Purchase Agreement, (ii) the Issuer's claims under certain Transaction Documents and (iii) the rights of the Issuer under the Accounts, all of which have been assigned and transferred by way of security or pledged to the Transaction Security Trustee pursuant to the Transaction Security Agreement (collectively, the "**Collateral**"). In addition, the obligations of the Issuer will be secured by a first priority security interest granted to the Transaction Security Trustee in the Issuer's rights under the Interest Rate Swap in accordance with the English Security Deed (such security interests together with the Collateral, the "**Note Collateral**").

Upon the occurrence of an Issuer Event of Default, the Transaction Security Trustee will enforce or will arrange for the enforcement of the Note Collateral and any credit in the Transaction Account and the Commingling Reserve Account (excluding certain amounts stated in Clause 23.1 of the Transaction Security Agreement) and any proceeds obtained from the enforcement of the Note Collateral pursuant to the Transaction Security Agreement will be applied exclusively in accordance with the Post-Enforcement Priority of Payments. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post-Enforcement Priority of Payments".

#### **The Portfolio: Purchased Receivables and Related Collateral**

The Portfolio underlying the Notes consists of car, motor cycle and trailer loan receivables originated by the Seller in its ordinary course of business. The Aggregate Outstanding Principal Amount as of the close of business (in Mönchengladbach) on 31 August 2011 was EUR 599,999,999.83. The Purchased Receivables constitute loan instalment claims arising under amortising loan agreements (the "**Loan Contracts**") entered into between the Seller, as lender, and certain debtors (the "**Debtors**"), as borrowers, for the purpose of financing (i) the acquisition of the Financed Vehicles and, if relevant, (ii) the contribution owed by the Debtors for accession to certain insurance agreements in connection with the financing of the acquisition of the related Financed Vehicles. The Purchased Receivables, together with the Related Collateral, will be assigned and transferred to the Issuer on or before the Note Issuance Date pursuant to the Receivables Purchase Agreement. The Related Collateral includes, *inter alia*, the security interest in the Financed Vehicles obtained by the Seller, any guarantee given for the loan and insurance claims relating to the Financed Vehicles. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT".

#### **Servicing of the Portfolio**

The Purchased Receivables and the Related Collateral will be administered, collected and enforced by the Seller in its capacity as Servicer under a servicing agreement (the "**Servicing Agreement**") dated 21 September 2011, and, upon outsourcing of the servicing and collection of the receivables and related collateral of the Seller to a (direct or indirect) subsidiary of the Seller or of a

parent of the Seller and the appointment of such subsidiary as new Servicer by the Issuer, by such subsidiary in its capacity as new Servicer under the Servicing Agreement, and, upon termination of the appointment of the Servicer following the occurrence of a Servicer Termination Event, by a substitute servicer appointed by the Issuer. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement" and "CREDIT AND COLLECTION POLICY".

#### **Collections**

Subject to the Pre-Enforcement Priority of Payments, the Collections received on the Portfolio will be available for the payment of interest and principal on the Notes. The Collections will include, *inter alia*, all cash amounts and proceeds received under the Purchased Receivables and the Related Collateral, any proceeds from the sale of Defaulted Receivables to a third party, and Deemed Collections. Pursuant to the Receivables Purchase Agreement, the Seller has undertaken to pay to the Issuer any Deemed Collection which is equal to the amount of the Outstanding Principal Amount (or the affected portion thereof) of any Purchased Receivable if such Purchased Receivable becomes a Disputed Receivable, such Purchased Receivable proves not to have been an Eligible Receivable on the Purchase Date, such Purchased Receivable is deferred, redeemed or modified other than in accordance with the Servicing Agreement or certain other events occur.

#### **Defaulted Receivables**

Any Purchased Receivable (which is not a Disputed Receivable) which has been declared due and payable in full (*insgesamt fällig gestellt*) in accordance with the Credit and Collection Policy of the Servicer (the "**Defaulted Receivable(s)**").

#### **Reserve Fund**

The Notes will have the benefit of a reserve fund which will provide limited protection against shortfalls in the amounts required to pay interest and, to a certain extent, principal on the Notes (the "**Reserve Fund**"). See "CREDIT STRUCTURE — Reserve Fund" and "RISK FACTORS — Limited Availability of the Reserve Fund". The Reserve Fund will be maintained as a ledger to the Transaction Account. Prior to the occurrence of an Issuer Event of Default, to the extent the amounts standing to the credit of the Reserve Fund have been applied to meet the payment obligations of the Issuer in accordance with the Pre-Enforcement Priority of Payments, the Reserve Fund will be replenished on each Payment Date up to (i) the Required Liquidity Reserve Amount as determined as of the relevant Cut-Off Date immediately preceding such Payment Date by any excess funds of the Available Distribution Amount which are not used to meet the prior-ranking payment obligations of the Issuer in accordance with the Pre-Enforcement Priority of Payments and (ii) the excess of (x) the amount of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Payment Date over (y) the amount of the Required Liquidity Reserve Amount as of the relevant Cut-Off Date immediately preceding such Payment Date by any excess funds of the Available Distribution Amount which are not used to meet the prior-ranking payment obligations of the Issuer in accordance with the Pre-Enforcement Priority of Payments. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Pre-Enforcement Priority of Payments" and "CREDIT STRUCTURE — Pre-Enforcement Priority of Payments".

To the extent that the Required Reserve Amount for the Notes is lower than the amount credited on the Reserve Fund at any time prior to the occurrence of an Issuer Event of Default, the difference between the Required Reserve Amount for the Notes and the actual amount standing to the credit of the Reserve Fund will be used to meet certain other payment obligations of the Issuer in accordance with the Pre-Enforcement Priority of Payments, including (without limitation) to repay the Subordinated Loan.

**Required Reserve Amount** Pursuant to the Receivables Purchase Agreement and the Terms and Conditions of the Notes, the Required Reserve Amount will be equal to (a) on the Note Issuance Date and as of any Cut-Off Date prior to (but excluding) the Amortisation Threshold Date, an amount equal to the Reserve Percentage of the aggregate initial Note Principal Amounts of all Notes and (b) on the Cut-Off Date falling on the Amortisation Threshold Date and any Cut-Off Date following the Amortisation Threshold Date, (i) an amount equal to 1.2 times the Reserve Percentage of the Aggregate Outstanding Note Principal Amount of all Notes after payment of any Class A Notes Principal and any Class B Notes Principal in accordance with the Pre-Enforcement Priority of Payments on the Payment Date immediately following the relevant Cut-Off Date or (ii) if, in determining the Required Reserve Amount pursuant to (b)(i) above, a Reserve Shortfall were to occur on the Payment Date immediately following such Cut-Off Date or had occurred on any Payment Date preceding such Cut-Off Date, an amount equal to 1.2 times the Reserve Percentage of the Aggregate Outstanding Note Principal Amount as of the Cut-Off Date immediately preceding the first Payment Date upon which a Reserve Shortfall would occur or would have occurred in determining the Required Reserve Amount pursuant to (b)(i) above, provided that, (x) in each case (b)(i) and (ii), the Required Reserve Amount shall not be less than EUR 6,000,000, (y) in each case (a) and (b)(i) and (ii), as of any date prior to the redemption of the Notes in full, the Required Reserve Amount shall not be less than an amount equal to 5 % of the Aggregate Outstanding Principal Amount and (z) in each case (a) and (b)(i) and (ii), the Required Reserve Amount shall be equal to zero if the Aggregate Outstanding Note Principal Amount is zero. "**Amortisation Threshold Date**" means the first Cut-Off Date as of which the Aggregate Outstanding Note Principal Amount of all Notes is less than 83.33 % of the aggregate initial Note Principal Amounts of all Notes. "**Reserve Shortfall**" occurs if the credit standing to the Reserve Fund as of any Payment Date, after filling the Reserve Fund in accordance with item *thirteenth* of the Pre-Enforcement Priority of Payments, falls short of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Payment Date. "**Reserve Percentage**" means 5 %. See "CERTAIN DEFINITIONS — Required Reserve Amount".

**Required Liquidity Reserve Amount** Pursuant to the Receivables Purchase Agreement and the Terms and Conditions of the Notes, the Required Liquidity Reserve Amount will, as of any Cut-Off Date, be an amount equal to 1% of the initial Aggregate Outstanding Note Principal Amount of all Notes as of the Note Issuance Date, provided that the Required Liquidity Reserve Amount will be equal to zero if the Aggregate Outstanding Principal Amount is zero. See "CERTAIN DEFINITIONS — Required Liquidity Reserve Amount".

**Commingling Reserve** Only following the occurrence of a Commingling Reserve Trigger Event, the Notes will have the benefit of a commingling reserve which will provide limited protection against the commingling risk in respect of the Seller acting as the Servicer. See "CREDIT STRUCTURE — Commingling Reserve". If, at any time as long as the Seller is the Servicer, a Commingling Reserve Trigger Event occurs, the Seller will be required, within fourteen (14) calendar days, to transfer the Commingling Reserve Amount to an account of the Issuer held with the Account Bank (the "**Commingling Reserve Account**"). If, at any time as long as the Seller is the Servicer, the balance credited to the Commingling Reserve Account as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event is less than the Commingling Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Commingling Reserve Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Servicer will be required, within fourteen (14) calendar days, to transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Commingling Reserve Account. The amounts, if any, standing to the credit of the Commingling Reserve Account shall be included in the Available Distribution

Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent that the Seller has, on such Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections) received or payable by the Seller during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date or if the appointment of the Servicer under the Servicing Agreement has been automatically terminated pursuant to the last paragraph of Clause 9.1 of the Servicing Agreement. On any Payment Date following the occurrence of a Commingling Reserve Trigger Event, the Issuer shall pay to the Seller any Commingling Reserve Excess Amount. "**Commingling Reserve Excess Amount**" means, as of any Payment Date, the excess of the amounts standing to the credit of the Commingling Reserve Account over the Commingling Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 8 of the definition of the Available Distribution Amount.

A "**Commingling Reserve Trigger Event**" will have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Commingling Required Rating, (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of the Seller or (iii) S&P notifies each of the Seller, the Issuer, the Transaction Security Trustee and the Cash Administrator in writing that the Seller is no longer deemed eligible under the then current applicable rating criteria of S&P unless in each case (i) and (ii) the Seller has at least the Commingling Required Rating.

"**Commingling Reserve Amount**" means, (a) as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event, an amount equal to the sum of (i) the amount of the Scheduled Collections for the period from the beginning of the Collection Period immediately following the relevant Cut-Off Date to the last Business Day of the second Collection Period after the relevant Cut-Off Date (both inclusive) and (ii) 2.5 % of the Aggregate Outstanding Note Principal Amount as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Commingling Reserve Trigger Event has occurred or is continuing, zero.

"**Commingling Required Rating**" means, with respect to any entity, that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least F1 (or its replacement) by Fitch and where such entity has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch, P-1 (or its replacement) by Moody's and at least A-2 (or its replacement) by S&P (or, if S&P has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity, the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB+ (or its replacement) by S&P) and, in each case, any such rating has not been withdrawn, and (ii) such entity's long-term unsecured, unsubordinated and unguaranteed debt obligations are assigned a rating of at least A (or its replacement) by Fitch and any such rating has not been withdrawn and where such entity has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch.

"**Scheduled Collections**" means, with respect to any Collection Period, the amount of Collections scheduled to be received by the Servicer with respect to such Collection Period as reported by the Servicer for such Collection Period.

## Set-Off Reserve

Only following the occurrence of a Set-Off Reserve Trigger Event, the Notes will have the benefit of a set-off reserve which will provide limited protection against the set-off risk in respect of the Seller. See "CREDIT STRUCTURE — Set-Off Reserve". If a Set-Off Reserve Trigger Event occurs, the Seller will be required, within five (5) Business Days, to transfer the Set-Off Reserve Amount to a ledger of the Transaction Account (such ledger, the "**Set-Off Reserve Ledger**"). If the balance credited to the Set-Off Reserve Ledger as of any Cut-Off Date following the occurrence of a Set-Off Trigger Event is less than the Set-Off Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Set-Off Reserve Ledger on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Seller will be required, within five (5) Business Days, to transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Set-Off Reserve Ledger. The amounts, if any, standing to the credit of the Set-Off Reserve Ledger shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent that (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date were not received by the Seller as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections and (ii) the Issuer does not have a right of set-off against the Seller with respect to such amounts on the relevant Payment Date. On any Payment Date following the occurrence of a Set-Off Reserve Trigger Event, the Issuer shall pay to the Seller the Set-Off Reserve Excess Amount. "**Set-Off Reserve Excess Amount**" means, as of any Payment Date, the excess of the amounts standing to the credit of the Set-Off Reserve Ledger over the Set-Off Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 9 of the definition of Available Distribution Amount.

A "**Set-Off Reserve Trigger Event**" will have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Set-Off Required Rating (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of the Seller or (iii) S&P notifies each of the Seller, the Issuer, the Transaction Security Trustee and the Cash Administrator in writing that the Seller is no longer deemed eligible under the then current applicable rating criteria of S&P unless in each case (i) and (ii) the Seller has at least the Set-Off Required Rating.

"**Set-Off Required Rating**" means, with respect to any entity, that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least A-2 (or its replacement) by S&P (or, if S&P has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity, the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB+ (or its replacement) by S&P) and any such rating has not been withdrawn and (ii) (x) the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least A (or its replacement) by Fitch and (y) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least F1 (or its replacement) by Fitch and in each case (ii) (x) and (y), any such rating has not been withdrawn and where such entity has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch and (iii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least Baa1 (or its replacement) by Moody's, and any such rating has not been withdrawn.

"**Set-Off Reserve Amount**" means, (A) if the Seller has demonstrated as of any

Cut-Off Date by a separate report to the Rating Agencies the actual amount of deposits held in current accounts with the Seller (a) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of the amounts which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds deposits in current accounts with the Seller, and are in each case equal to the lower of (i) the amount of deposits which, as of the relevant Cut-Off Date, are held in current accounts with the Seller by such Debtor and (ii) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Set-Off Reserve Trigger Event has occurred or is continuing, zero; or (B) if the Seller has not demonstrated the actual amount of deposits to the Rating Agencies pursuant to (A) above, (a) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of (i) 0.25 % of the Aggregate Outstanding Principal Amount on the relevant Cut-Off Date, and (ii) the sum of the amounts which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds deposits in current accounts with the Seller which are Legacy Santander Consumer Bank AG Accounts, and are in each case equal to the lower of (x) the amount of deposits which, as of the relevant Cut-Off Date, are held in current accounts with the Seller on a Legacy Santander Consumer Bank AG Account, and (y) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date, or (b) if as of any Cut-Off Date no Set-Off Reserve Trigger Event has occurred or is continuing, zero. "**Legacy Santander Consumer Bank AG Account**" means any current account maintained by a Debtor with the Seller which was neither operated prior to 31 January 2011 (10:30 am CET) by SEB AG under its German private banking line (*Deutsches Privatkundengeschäft der SEB AG*), nor created (*eröffnet*) after 31 January 2011 (10:29 am CET) in local branches (*Filialen*) of the Seller which had been acquired by the Seller from SEB AG with effect of 31 January 2011 (10:30 am CET) (i.e. the local branches (*Filialen*) of the Seller which had been operated prior to 31 January 2011 (10.30 am CET) by SEB AG under its German private banking line (*Deutsches Privatkundengeschäft der SEB AG*)).

**Issuer's Sources of Income**

The following amounts will be used by the Issuer to pay interest on and principal of the Notes and to pay any amounts due to the other creditors of the Issuer: (i) all payments of principal and interest and certain other payments and any Deemed Collections received under or with respect to the Purchased Receivables pursuant to the Receivables Purchase Agreement and/or the Servicing Agreement, (ii) all amounts received under the Interest Rate Swap, (iii) all amounts of interest earned on the euro denominated interest-bearing transaction account of the Issuer (the "**Transaction Account**"), (iv) all amounts standing to the credit of the Transaction Account which represent the credit standing to the Reserve Fund and the Set-Off Reserve Ledger, (v) all amounts standing to the credit of the Commingling Reserve Account (except interest earned on such amounts), (vi) all amounts paid by any third party as purchase price for Defaulted Receivables, (vii) the Transaction Cost Fee and (viii) all other amounts which constitute the Available Distribution Amount and which have not been mentioned in (i) to (vii) above. The Issuer will use amounts received in respect of the Transaction Cost Fee under the Receivables Purchase Agreement exclusively to repay the Funding Loan Provider.

**Available Distribution Amount**

"**Available Distribution Amount**" means, with respect to any Cut-Off Date and the Collection Period ending on such Cut-Off Date, an amount calculated by the Servicer pursuant to the Servicing Agreement as of such Cut-Off Date and notified to the Issuer, the Corporate Administrator, the Calculation Agent, the Principal Paying Agent, the Cash Administrator and the Transaction

Security Trustee not later than on the second Business Day after such Cut-Off Date (or, if the Servicer fails to calculate such amount, the amount calculated by the Cash Administrator with respect to such Cut-Off Date on the basis of the information available to the Cash Administrator at that time (for the avoidance of doubt, the Cash Administrator will not be obliged to request such information from any party to the Transaction Documents (other than the Calculation Agent or the Principal Paying Agent as long as the Cash Administrator, the Calculation Agent and the Principal Paying Agent are the same entity) or any other third party) and notified to the Issuer, the Corporate Administrator, the Principal Paying Agent, the Calculation Agent and the Transaction Security Trustee not later than on the third Business Day preceding the Payment Date following such Cut-Off Date), as the sum of:

1. the amounts standing to the credit of the Reserve Fund as of such Cut-Off Date;
2. any Collections (including, for the avoidance of doubt, Deemed Collections paid by the Seller or (if different) the Servicer) received by the Issuer from the Seller or (if different) the Servicer during the Collection Period ending on such Cut-Off Date;
3. any amount paid by any Interest Rate Swap Counterparty to the Issuer under the Interest Rate Swap (or otherwise received by the Issuer in respect thereof) on or before and with respect to the Payment Date immediately following such Cut-Off Date (excluding, however, (i) any Swap Collateral other than any proceeds from such Swap Collateral applied in satisfaction of payments due to the Issuer in accordance with the Interest Rate Swap upon early termination of the Interest Rate Swap), (ii) any Excess Swap Collateral, (iii) any amount received by the Issuer in respect of Replacement Swap Premium to the extent that such amount is required to be applied directly to pay a termination payment due and payable by the Issuer to the Interest Rate Swap Counterparty upon termination of the Interest Rate Swap, and (iv) any Swap Tax Credits);
4. (i)(A) any stamp duty, registration and other similar taxes, (B) any taxes levied on the Issuer and any relevant parties involved in the financing of the Issuer due to the Issuer and such parties having entered into the Receivables Purchase Agreement, the other Transaction Documents or other agreements relating to the financing of the acquisition by the Issuer of the Purchased Receivables, (C) any liabilities, costs, claims and expenses which arise from the non-payment or the delayed payment of any taxes specified under (B) above, except for those penalties and interest charges which are attributable to the gross negligence of the Issuer, and (D) any additional amounts corresponding to sums which the Seller is required to deduct or withhold for or on account of tax with respect to all payments made by the Seller to the Issuer under the Receivables Purchase Agreement, in each case paid by the Seller pursuant to the Receivables Purchase Agreement, and (ii) any taxes, increased costs and other amounts, in each case, paid by the Seller to the Issuer pursuant to the Receivables Purchase Agreement (other than any Transaction Cost Fee) and any taxes, increased costs and other amounts paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
5. (i)(A) any default interest on unpaid sums due by the Seller to the Issuer and (B) indemnities against any loss or expense, including legal fees, incurred by the Issuer as a consequence of any default of the Seller, in each case paid by the Seller to the Issuer pursuant to the Receivables Purchase Agreement and (ii) any default interest and indemnities paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;

6. any other amounts paid by the Seller to the Issuer under or with respect to the Receivables Purchase Agreement (other than any Transaction Cost Fee) or the Purchased Receivables or the Related Collateral and any other amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, the Purchased Receivables or the Related Collateral, in each case as collected during such Collection Period;
7. any interest earned (if any) on any balance credited to the Transaction Account during such Collection Period (subject to paragraph (3) above, excluding any interest earned in respect of any Swap Collateral credited to the Interest Rate Swap Ledger);
8. the amounts (if any) standing to the credit of the Commingling Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Commingling Reserve Account), but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer under items *first* to *twelfth* (inclusive) of the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Seller in its capacity as Servicer under item *fifth* of the Pre-Enforcement Priority of Payments), *provided, however*, that such amounts shall only be included in the Available Distribution Amount if and to the extent that the Seller or (if different) the Servicer have, as of the relevant Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections) received or payable by the Seller or (if different) the Servicer during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding the relevant Payment Date or if the appointment of the Servicer under the Servicing Agreement has been automatically terminated pursuant to the last paragraph of Clause 9.1 of the Servicing Agreement;
9. the amounts (if any) standing to the credit of the Set-Off Reserve Ledger, but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer under items *first* to *twelfth* (inclusive) of the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Seller in its capacity as Servicer under item *fifth* of the Pre-Enforcement Priority of Payments), *provided, however*, that such amounts shall only be included in the Available Distribution Amount if and to the extent that (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date were not received by the Seller as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections, and (ii) the Issuer does not have a right of set-off against the Seller or (if different) the Servicer with respect to such amounts on the relevant Payment Date;
10. the amounts (if any) standing to the credit of the Transaction Account which would have been distributed as Available Distribution Amount on any Payment Date prior to such Cut-Off Date, but were not distributed due to such Payment Date falling on a Servicer Disruption Date or the prior occurrence of a Termination Event; and
11. any amount (other than covered by (1) through (9) above) (if any) paid to the Issuer by any other party to any Transaction Document (other than the Funding Loan Agreement) which according to such Transaction Document is to be allocated to the Available Distribution Amount.

**Pre-Enforcement Priority of Payments**

On each Payment Date prior to the occurrence of an Issuer Event of Default, the Available Distribution Amount as of the Cut-Off Date immediately preceding such Payment Date will be applied in accordance with the following order of priorities:

*first*, to pay any obligation of the Issuer which is due and payable with respect to corporation and trade tax under any applicable law (if any);

*second*, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;

*third*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Corporate Administrator under the Corporate Administration Agreement, the Data Trustee under the Data Trust Agreement, and the Account Bank under the Accounts Agreement, any amounts due and payable by the Issuer in connection with the establishment of the Issuer, and any other amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses, and a reserved profit of the Issuer of up to EUR 500 annually;

*fourth*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Cash Administrator, the Calculation Agent and the EURIBOR Determination Agent, under the Agency Agreement, the Managers under the Subscription Agreement (excluding any commissions and concessions which are payable to the Managers under the Subscription Agreement on the Note Issuance Date and which are to be paid by the Issuer by applying the funds disbursed to it under the Funding Loan), the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeepers and any other relevant party with respect to the issue of the Notes;

*fifth*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement or otherwise, and any such amounts due and payable to any substitute servicer or back-up servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and the Related Collateral which may be appointed from time to time in accordance with the Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral;

*sixth*, to pay any amount due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap, other than any termination payment (as determined pursuant to the Interest Rate Swap) due and payable to the Interest Rate Swap Counterparty if an event of default has occurred under the Interest Rate Swap with respect to the Interest Rate Swap Counterparty;

*seventh*, to pay Class A Notes Interest due and payable on such Payment Date *pro rata* on each Class A Note;

*eighth*, if no Principal Deficiency Trigger Event occurs, to pay Class B Notes Interest due and payable on such Payment Date *pro rata* on each Class B Note;

*ninth*, to credit to the Reserve Fund with effect as from such Payment Date up to the amount of the Required Liquidity Reserve Amount as of such Cut-Off Date;

*tenth*, to pay any Class A Notes Principal as of such Cut-Off Date, *pro rata* on each Class A Note, but only until the Class A Principal Amount following such payment is equal to the Class A Target Principal Amount;

*eleventh*, upon the occurrence of a Principal Deficiency Trigger Event, to pay Class B Notes Interest due and payable on such Payment Date *pro rata* on each Class B Note;

*twelfth*, after the Class A Notes have been redeemed in full, to pay any Class B Notes Principal as of such Cut-Off Date, *pro rata* on each Class B Note, but only until the Class B Principal Amount following such payment is equal to the Class B Target Principal Amount;

*thirteenth*, unless the Payment Date falls on a Servicer Disruption Date, to credit to the Reserve Fund with effect as from such Payment Date up to the excess of (x) the amount of the Required Reserve Amount as of such Cut-Off Date over (y) the amount of the Required Liquidity Reserve Amount as of such Cut-Off Date;

*fourteenth*, unless the Payment Date falls on a Servicer Disruption Date, after a Commingling Reserve Trigger Event has occurred, to credit to the Commingling Reserve Account with effect as from such Payment Date up to the amount of the Commingling Reserve Amount as of such Cut-Off Date;

*fifteenth*, unless the Payment Date falls on a Servicer Disruption Date after a Set-Off Reserve Trigger Event has occurred, to credit to and fill the Set-Off Reserve Ledger with effect as from such Payment Date up to the amount of the Set-Off Reserve Amount as of such Cut-Off Date;

*sixteenth*, unless the Payment Date falls on a Servicer Disruption Date, to pay any termination payment due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap if an event of default has occurred under the Interest Rate Swap with respect to the Interest Rate Swap Counterparty;

*seventeenth*, unless the Payment Date falls on a Servicer Disruption Date, to pay first, interest (including accrued interest) due and payable under the Subordinated Loan Agreement and thereafter, outstanding principal under the Subordinated Loan Agreement in the event of any reduction of the Required Reserve Amount from time to time (if any) in accordance with the provisions of the Receivables Purchase Agreement, in an amount (if any) which is equal to the difference between the amount of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date, but in no event more than the difference between the actual credit then standing to the Reserve Fund as of such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date (and if such difference is negative, it shall be deemed to be zero);

*eighteenth*, unless the Payment Date falls on a Servicer Disruption Date, to pay any amounts owed by the Issuer to the Seller due and payable under the Receivables Purchase Agreement in respect of (i) any valid return of a direct debit (*Lastschriftrückbelastung*) (to the extent such returns do not reduce the Collections for the Collection Period ending on such Cut-Off Date), (ii) any tax

credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (iii) any Deemed Collection paid by the Seller for a Disputed Receivable which proves subsequently with *res judicata (rechtskräftig festgestellt)* to be an enforceable Purchased Receivable, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Receivables Purchase Agreement or other Transaction Documents; and

*nineteenth*, unless the Payment Date falls on a Servicer Disruption Date, to pay, prior to the occurrence of a Termination Event, any remaining amount to the Seller in accordance with the Receivables Purchase Agreement,

*provided that* any payment to be made by the Issuer under items *first to fifth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using any amounts then credited to the Transaction Account and, if applicable, the Commingling Reserve Account, and *provided further that* outside of such order of priority, any Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or any other Swap Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the Interest Rate Swap, to reduce the amount that would otherwise be payable by the Interest Rate Swap Counterparty to the Issuer on early termination of the Interest Rate Swap) due to be transferred or paid by the Issuer to the Interest Rate Swap Counterparty pursuant to the terms and conditions of the Interest Rate Swap shall be transferred or paid (as applicable) to the Interest Rate Swap Counterparty if and to the extent that such Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or other Swap Collateral (as the case may be) has been received by the Issuer and sufficient funds are available for this purpose on the Interest Rate Swap Ledger when such transfer or payment is made.

## **Termination Event**

A "**Termination Event**" occurs when

- (1) the Seller fails to make a payment due under the Receivables Purchase Agreement at the latest on the fifth Business Day after its due date, or, in the event no due date has been determined, within five (5) Business Days after the demand for payment, where such aggregate amount due is at least EUR 50,000;
- (2) the Seller fails within five (5) Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in (1) above) owed to the Issuer under the Receivables Purchase Agreement after its due date, or, in the event no due date has been determined, within five (5) Business Days after the demand for performance;
- (3) any of the representations and warranties made by the Seller, with respect to or under the Receivables Purchase Agreement or information transmitted is materially inaccurate or incorrect, unless such inaccuracy or incorrectness, insofar as it relates to Purchased Receivables, Related Collateral, or the Loan Contracts, has been remedied by the earlier of: (i) the fifth Business Day (inclusive) prior to the Purchase Date and (ii) the tenth Business Day (inclusive) after the Seller has become aware that such representations or warranties were inaccurate or incorrect;
- (4) the Seller is overindebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or intends to propose the institution of insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings) or dissolution proceedings and the Seller fails to remedy such status within twenty (20) Business Days;

- (5) the Seller is in default with respect to any Material Payment Obligations owed to any third parties for a period of more than five (5) calendar days; "**Material Payment Obligation**" means a payment due and payable in the amount of or in excess of EUR 1,000,000 (one million euro);
- (6) the Seller is in material breach of any of the covenants of the Seller under the Receivables Purchase Agreement;
- (7) the banking licence of the Seller is revoked, restricted or made subject to any conditions or any of the proceedings referred to in or any action under Sections 45, 46 and 46b of the German Banking Act (*Gesetz über das Kreditwesen*) have been taken with respect to the Seller;
- (8) the Seller fails to perform any material obligation under the Loan Contracts or in relation to the Related Collateral;
- (9) an Issuer Event of Default has occurred; or
- (10) a material adverse change in the business or financial conditions of the Seller has occurred which materially affects its ability to perform its obligations under the Receivables Purchase Agreement.

#### **Issuer Event of Default**

An "**Issuer Event of Default**" occurs when:

- (i) the Issuer becomes overindebted (*überschuldet*) or is unable to pay its debts as they fall due (*zahlungsunfähig*) or the inability of the Issuer to pay its debts as they fall due is imminent (*drohende Zahlungsunfähigkeit*) or measures under Section 21 of the German Insolvency Code (*Insolvenzordnung*) are taken with respect to the Issuer or the Issuer initiates or otherwise becomes subject to liquidation, insolvency, or similar proceedings under any applicable law, which affect or prejudice the performance of its obligations under the Notes or the other Transaction Documents, and are not, in the opinion of the Transaction Security Trustee, being disputed in good faith with a reasonable prospect of discontinuing or discharging the same, or such proceedings are not instituted for lack of assets;
- (ii) the Issuer defaults in the payment of any interest due and payable in respect of any Class A Note and such default continues for a period of at least five (5) Business Days;
- (iii) the Issuer defaults in the payment of any interest or principal due and payable in respect of any Note or in the due payment or performance of any other Transaction Secured Obligation (as such term is defined in Clause 7 (*Security Purpose*) of the Transaction Security Agreement), other than those mentioned under items *fifteenth* to *nineteenth* of the Pre-Enforcement Priority of Payments, in each case, to the extent that the Available Distribution Amount as of the Cut-Off Date immediately preceding the relevant Payment Date would have been sufficient to pay such amounts, and such default continues for a period of at least five (5) Business Days;
- (iv) a distress, execution, attachment or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is not discharged or does not otherwise cease to apply within thirty (30) calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the Issuer makes a conveyance or assignment for the benefit of its creditors generally; or

- (v) the Transaction Security Trustee ceases to have a valid and enforceable security interest in any of the Note Collateral or any other security interest created under any Transaction Security Document.

**Post-Enforcement Priority of Payments**

Upon the occurrence of an Issuer Event of Default, on any Payment Date any Credit (which excludes certain amounts stated in Clause 23.1 of the Transaction Security Agreement) will be applied in the following order towards fulfilling the payment obligations of the Issuer, in each case only to the extent payments of a higher priority have been made in full:

*first*, to pay any obligation of the Issuer with respect to corporation and trade tax under any applicable law (if any) which is due and payable;

*second*, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;

*third*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Corporate Administrator under the Corporate Administration Agreement, the Data Trustee under the Data Trust Agreement and the Account Bank under the Accounts Agreement, any amounts due by the Issuer in connection with the establishment of the Issuer, and any other amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses;

*fourth*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Cash Administrator, the Calculation Agent and the EURIBOR Determination Agent under the Agency Agreement, the Managers under the Subscription Agreement (excluding any commissions and concessions which are payable to the Managers under the Subscription Agreement on the Note Issuance Date and which are to be paid by the Issuer by applying the funds disbursed to it under the Funding Loan), the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeepers and any other relevant party with respect to the issue of the Notes;

*fifth*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement or otherwise, and any such amounts due to any substitute servicer or back-up servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and the Related Collateral which may be appointed from time to time in accordance with the Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral;

*sixth*, to pay any amount due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap, other than any termination payment (as determined pursuant to the Interest Rate Swap) due to the Interest Rate

Swap Counterparty if an event of default has occurred under the Interest Rate Swap with respect to the Interest Rate Swap Counterparty;

*seventh*, to pay Class A Notes Interest due and payable on such Payment Date, *pro rata* on each Class A Note;

*eighth*, to pay any Class A Notes Principal as of such Payment Date, *pro rata* on each Class A Note;

*ninth*, after the Class A Notes have been redeemed in full, to pay Class B Notes Interest due and payable on such Payment Date, *pro rata* on each Class B Note;

*tenth*, to pay any Class B Notes Principal as of such Payment Date, *pro rata* on each Class B Note;

*eleventh*, to pay any termination payment due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap if an event of default has occurred under the Interest Rate Swap with respect to the Interest Rate Swap Counterparty;

*twelfth*, to pay interest (including accrued interest) due and payable under the Subordinated Loan Agreement;

*thirteenth*, to pay any amounts owed by the Issuer to the Seller due and payable under the Receivables Purchase Agreement in respect of (i) any valid return of a direct debit (*Lastschriftrückbelastung*) (to the extent such returns do not reduce the Collections for the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date), (ii) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (iii) any Deemed Collection paid by the Seller for a Disputed Receivable which proves subsequently with *res judicata* (*rechtskräftig festgestellt*) to be an enforceable Purchased Receivable, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Receivables Purchase Agreement or other Transaction Documents;

*fourteenth*, to repay outstanding principal due and payable under the Subordinated Loan Agreement; and

*fifteenth*, to pay any remaining amount to the Seller,

*provided that* any payment to be made by the Issuer under items *first* to *fifth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using the Credit; and *provided further that* outside of such order of priority, any Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or any other Swap Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the Interest Rate Swap, to reduce the amount that would otherwise be payable by the Interest Rate Swap Counterparty to the Issuer on early termination of the Interest Rate Swap) due to be transferred or paid by the Issuer to the Interest Rate Swap Counterparty pursuant to the terms and conditions of the Interest Rate Swap shall be transferred or paid (as applicable) to the Interest Rate Swap Counterparty if and to the extent that such Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or other Swap Collateral (as the case may be) has been received by the Issuer and sufficient funds are available for this purpose on the Interest Rate Swap Ledger when such transfer or payment is made.

<b>Interest Rate Swap</b>	The Issuer has entered into a swap agreement (the " <b>Interest Rate Swap</b> ") with the Interest Rate Swap Counterparty under which it has hedged a fixed interest rate multiplied with the Notional Amount against EURIBOR multiplied with the Notional Amount. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Interest Rate Swap".
<b>Ratings</b>	The Class A Notes are expected on issue to be assigned a long-term rating of AAAsf by Fitch, a long-term rating of Aaa (sf) by Moody's and a long-term rating of AAA (sf) by S&P. The Class B Notes are expected on issue to be assigned a long-term rating of A+sf by Fitch and a long-term rating of A (sf) by S&P.
<b>Approval, Listing and Admission to trading</b>	Application has been made to the Commission de Surveillance du Secteur Financier, as competent authority under the Prospectus Directive, for the prospectus to be approved for the purposes of the Prospectus Directive. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. The direct cost of the admission of the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange amounts to approximately EUR 9,300.
<b>Clearing</b>	Euroclear of 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream Luxembourg of 42 Avenue J.F. Kennedy, 1855 Luxembourg, Luxembourg (together, the " <b>Clearing Systems</b> ", the " <b>International Central Securities Depositories</b> " or the " <b>ICSDs</b> ").
<b>Governing Law</b>	The Notes will be governed by, and construed in accordance with, the laws of Germany.
<b>Transaction Documents</b>	The Receivables Purchase Agreement, the Servicing Agreement, the Transaction Security Agreement, the English Security Deed, the Interest Rate Swap, the Subordinated Loan Agreement, the Corporate Administration Agreement, the Accounts Agreement, the Data Trust Agreement, the Funding Loan Agreement, the Notes, the Agency Agreement, the Subscription Agreement and any amendment agreement, termination agreement or replacement agreement relating to any such agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS".

## **Risk Factors**

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

**The Notes will be solely contractual obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any of the Seller, the Servicer (if different), the Transaction Security Trustee, the Interest Rate Swap Counterparty, the Data Trustee, the Principal Paying Agent, the Calculation Agent, the EURIBOR Determination Agent, the Cash Administrator, the Account Bank, the Managers, the Arranger, the Co-Arranger, the Luxembourg Listing Agent, the Luxembourg Intermediary, the Common Safekeepers, or any of their respective affiliates or any affiliate of the Issuer or any other party (other than the Issuer) to the Transaction Documents or any other third person or entity other than the Issuer. Furthermore, no person other than the Issuer will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.**

### **The Issuer**

#### **Credit Aspects of the Transaction and other considerations relating to the Notes**

##### *Liability under the Notes, Limited Recourse*

The Notes represent obligations of the Issuer only, and do not represent obligations of, and are not guaranteed by, any other person or entity. In particular, the Notes do not represent obligations of, and will not be guaranteed by, any of the Seller, the Servicer (if different), the Transaction Security Trustee, the Interest Rate Swap Counterparty, the Data Trustee, the Principal Paying Agent, the Calculation Agent, the EURIBOR Determination Agent, the Cash Administrator, the Account Bank, the Managers, the Arranger, the Co-Arranger, the Luxembourg Listing Agent, the Luxembourg Intermediary, the Common Safekeepers, or any of their respective affiliates or any affiliate of the Issuer or any other party (other than the Issuer) to the Transaction Documents or any other third person or entity other than the Issuer. No person other than the Issuer will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

Prior to the occurrence of an Issuer Event of Default, all payment obligations of the Issuer under the Notes constitute exclusive obligations to pay out on each Payment Date the Available Distribution Amount determined as of the Cut-Off Date immediately preceding such Payment Date in accordance with the Pre-Enforcement Priority of Payments. Upon the occurrence of an Issuer Event of Default, all payment obligations of the Issuer under the Notes constitute exclusive obligations to pay out the credit standing to the Transaction Account and the Commingling Reserve Account (excluding certain amounts stated in Clause 23.1 of the Transaction Security Agreement) and the proceeds of the Note Collateral in accordance with the Post-Enforcement Priority of Payments. If, following enforcement of the Note Collateral, the proceeds of such enforcement prove ultimately insufficient, after payment of all claims ranking in priority to amounts due under the Notes, to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, any shortfall arising will be extinguished and the Noteholders will neither have any further claim against the Issuer in respect of any such amounts nor have recourse to any other person for the loss sustained. The enforcement of the Note Collateral by the Transaction Security Trustee is the only remedy available to the Noteholders for the purpose of recovering amounts payable in respect of the Notes. Such assets and proceeds will be deemed to be "ultimately insufficient" at such time as no further assets of the Issuer are available and no further proceeds can be realised therefrom to satisfy any outstanding claim of the Noteholders, and neither assets nor proceeds will be so available thereafter.

##### *Non-Existence of Purchased Receivables*

The Issuer retains the right to bring indemnification claims against the Seller but no other person against the risk that the Purchased Receivables do not exist or cease to exist without encumbrance (*Bestands- und Veritätshaftung*) in accordance with the Receivables Purchase Agreement. If the Loan Contract relating to a Purchased Receivable proves not to have been legally valid as of the Purchase Date, the Seller will pay to the Issuer a Deemed Collection in an amount equal to the Outstanding Principal Amount of such Purchased Receivable (or the affected portion thereof) pursuant to the Receivables Purchase Agreement.

The same applies if a Debtor uses its right of withdrawal (*Widerrufsrecht*). Such withdrawals are legally possible even after the expiry of the regular two week time period for withdrawals if the instruction of withdrawal (*Widerrufsbelehrung*) used by the Seller or the counterparty of a linked contract within the meaning of Section 358 of the German Civil Code (*Bürgerliches Gesetzbuch*) does not comply with legal requirements. The legal requirements applicable to instructions of withdrawal are under constant review of the German courts. See "Risk Factors — German Consumer Loan Legislation".

#### *Limited Resources of the Issuer*

The Issuer is a special purpose financing entity with no business operations other than the issue of the Notes and the purchase and financing of the Purchased Receivables. Therefore, the ability of the Issuer to meet its obligations under the Notes will depend, *inter alia*, upon receipt of:

- payments of principal and interest and certain other payments received as Collections under the Purchased Receivables pursuant to the Servicing Agreement and the Receivables Purchase Agreement;
- Deemed Collections (if due) from the Seller;
- funds (if due) from the Interest Rate Swap Counterparty under the Interest Rate Swap;
- interest earned on the amounts credited to the Transaction Account;
- amounts paid by any third party as purchase prices for Defaulted Receivables and any relevant Related Collateral;
- payments (if any) under the other Transaction Documents (other than the Funding Loan Agreement) in accordance with the terms thereof (excluding the Transaction Cost Fee).

Other than the foregoing, the Issuer will have no funds available to meet its obligations under the Notes.

#### *Subordination*

The Issuer's obligations under the Interest Rate Swap will be secured by the Note Collateral and such obligations (excluding termination payments due to the Interest Rate Swap Counterparty because of an event of default relating to it) will rank, in respect of payment and security upon the occurrence of an Issuer Event of Default, senior to the Issuer's obligations under the Notes. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post-Enforcement Priority of Payments".

### **The Notes**

#### *Interest Rate Risk*

Payments made to the Seller by any Debtor under a Loan Contract which enables such Debtor to purchase a Financed Vehicle comprise monthly amounts calculated with respect to a fixed interest rate. However, payments of interest on the Notes are calculated with respect to EURIBOR plus a margin. To ensure that the Issuer will not be exposed to any material interest rate discrepancy, the Issuer and the Interest Rate Swap Counterparty have entered into the Interest Rate Swap under which the Issuer will make payments by reference to a fixed rate and the Interest Rate Swap Counterparty will make payments by reference to EURIBOR, in each case and calculated with respect to the Notional Amount.

A default by the Interest Rate Swap Counterparty on its obligations under the Interest Rate Swap may lead to the Issuer not having sufficient funds to meet its obligations to pay interest on the Notes. See "CREDIT STRUCTURE — Interest Rate Swap" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Interest Rate Swap".

#### *Non-availability of Subordinated Loan*

After the Note Issuance Date, the Issuer will not be entitled to any further drawings under the Subordinated Loan to fill or re-fill the Reserve Fund up to the Required Reserve Amount or otherwise to make payments in respect of principal or interest on the Notes. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement".

### *Conflicts of Interest*

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

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

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

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

The Servicer may hold and/or service claims against the Debtors with respect to receivables other than the Purchased Receivables. The interests or obligations of the Servicer in its respective capacities with respect to such other claims may in certain aspects conflict with the interests of the Noteholders.

The Transaction Security Trustee, Data Trustee, the Managers, the Interest Rate Swap Counterparty, the Principal Paying Agent, the Cash Administrator, the Calculation Agent, the Luxembourg Listing Agent and Luxembourg Intermediary, the Account Bank, the Funding Loan Provider, the Subordinated Loan Provider, the Arranger and the Co-Arranger may engage in commercial relationships, in particular, hold assets in other securitisation transactions as security trustee, be lenders, provide investment banking and other financial services to the Debtors, the other parties to the Transaction Documents and other third parties. In such relationships the Data Trustee, the Transaction Security Trustee, the Managers, the Interest Rate Swap Counterparty, the Principal Paying Agent, the Cash Administrator, the Calculation Agent, the Luxembourg Listing Agent and Luxembourg Intermediary, the Account Bank, the Funding Loan Provider, the Subordinated Loan Provider, the Arranger and the Co-Arranger are not obliged to take into account the interests of the Noteholders. Accordingly, conflicts of interest may arise in this transaction.

### *Risks from Reliance on Certification by True Sale International GmbH*

True Sale International GmbH ("TSI") grants a certificate which is a registered certification label if a special purpose vehicle company complies with certain conditions of TSI. These conditions aim to ensure that securitisations involving a German special purpose vehicle adhere to certain quality standards. The label "CERTIFIED BY TSI - DEUTSCHER VERBRIEFUNGSSTANDARD" thus indicates that standards based on the conditions established by TSI have been met. Nonetheless, the TSI certification is not a recommendation to buy, sell or hold securities. Certification is granted on the basis of the Seller's and/or Issuer's declarations of undertaking given as of the date of this Prospectus, to comply with the main quality criteria of the label "CERTIFIED BY TSI - DEUTSCHER VERBRIEFUNGSSTANDARD", in particular with the lending and servicing standards and disclosure requirements, as defined as of the Note Issuance Date, throughout the duration

of the transaction contemplated by the Transaction Documents. As of the date of this Prospectus, TSI has certified that the Issuer has complied with the standards required by TSI, including the reporting and disclosure requirements of TSI. For a more detailed explanation, see "CERTIFICATION BY TRUE SALE INTERNATIONAL GMBH".

TSI has not undertaken any other investigation or inquiry in respect of SC Germany Auto 2011-1 UG (haftungsbeschränkt) or the Notes and disclaims any responsibility for monitoring the continued compliance of SC Germany Auto 2011-1 UG (haftungsbeschränkt) with these standards or any other aspect of the activities or operations of SC Germany Auto 2011-1 UG (haftungsbeschränkt). Prospective investors and Noteholders should therefore disregard such certification for the purpose of evaluating their investment in the Notes.

#### *Ratings of each Class of Notes*

Each rating assigned to any Class of Notes by any Rating Agency takes into consideration the structural and legal aspects associated with the Notes and the underlying Purchased Receivables, the credit quality of the Portfolio, the extent to which the Debtors' payments under the Purchased Receivables are adequate to make the payments required under the Notes as well as other relevant features of the structure, including, *inter alia*, the credit situation of the Interest Rate Swap Counterparty, the Account Bank, the Seller and the Servicer (if different). Each Rating Agency's rating reflects only the view of that Rating Agency. In particular, the ratings assigned by each of S&P and Fitch to any Class of Notes addresses the likelihood of full and timely payment to the Noteholders of all payments of interest on the Notes on each Payment Date and the ultimate payment of principal on the Legal Maturity Date of the Notes and takes into consideration the characteristics of the Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Notes. The Moody's rating of the Class A Notes addresses the risk of expected loss in proportion to the initial Class Principal Amount of the Class A Notes posed to the Noteholders by the Legal Maturity Date. The Moody's rating addresses only the credit risks associated with this transaction.

The Issuer has not requested a rating of any Class of Notes by any rating agency other than the Rating Agencies. However, rating organisations other than the Rating Agencies may seek to rate any Class of Notes and, if such "shadow ratings" or "unsolicited ratings" are lower than the comparable ratings assigned to such Class of Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of any Class of Notes. Future events, including events affecting the Interest Rate Swap Counterparty, the Account Bank, the Seller and the Servicer (if different) could also have an adverse effect on the rating of any Class of Notes.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organisation. The ratings assigned to any Class of Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to any Class of Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement to the Notes.

Each of the Rating Agencies is established in the European Community and has applied for registration under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

#### *Resolutions of Noteholders*

The Notes provide for resolutions of Noteholders to be passed by vote taken without meetings. Each Noteholder is subject to the risk of being outvoted. As resolutions properly adopted are binding on all Noteholders, certain rights of such Noteholder against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled.

#### *Noteholders' Representative*

If the Noteholders appoint a Noteholders' representative by a majority resolution of the Noteholders, it is possible that a Noteholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, such right passing to the Noteholders' Representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

### *Absence of Secondary Market Liquidity and Market Value of Notes*

Although application has been made to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange, there is currently no secondary market for the Notes. Even if the Joint Lead Managers could establish a secondary market for the Notes, they are not necessarily obliged to do so and any market activity which existed in the past can be easily terminated at any time without prior notice. If there is no market activity (namely, bids and offers) by the Joint Lead Managers, it is unlikely that a liquid secondary market will be established. In view of these factors, there can be no assurance that a secondary market for the Notes will develop or that a market will develop for all Classes of Notes or, if it develops, that it will provide Noteholders with liquidity of investment, or that it will continue for the whole life of the Notes. Further, the secondary markets are currently experiencing severe disruptions resulting from reduced investor demand for asset-backed securities and increased investor yield requirements for those securities. As a result, the secondary market for asset-backed securities is experiencing extremely limited liquidity. These conditions may continue or worsen in the future. Limited liquidity in the secondary market for asset-backed securities has had a severe adverse effect on the market value of asset-backed securities. Limited liquidity in the secondary market may continue to have a severe adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. The market values of the Notes are likely to fluctuate. Any such fluctuation may be significant and could result in significant losses to investors in the Notes. In addition, the forced sale into the market of asset-backed securities held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could adversely affect an investor's ability to sell, and/or the price an investor receives for, the Notes in the secondary market.

### *Eurosystem Eligibility*

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Class A Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (the "**Eurosystem eligible collateral**") either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria set out in the Guideline of the European Central Bank on monetary policy instruments and procedure of the Eurosystem (ECB/2000/7), as amended from time to time. In addition, the Issuer will use its best efforts to make loan level details available in such manner as may be required in the future to comply with the Eurosystem eligibility criteria, subject to applicable data protection laws.

If the Class A Notes do not satisfy the criteria specified by the European Central Bank, there is a risk that the Class A Notes will not be Eurosystem eligible collateral. Neither the Issuer, any Manager, the Arranger nor the Co-Arranger gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or any or at 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 Class A Notes should consult its professional advisers with respect to whether or not the Class A Notes constitute Eurosystem eligible collateral at any point of time during the life of the Class A Notes.

### *Revisions to Basel II Risk-Weighted Asset Framework*

The Basel Committee on Banking Supervision (the "**Committee**") published in July 2009 "Revisions to the Basel II market risk framework" and "Enhancements to the Basel II framework", which provide for a number of enhancements targeting each of the three Pillars "minimum capital requirements", "supervisory review process" and "market discipline" set-forth by the Committee in its June 2006 publication "Basel II; International Convergence of Capital Measurement and Capital Standards: A Revised Framework (Comprehensive Version)" (the "**Framework**"). As set out therein, banks are expected to comply with the revised requirements by 31 December 2010. As for the Framework, these revisions and enhancements are not self-implementing, but are subject to being put into effect by the participants. In 2009, the European Parliament and the Council adopted certain amendments to the EU Capital Requirements Directive (the "**CRD**") which were to be transposed into national law by each EU Member State by 31 October 2010 and must be applied from 31 December 2010 onwards. These amendments include in respect of securitisations a new Article 122a CRD providing for new disclosure and investor due diligence requirements, a requirement to apply a common approach to origination and monitoring regardless of whether assets are to be securitised or held on a bank's own books and implement also the controversial "skin in the game" proposals that (broadly) require originators/sponsors of securitisations

to retain a minimum 5 % net economic interest in those securitisations so as to enable credit institutions to invest in the securitisation. The amended CRD has been transposed into German law in 2010, *inter alia* by supplementing new Sections 18a and 18b to the German Banking Act (*Kreditwesengesetz*) in respect of securitisations. Sections 18a and 18b of the German Banking Act will apply to new securitisations issued on or after 1 January 2011 and to existing securitisations after 31 December 2014 where new underlying exposures are added or substituted after that date. Deviating from the requirements of Article 122a CRD, the German Banking Act provides that a 10 % retention requirement applies, except, however, for new securitisations completed on or prior to 31 December 2014 to which a retention requirement of 5 % applies.

In 2010, the European Parliament and the Council adopted a second set of amendments to the CRD concerning changes, *inter alia*, to the operational risk and re-securitisation capital requirements as a result of certain amendments to the Basel II capital adequacy rules. Most of these amendments must be transposed into national law by each EU Member State by 31 December 2011.

In 2010, the Committee published proposals for further changes to the Framework ("Basel III: A global regulatory framework for more resilient banks and banking systems"). The proposals include new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. These include, without limitation, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the liquidity coverage ratio and net stable funding ratio, respectively).

In addition, it is reasonable to expect further amendments to the Framework and the CRD in the near and medium term future.

As and when implemented, the Framework and its amendments could affect the risk-based capital treatment of the Notes for investors which are subject to bank capital adequacy requirements that follow or are based on the Framework. In particular, in case of material negligent non-compliance with the requirements set out in Article 122a of the CRD by the originator or sponsor credit institution, a proportionate additional risk weight of not less than 250% of the risk weight (the total risk weight being capped at 1250%) otherwise applicable to the relevant securitisation position will be imposed on such credit institution and such risk weight will progressively increase with each subsequent infringement of one of the due diligence provisions. The same applies in case of any material negligent non-compliance with the due diligence obligations on the part of a credit institution investing in the Notes. Non-compliance of the Seller with Article 122a of the CRD may hence negatively affect the ability of the Noteholders to sell, and/or the price received for, the Notes in the secondary market. There is no assurance that any reference to the Seller's retention of net economic risk in this Prospectus constitutes sufficient disclosure by the Seller in view of adequately supporting the due diligence investigation on the part of the Noteholders for the purposes of Article 122a of the CRD.

Consequently, prospective investors and Noteholders should consult their professional advisers as to the consequences to and effect on them of the application of the Framework and its amendments and any relevant implementing measures. No predictions can be made as to, and the Issuer is not responsible for informing the prospective investors and Noteholders of, the effects of the changes to risk-weighting as a result of implementation of the Framework and its amendments.

There is no assurance that the regulatory capital treatment of the Notes for investors will not be affected by any future changes to the Framework or the CRD.

### **Taxation in the Federal Republic of Germany**

The following should be read in conjunction with "TAXATION IN GERMANY" below.

#### *Corporate Income Tax*

Business profits derived by the Issuer will be subject to German corporate income tax (*Körperschaftsteuer*) at a rate of 15 % and solidarity surcharge (*Solidaritätszuschlag*) at a rate of 5.5 % thereon, as the Issuer is a corporation with its statutory seat and its place of effective management and control in Germany. The aggregate rate of corporate income tax and solidarity surcharge thereon will amount to 15.825 %.

The Issuer's business profits subject to tax will be determined on an accruals basis. Therefore, the Issuer's corporate income tax base will generally be calculated by deducting the interest payable on the Notes as well as

any business expenses incurred by it, such as for instance fees from its income derived from the Purchased Receivables, such as interest, and the payments derived under the Interest Rate Swap. Provided that, as expected by the Issuer, the aggregate amount of the income received by the Issuer does not substantially exceed the aggregate amount of the business expenses incurred by the Issuer in a taxable period, the Issuer's corporate tax base will be low or even zero and thus its corporate income tax liability will, as well, be low or even zero. If, by contrast, the aggregate amount of the income received by the Issuer were to exceed the aggregate amount of the business expenses incurred by the Issuer in a taxable period, the Issuer would be subject to corporate income tax on the exceeding amount.

Without prejudice to this analysis, following published statements of an expert committee of the German Institute of Chartered Accountants (*Institut der Wirtschaftsprüfer – IDW*), the acquisition of the Receivables by the Issuer from the Seller could be perceived, from an economic angle, as the extension of a (secured) loan by the Issuer to the Seller. From such perspective, the Issuer would receive interest income under a (secured) loan extended to the Seller rather than the actual interest payments on the Purchased Receivables. However, the payments on such notional loan would depend on the respective Debtors under the Purchased Receivables actually paying interest on the Purchased Receivables. Even if the acquisition of the Purchased Receivables were indeed to be viewed as the extension of a (secured) loan, such recharacterisation should, in principle, not give rise to adverse corporate income tax consequences and the Issuer may still be expected to have a relatively low corporate income tax base. In this context it should be noted that the view taken by the IDW was recently indirectly confirmed by the German Federal Fiscal Court (*Bundesfinanzhof*). The court held in a decision dated 26 August 2010 (I R 17/09) that in respect of securitisation transactions beneficial ownership (*wirtschaftliches Eigentum*) in the receivables is not necessarily being transferred to the purchaser of the receivables. Instead, it generally remains with the seller if the risk of the inability of the debtors to pay their obligations (*Bonitätsrisiko*) has not been fully transferred to the purchaser which would, pursuant to the guiding principles (*Leitsatz*) of the decision, be the case if the purchaser – in determining the purchase price – takes into account a discount that is significantly higher than the expected default ratio, but which is adjustable depending on the actual receipt of payments under the receivables. Such transaction would rather have to be treated as a (secured) loan. The Issuer has been advised that this decision would not be applicable to the present transaction if the risk of the inability of the Debtors under the Purchased Receivables to pay their obligations (*Bonitätsrisiko*) would be fully, effectively and definitely transferred from the Seller of the Purchased Receivables to the Issuer. It should be noted that the decision of the *Bundesfinanzhof* does not elaborate in detail on the criteria of a full, effective and definite transfer. In particular, the court decision does not include any statements as to whether credit enhancement features (as, for example, the repurchase of notes by a seller) are to be taken into account when determining whether the *Bonitätsrisiko* has been fully, effectively and definitely transferred to the acquirer of the receivables. Therefore, the Issuer has been advised that it cannot be ruled out that the tax authorities would take the decision of the *Bundesfinanzhof* as a basis to argue that parts of the risk of the Debtor's inability to pay their obligations under the Purchased Receivables (*Bonitätsrisiko*) have not been fully, effectively and definitely transferred to the Issuer such that they could, consequently, treat the acquisition of the Purchased Receivables as the extension of a (secured) loan.

The deductibility of interest expenses for German tax purposes may, under certain circumstances, be limited. As a general rule, pursuant to the interest stripping rules (*Zinsschranke*) net interest expenses (i.e. interest expenses exceeding the interest income) exceeding 30 % of the Issuer's earnings as determined for German tax purposes (adjusted by interest expenses, interest income and certain depreciations) are not deductible. The interest stripping rules only apply if the net interest expenses equal or exceed EUR 3,000,000 in the relevant business year. It is expected that the Issuer's interest income received should at any time equal or even be higher than the interest expenses to be paid on the Notes. Consequently, the net balance of interest payments in any given business year should not be negative (or, at least, not be negative in an amount of EUR 3,000,000 or higher). Even if – due to unusual circumstances – the net interest payments equaled or exceeded the aforementioned threshold in a given year, the interest stripping rules would not apply to the Issuer if the Issuer qualified as a non-consolidated entity within the meaning of the interest stripping rules. This would be the case if the Issuer is not and may not be included into consolidated statements of a group in accordance with the applicable accounting standards. Pursuant to administrative guidance issued by the German Federal Ministry of Finance (*Bundesfinanzministerium*) on 4 July 2008 (German Federal Tax Gazette (*Bundessteuerblatt*) Vol. I 2008, 718) certain entities, such as special purpose vehicles used in securitization transactions, are regarded as non-consolidated entities for purposes of the interest stripping rules if the entity is exclusively consolidated because of economic considerations taking into account the allocation of benefits and risks. Since - if at all - the Issuer may exclusively be consolidated by virtue of such economic considerations, the interest stripping rules would not apply to the Issuer provided that these considerations made by the tax authorities in the *Zinsschranke* decree were still applicable. However, whether this is still the case has become doubtful when the German GAAP were

amended by the Accounting Modernisation Act (*Bilanzrechtsmodernisierungsgesetz*), which is generally applicable for accounting periods starting in 2010. Under the amended German GAAP, special purpose vehicles used in securitization transactions might have to be consolidated on a mandatory (statutory) basis. However, the new consolidation rules stipulated in Sec. 290 para. 2 no. 4 of the German Commercial Code (*Handelsgesetzbuch* – "**HGB**") are also primarily based on economic considerations taking into account the allocation of benefits and risks; consequently, the considerations included in the abovementioned *Zinsschranke* decree would still apply to the Issuer. The Issuer has, therefore, been advised that it should still be eligible for the exemption provided in the aforementioned decree such that the *Zinsschranke* should not apply to the Issuer. If, against such expectations, the interest stripping rules applied to the Issuer, the deductibility of interest payments would be limited in accordance with the principles described above, and any interest payments that are not deductible could be carried forward and would generally be deductible in subsequent business years, subject to limitations similar to those applicable in the business year when the non-deductible interest item accrued.

If a Debtor under a Purchased Receivable is in default with respect to payments under a Loan Contract, the Issuer is generally obliged to adjust the value of its claim as shown in its financial statements reflecting the value of the Purchased Receivable. The Issuer does, however, not incur a loss for tax purposes if its corresponding liability *vis-à-vis* the Noteholders as shown in its financial statements is reduced accordingly during the same fiscal year. Moreover, the Issuer does not incur a loss for tax purposes if the Purchased Receivables shown in the Issuer's financial statements (or, as the case may be, the loan receivable that the Issuer shows in its financial statements as a consequence of an economic perception of the purchase of the Purchased Receivables) form a valuation unit for accounting purposes (*Bewertungseinheit*) with the Issuer's liabilities *vis-à-vis* the Noteholders. If, contrary to the expectations of the Issuer, the corresponding liability *vis-à-vis* the Noteholders could not be reduced and/or a valuation unit would not be recognized for tax purposes, the Issuer may incur a loss in a given fiscal year. In such a case, negative tax implications could arise to the extent that such loss cannot be fully utilised to off-set taxable income of the Issuer in the relevant year of origination of such loss. It is true that the exceeding loss could be carried-forward for tax purposes ("**Tax Loss Carry-Forward**") and could be used to set-off the Issuer's taxable profits arising in subsequent business years. However, under German tax laws, such full set-off would be limited to an amount of EUR 1,000,000 whereas only 60 % of the Issuer's taxable profits exceeding such threshold amount ("**Excess Profit**") could be offset by the remaining Tax Loss Carry Forward. Therefore, a tax liability of the Issuer may arise to the extent the Excess Profit cannot be set-off by the Tax Loss Carry-Forward.

#### *Trade Tax*

Since the activities of the Issuer qualify as a trade or business (*Gewerbebetrieb*) and the Issuer's statutory seat and place of effective management and control are in Germany, the Issuer will be subject to German trade tax. In principle, the taxpayer's corporate income tax base also constitutes the tax base for German trade tax purposes. If, contrary to the Issuer's expectations, certain items cannot be deducted for corporate income tax purposes (as described above) this would also increase the tax basis for trade tax purposes.

#### *VAT*

The acquisition of the Purchased Receivables and the issuance of the Notes is a VAT-exempt (*umsatzsteuerfreie*) transaction under the German Value Added Tax Act (*Umsatzsteuergesetz*). Accordingly, the Issuer, being a taxable person (*Unternehmer*) for VAT purposes, (i) will not be required to charge VAT (*Umsatzsteuer*) upon issuing the Notes and (ii) will not be entitled to deduct any input-VAT (*Vorsteuer*) on services rendered to it. In particular, in the event that the servicing and management services provided by the Seller (in its capacity as Servicer) to the Issuer would be subject to VAT (see the subsequent paragraph on the VAT treatment of such services), the Issuer will not be entitled to recover any input VAT imposed on such services.

Pursuant to administrative guidance (Section 2.4 Value Added Tax Application Ordinance (*Umsatzsteuer-Anwendungserlass* or "**UStAE**") (i) neither the purchaser of loan receivables supplies services that are subject (*steuerbar*) to Value Added Tax (*Umsatzsteuer* or "**VAT**") nor (ii) the activities of the seller of the receivables trigger German VAT (the services are either not subject to German VAT or exempt from German VAT (*steuerfrei*)) if the seller (or a third party appointed by the seller) of the receivables continues to service (administration, collection and enforcement) the receivables after the sale. If instead the purchaser (or a third party appointed by the purchaser) services the receivables, the purchaser would be considered as supplying a service to the seller. Such service would not be exempt from German VAT (Section 2.4 Para. 4 Sentence 3 UStAE) if it was considered to be supplied in Germany in accordance with applicable VAT law. For that reason, VAT would generally not accrue with respect to the servicing of the Purchased Receivables and the Related Collateral by the Servicer, since at present the Seller in its capacity as Servicer undertakes to service the Purchased Receivables and the Related Collateral. However, if instead a third party appointed by the Issuer were

to service the Purchased Receivables and the Related Collateral (for example, after termination of the Servicing Agreement between the Issuer and the Seller (in its capacity as Servicer) following the occurrence of a Servicer Termination Event), such replacement would change the VAT treatment described in the preceding sentence, however, this should not retroactively affect the initial analysis. As a consequence of such replacement, the Issuer would be considered as supplying a service to the Seller and such supply would generally not be exempt from German VAT.

It should be noted that the German tax authorities' conclusions described in the preceding paragraph regarding the VAT treatment of securitisation transactions, in particular the consequences and the relevance of either the Seller or the Issuer undertaking the servicing of the acquired receivables, have not yet been confirmed by the German Federal Tax Court (*Bundesfinanzhof*). Therefore, these conclusions could be overruled by a decision of the German Federal Tax Court. Moreover, the tax authorities might change their interpretation, in particular if the German Federal Tax Court's conclusions in a court ruling were to deviate from those of the tax authorities. In this context it should be noted that the Tax Court Düsseldorf held in a judgement dated 15 February 2008 (1 K 3682/05 U) that the servicing of purchased loan receivables by the purchaser in its own interest – the purchaser not being a factoring company that renders services for the continuing benefit of the seller - does not constitute a supply of services. This judgment has been appealed. The German Federal Tax Court (V R 18/08) decided on 10 December 2009 to seek clarification from the European Court of Justice whether (and to what extent) the purchaser of a loan portfolio supplies services to the seller of such receivables. Depending on the eventual outcome of these court proceedings, the tax authorities could conclude that, different to the stipulations in the UStAE, the servicing of loan receivables qualifies as a non-VAT exempt supply of service even if performed by the seller (and/or a third party appointed by the seller of such receivables). Consequently, the servicing of the Purchased Receivables and the Related Collateral by the Seller (in its capacity as Servicer) and/or a third party appointed by the Seller would be VATable (*steuerbar und steuerpflichtig*) in Germany. Moreover, the Tax Court of Hesse held in two decisions dated 31 May 2007 and 26 January 2010 (6 V 1258/07 and 6 K 2933/07) that the purchaser of loan receivables is supplying a VATable service to the seller if the purchaser or a third party appointed by the purchaser services the receivables and thereby indirectly confirms the current view taken by the tax authorities. If against expectations a German tax authority were to take the view that the activities of the Issuer should be treated in the same way as the services rendered by a factoring company, any consideration allocable to the services rendered by the Issuer to the Seller would be subject to German VAT and would not be VAT-exempt.

The Issuer could under certain circumstances become secondarily liable for VAT owed and not paid by the Seller in respect of the Purchased Receivables pursuant to Section 13c UStG. However, it can be expected that the Seller and originator of the Purchased Receivables could not and has not opted to a VATable treatment of its financing services rendered to the Debtors and, therefore, no VAT liability and consequently also no secondary liability should arise. A secondary liability might, however, arise if and to the extent that the enforcement of a security granted by a Debtor to the Seller is considered to be a VATable and non-VAT exempt supply by the Seller to the Debtor and, subsequently, by the Debtor to the purchaser in accordance with Sec. 1.2 UStAE and, *inter alia*, the decisions of the *Bundesfinanzhof* dated 19 July 2007 (V B 222/06) and 23 July 2009 (V R 27/07). Even though, Section 13c.1 para. 18 *et seqq.* UStAE stipulates that Section 13c UStG only applies if the receivables are collected by the purchaser. Pursuant to Section 13c.1 para. 27 UStAE, in securitisation transactions the purchaser of receivables should not be treated as having collected the purchased receivables if and to the extent that the purchaser paid a consideration for such receivables. Because a consideration reflecting market value will be paid by the Issuer, Section 13c.1 para. 27 UStAE would apply and, consequently the Issuer could not be held liable for any VAT (if any) not paid by the Seller with regard to the Purchased Receivables. Such considerations should in principle also apply if the VAT relates to the enforcement of a security granted by the Debtors in respect of the Purchased Receivables. If against expectations the tax authorities took a different view, the Issuer could be held liable for any VAT at a rate of 15.97 % on the difference between the face value of the Purchased Receivables and the Purchase Price pertaining to such Receivables.

The Issuer has not applied for an advance binding ruling (*verbindliche Auskunft*) with the competent tax office to have the tax treatment of certain of the issues described in the preceding paragraphs confirmed although such advance rulings have in transactions similar to those described in this Prospectus been applied for and have been granted accordingly. Therefore, the tax authorities did not have the opportunity to review the structure of the transaction beforehand and to confirm by way of a binding statement the interpretation of the relevant tax law provisions as expressed in this Prospectus. Consequently, there is no certainty that the tax authorities will share this interpretation when it comes to assessing the tax liabilities of the Issuer. The tax authorities, however, have confirmed such interpretation of some of the relevant provisions, as expressed above, by way of advance binding

rulings in similar transactions (excluding however in particular (A) the question whether the amendments of the *Bilanzrechtsmodernisierungsgesetz* may adversely affect an issuer's interest stripping rule (*Zinsschranke*) position; (B) the view taken by the IDW in HFA 8 in general and in particular in the light of the decision of the *Bundesfinanzhof*; and (C) the question whether the tax authorities view of the VAT treatment of securitisation transactions stipulated in Section 2.4 UStAE could be affected by request of the *Bundesfinanzhof* for a ruling of the European Court of Justice). Consequently, although such rulings technically do not have binding effect with regard to the transaction described in this Prospectus, it does not appear likely that the tax authorities will deviate from the interpretative views held in such other advance binding rulings when assessing the Issuer's tax liabilities. Nevertheless, the level of certainty with respect to the interpretation of the relevant tax law provisions is lower than it would have been had the Issuer received an advance binding ruling. In particular, the competent tax inspector or tax auditor in a future tax audit might deviate from the interpretative views taken by the tax authorities in such other binding rulings whereas, technically, this would not be possible if the Issuer had obtained an advance binding ruling (Section 2 para. 1 Tax Ruling Ordinance - *Steuerauskunftsverordnung* - StAuskV).

The Issuer, however, has applied for an advance ruling with the competent tax office to confirm the tax treatment of the question whether withholding tax needs to be withheld on interest payments under the Notes in light of a recent decision of the *Bundesfinanzhof* (decision dated 22 June 2010, I R 78/09). The competent tax authority accordingly issued a binding ruling on 17 June 2011. The advance ruling will, however, not have binding effect if the transaction, as executed, will deviate from the description of the transaction made in the binding ruling request submitted to the tax authorities. Moreover, no binding effect will attach to the advance ruling if the legal provisions that form the basis of the conclusion drawn in the advance ruling are subject to changes.

### **No Gross-Up for Taxes**

If required by law, any payments under the Notes will only be made after deduction of any applicable withholding taxes and other deductions. The Issuer will not be required to pay additional amounts in respect of any withholding or other deduction for or on account of any present or future taxes, duties or charges of whatever nature. see "TERMS AND CONDITIONS OF THE NOTES — Taxation". In such event, subject to certain conditions, the Issuer will be entitled (but will have no obligation) to redeem the Notes in whole but not in part at their then aggregate outstanding Note Principal Amounts. see "TERMS AND CONDITIONS OF THE NOTES — Redemption — Optional Redemption for Taxation Reasons".

### **Exchange Controls**

Except in limited embargo circumstances, there are no legal restrictions in Germany on international capital movements and foreign exchange transactions. However, for statistical purposes only, every individual or corporation residing in Germany must report to the German Central Bank (*Deutsche Bundesbank*), subject to certain exceptions, any payment received from or made to an individual or a corporation resident outside of Germany if such payment exceeds EUR 12,500 (or the equivalent in a foreign currency).

### **Legal Structure**

#### *No Right in Loan Contracts*

The ownership of a Note does not confer any right to, or interest in, any Loan Contract or any right against the Debtor or any third party under or in connection with the Loan Contract or against the Seller or the Servicer.

#### *Insolvency Law*

Under German insolvency law, in insolvency proceedings of a debtor, a creditor who is secured by the assignment of receivables by way of security will have a preferential right to such receivables (*Absonderungsrecht*). Enforcement of such preferential right is subject to the provisions set forth in the German Insolvency Code (*Insolvenzordnung*). In particular, the secured creditor may not enforce its security interest itself. Instead, the insolvency administrator appointed in respect of the estate of the debtor will be entitled to enforcement. The insolvency administrator is obliged to transfer the proceeds from such enforcement to the creditor. He may, however, deduct from the enforcement proceeds fees which may amount to 4 % of the enforcement proceeds for assessing such preferential rights plus up to 5 % of the enforcement proceeds as compensation for the costs of enforcement. In case the enforcement costs are considerably higher than 5 % of the enforcement proceeds, the compensation for the enforcement costs may be higher.

Accordingly, the Issuer may have to share in the costs of any insolvency proceedings of the Seller in Germany, reducing the amount of money available upon enforcement of the Note Collateral to repay the Notes, if the sale and assignment of the Purchased Receivables by the Seller to the Issuer were to be regarded as a secured lending rather than a receivables sale. The Issuer has been advised, however, that the transfer of the Purchased Receivables would be construed such that the risk of the insolvency of the Debtors lies with the Issuer and that, therefore, the Issuer would have the right to segregation (*Aussonderungsrecht*) of the Purchased Receivables from the estate of the Seller in the event of its insolvency and that, consequently, the cost sharing provisions described above would not apply with respect thereto.

However, such right of segregation will not apply with respect to the Related Collateral transferred to the Issuer, including the security interest created in respect of the Financed Vehicles relating to the Purchased Receivables if insolvency proceedings are instituted in respect of the relevant Debtor in Germany. In that case, the cost sharing provisions will apply.

#### *Assignability of Purchased Receivables*

As a general rule under German law, receivables are assignable unless their assignment is excluded either by mutual agreement or by the nature of the receivables to be assigned. Except as stated below under the heading "Banking Secrecy", there is no published court precedent of the German Federal Court of Justice (*Bundesgerichtshof*) or any German Higher Regional Court (*Oberlandesgericht*) confirming that receivables arising out of consumer loan contracts or other credit contracts are not assignable either generally or in a refinancing transaction or an asset-backed securitisation. Pursuant to the Receivables Purchase Agreement, the Seller has warranted to the Issuer that the Loan Contracts under which the Purchased Receivables have been generated are based on certain standard forms. Such standard forms do not specifically prohibit the Seller from transferring its rights under the relevant Loan Contract to a third party for refinancing purposes. Pursuant to the Receivables Purchase Agreement, the Seller has warranted to the Issuer that the provisions of the Loan Contracts are valid. The Seller has also warranted to the Issuer in the Receivables Purchase Agreement that the assignment of the Purchased Receivables to the Issuer is not prohibited and valid.

#### *Notice of Assignment*

The assignment of the Purchased Receivables and the assignment and transfer of the Related Collateral may only be disclosed to the relevant Debtors at any time by the Issuer or through the Servicer in accordance with the Servicing Agreement or where the Seller agrees otherwise. Until the relevant Debtors have been notified of the assignment of the relevant Purchased Receivables, they may undertake payment with discharging effect to the Seller or enter into any other transaction with regard to such Purchased Receivables which will have binding effect on the Issuer and the Transaction Security Trustee. Each Debtor may further raise defences against the Issuer and the Transaction Security Trustee arising from its relationship with the Seller which are existing at the time of the assignment of the Purchased Receivables. Further, each Debtor is entitled to set-off against the Issuer and the Transaction Security Trustee its claims, if any, against the Seller unless such Debtor has knowledge of the assignment upon acquiring such claims or such claims become due only after the Debtor acquires such knowledge and after the relevant Purchased Receivables themselves become due. The Seller has warranted that it is not aware that any Debtor has asserted any lien, right of rescission, counterclaim, set-off, right to contest or defence against it in relation to any Loan Contract. In addition, following the occurrence of a Set-Off Reserve Trigger Event, the risk of any shortfall due to certain set-off rights on the part of the Debtor is mitigated by the Set-Off Reserve Fund Ledger. See "CREDIT STRUCTURE — Set-Off Reserve".

#### *Banking Secrecy*

On 25 May 2004, the Higher Regional Court (*Oberlandesgericht*) in Frankfurt am Main rendered a ruling with respect to the enforcement of collateral securing non-performing loan receivables. In its ruling, the court took the view that the banking secrecy duties embedded in the banking relationship create an implied restriction on the assignability of loan receivables pursuant to Section 399 of the German Civil Code, if the loan agreement is not a business transaction (*Handelsgeschäft*) within the meaning of Section 343 of the German Commercial Code (*Handelsgesetzbuch*) for both the borrower and the bank (see "*Assignability of Purchased Receivables*" above). On 27 February 2007, the German Federal Court of Justice issued a ruling (docket no. XI ZR 195/05) confirming the traditional view that a breach of the banking secrecy duty by the bank does not render the sale and assignment invalid but may only give rise to defenses (including damage claims) against the assignor. The ruling relates to a mortgage loan agreement which included terms allowing for the assignment of the loan receivables and collateral thereunder for refinancing purposes. However, notwithstanding those terms, the court held as a general matter that banking secrecy duties do not create an implied restriction on the assignability of loan receivables and that the German Federal Data Protection Act (*Bundesdatenschutzgesetz*) (see "*German Federal*

*Data Protection Act (Bundesdatenschutzgesetz)*" below) does not constitute a statutory restriction on the assignability of loan receivables.

In addition, the Issuer has been advised that, while the aforementioned 2004 Frankfurt Higher Regional Court decision appeared to be based on the premise that an assignment of loan receivables leads necessarily to an undue disclosure of borrower-related data, this premise is not correct as the assignment can be structured in a way that avoids the disclosure of these data to the assignee. This view has been confirmed by the German Federal Court of Justice in its aforementioned recent ruling. In accordance with circular 4/97 of the BaFin which was expressly referred to by the German Federal Court of Justice in the ruling, a breach of the banking secrecy duty may be avoided by using a data trustee who keeps all data relating to the identity and address of each borrower in safe custody and discloses such data only upon insolvency or material violation of the seller in respect of its obligations toward the purchaser. Here, the Issuer, the Seller and the Data Trustee have agreed that certain data including the identity and address of each Debtor and provider of Related Collateral are not to be sent to the Issuer on the Purchase Date but only to the Data Trustee. Under the Data Trust Agreement, the Data Trustee will safeguard the data and may disclose the data to any substitute servicer or the Transaction Security Trustee only upon the occurrence of certain events including (i) the Seller has directed the Data Trustee in writing to undertake such disclosure, (ii) a notice to the Data Trustee regarding the termination of the Servicer under the Servicing Agreement (iii) a Notification Event or (iv) a notice to the Data Trustee that knowledge of the relevant data is necessary for the Issuer (acting through such substitute servicer) to pursue legal remedies and prosecution of legal remedies through the Servicer is inadequate (see "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Data Trust Agreement").

#### *German Federal Data Protection Act (Bundesdatenschutzgesetz)*

According to the German Federal Data Protection Act, a transfer of a customer's personal data is permitted if (a) the relevant customer has consented to such transfer or (b) such transfer is permitted by law, or (c) such transfer is (i) necessary in order to maintain the legitimate interests of the person storing the data and (ii) there is no reason to believe that the legitimate interests of the customer to prevent the processing and use of data should prevail over such other storer's interests. The Issuer is of the view that the transfer of the Debtors' personal data in connection with the assignment of the rights under the Purchased Receivables relating to the Related Collateral is in compliance with (c) above and is necessary to maintain the legitimate interests of the Seller, the Issuer and the Transaction Security Trustee. In addition, the Issuer is of the view that the protection mechanisms provided for in the Data Trust Agreement and the Receivables Purchase Agreement take into account the legitimate interests of the Debtors to prevent the processing and use of data by any of the Seller, the Issuer and the Transaction Security Trustee.

#### *German Consumer Loan Legislation*

The provisions of the German Civil Code which incorporate the provisions of the former German Consumer Credit Act (*Verbraucherkreditgesetz*) into the German Civil Code apply to the Purchased Receivables. Consumers are defined as individuals acting for purposes relating neither to their commercial nor independent professional activities. The majority of Loan Contracts will qualify as consumer loan contracts and will therefore be subject to the consumer loan provisions of the German Civil Code (in particular Sections 491 *et seq.*). Since the Purchased Receivables were originated on or after 11 June 2010, the amended provisions in the German Civil Code on consumer loans and linked contracts (*verbundene Verträge*) that have been enacted in order to transpose the EU Consumer Credit Directive 2008/48/EC into German law apply.

Under those provisions, if the borrower is a consumer, he or she has the right to withdraw its consent to a consumer loan contract for a period of two weeks commencing with the receipt of a written notice providing certain information including information regarding such right of withdrawal (*Widerrufsrecht*). In the event that a consumer is not properly notified of its right of withdrawal or, in some cases, has not been provided with certain information about the lender and the contractual relationship created under the consumer loan, the consumer may withdraw its consent at any time during the term of the consumer loan contract. German courts have adopted strict standards with regard to the information and the notice to be provided to the consumer. Due to the strict standards applied by the courts, it cannot be excluded that a German court could consider the language and presentation used in certain Loan Contracts as falling short of such standards. Should a Debtor withdraw the consent to the relevant Loan Contract, the Debtor would be obliged to prepay the Purchased Receivable. Hence, the Issuer would receive interest under such Purchased Receivable for a shorter period of time than initially anticipated. In this instance, the Issuer's claims with regard to the prepayment of the Purchased Receivable would not be secured by the Related Collateral granted therefor if the related security purpose agreement does not extend to such claims. In addition, depending on the specific circumstances, a Debtor may be able to successfully reduce the amount to be prepaid if it can be proven that the interest he or she would have

paid to another lender had the revoked Loan Contract not been made (i.e., that the market interest rate was lower at that time), would have been lower than the interest paid under the Loan Contract until it was revoked (see also "*Prepayment of Loans*" below).

If a Debtor is a consumer and the relevant vehicle or other goods or related services are financed in whole or in part by the Loan Contract, such Loan Contract and the related purchase agreement or other agreement may constitute linked contracts (*verbundene Verträge*) within the meaning of Section 358 of the German Civil Code. As a result, if such Debtor has any defences against the supplier of such vehicles or other goods or related services, such defences may also be raised as a defence against the Issuer's claim for payment under the relevant Loan Contracts and, accordingly, the Debtor may deny the repayment of such part of the Loan Instalments as relates to the financing of the related vehicle or other goods or related services. Further, the withdrawal of the Debtor's consent to one of the contracts linked (*verbunden*) to the Loan Contract may extend also to such Loan Contract and such withdrawal may be raised as a defence against such Loan Contract. The notice providing information about the right of withdrawal must contain information about the aforementioned legal effect of linked contracts. In the event that a consumer is not properly notified of its right of withdrawal and such legal effect, the consumer may withdraw its consent to any of these contracts at any time during the term of these contracts, and may raise such withdrawal as a defence against the relevant Loan Contract. If the purchase agreement for vehicles or other goods or the related services linked to a Loan Contract is invalid or has been rescinded, the Debtor has the right to refuse further payments under the relevant Loan Contract and may in certain circumstances also request repayment of the amount already paid under the Loan Contract. In addition, Section 359a para. 1 of the German Civil Code states that Section 358 para. 1 of the German Civil Code applies also to those Loan Contracts where the Loan Contract is not linked (*verbunden*) to another contract but specifies the relevant goods or services (as the case may be) under such other contract which is subject to a withdrawal. Thus, the withdrawal extends then also to the Loan Contract and the Debtor may raise the withdrawal of its consent to such other contract as a defence against its obligations under the Loan Contract.

According to the prevailing view in legal literature, Section 358 para. 1 of the German Civil Code does not apply to insurance policies (including, but not limited to, any loss compensation insurance policy (*Restschuldversicherung*)) to the extent that these insurance policies are subject to rights of withdrawal on the basis of statutory provisions other than (i) Sections 355 *et seqq.* of the German Civil Code or (ii) any statute referring to Sections 355 *et seqq.* of the German Civil Code (each a "**Relevant Insurance Policy**"). Therefore, if the Debtor withdraws its consent to a Relevant Insurance Policy, such withdrawal may not be raised as a defence against the Loan Contract and leaves such contract unaffected. The Federal Supreme Court (*Bundesgerichtshof*) has not yet ruled on this issue. In light of the rulings of the Higher Regional Court (*Oberlandesgericht*) in Brandenburg, dated 14 July 2010 (4 U 141/09) and of the Higher Regional Court in Schleswig, dated 17 March 2010 (5 U 2/10), however, it cannot be excluded that the Federal Supreme Court or German legal literature could in future reverse the prevailing view referred to above. As a result of such an interpretation, Section 358 para. 1 of the German Civil Code would also be applied to cases where the consumer withdraws its consent to a Relevant Insurance Policy and thus the Loan Contracts would be affected as described above. In addition, there is legal uncertainty as to the interpretation of Section 359a para. 1 of the German Civil Code regarding the question whether Section 358 para. 1 of the German Civil Code would also apply to any Relevant Insurance Policy which is not linked to a Loan Contract but is sufficiently specified in such Loan Contract.

However, it is an eligibility criterion for all Purchased Receivables that they are valid and enforceable and not subject to any right of revocation (*Anfechtungsrecht*), set-off or counter-claim or warranty claims of the Debtors or any other right of objection as of the Note Issuance Date, see "DESCRIPTION OF THE PORTFOLIO — Eligibility Criteria". In the event that any Purchased Receivable does not meet the Eligibility Criteria, the Seller will be required to pay to the Issuer Deemed Collections in the amount of the Outstanding Principal Amount of such Purchased Receivable (or the affected portion thereof). See "CERTAIN DEFINITIONS — Deemed Collections" and "TERMS AND CONDITIONS OF THE NOTES — Redemption — Amortisation".

#### *Prepayment of Loans*

Pursuant to Section 500 para. 2 of the German Civil Code, the borrower may in case of a consumer loan contract prepay the loan (*vorzeitige Rückzahlung*) in whole or in part at any time. In addition, the borrower may terminate the loan agreement at any time without observing a notice period for good cause (*aus wichtigem Grund*).

The Loan Contracts provide for an obligation of the Debtor to pay a prepayment penalty (*Vorfälligkeitsentschädigung*) in accordance with Section 502 of the German Civil Code. In the event of a termination and prepayment of a loan, the Issuer would therefore be entitled to claim compensation from the Debtor for the interest which would have been payable by the Debtor on the prepaid amount had such amount

been outstanding for the remainder of the term of the loan pursuant to and as provided for in Section 502 of the German Civil Code. In accordance with Section 502 para. 1 sentence 2 of the German Civil Code such prepayment penalty may not exceed the following amounts: (i) 1 per cent. or, if the period between the prepayment and the agreed repayment date (*vereinbarte Rückzahlung*) is no longer than one year, 0.5 per cent. of the prepaid amount; and (ii) the amount of interest that the borrower would have paid for the period between the prepayment and the agreed repayment date. The prepayments of loans would, *inter alia*, reduce the excess spread following such prepayments.

#### *Overcollateralisation of Loans*

According to German law, the granting of security for a loan may be held invalid and the security or part of the security may have to be released if the loan is overcollateralised. Overcollateralisation occurs where the creditor is granted collateral the value of which excessively exceeds the value of the secured obligations or if the granting of security leads to an inappropriate disadvantage for the debtor. Although there is no direct legal authority on point, the Issuer is of the view that the Purchased Receivables are not overcollateralised, although it cannot be ruled out that a German court would hold otherwise. In the Receivables Purchase Agreement, the Seller has warranted to the Issuer that the Related Collateral relating to Purchased Receivables is legal, valid, binding and enforceable.

#### *Change of Law*

The structure of the Transaction Security Agreement, the Receivables Purchase Agreement and the other Transaction Documents governed by German law and the issue of the Notes as well as the ratings which are to be assigned to any Class of Notes are based on German law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change of German law or administrative practice after the date of this Prospectus.

The Interest Rate Swap and the English Security Deed are governed by English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change of English law or administrative practice after the date of this Prospectus.

### **Commercial Risks**

#### *Interest Rate Swap*

If the Interest Rate Swap Counterparty defaults in respect of its obligations under the Interest Rate Swap which results in a termination of the Interest Rate Swap, the Issuer will be obliged to enter into a replacement arrangement with another appropriately rated entity. A failure to enter into such a replacement arrangement may result in a downgrading of the rating of any Class of Notes. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Interest Rate Swap".

#### *Reliance on Representations and Warranties*

If the Portfolio does not correspond, in whole or in part, to the representations and warranties made by the Seller in the Receivables Purchase Agreement, the Issuer has certain rights of recourse against the Seller. These rights are not collateralised with respect to the Seller except that, in the case of a breach of certain representations and warranties, the Seller will be required to pay Deemed Collections to the Issuer (see items (ii) through (v) of the definition of Deemed Collections under "CERTAIN DEFINITIONS — Deemed Collections" and "TERMS AND CONDITIONS OF THE NOTES — Redemption — Amortisation"). Consequently, a risk of loss exists in the event that such a representation or warranty is breached and the corresponding Deemed Collections are not paid. This could potentially cause the Issuer to default under the Notes.

#### *Reliance on Administration and Collection Procedures*

The Servicer will carry out the administration, collection and enforcement of the Purchased Receivables and the Related Collateral in accordance with the Servicing Agreement.

Accordingly, the Noteholders are relying on the business judgement and practices of the Servicer when enforcing claims against the Debtors, including taking decisions with respect to enforcement in respect of the Purchased Receivables and the Related Collateral. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement" and "CREDIT AND COLLECTION POLICY".

### *Replacement of the Servicer*

If the appointment of the Servicer is terminated, the Issuer, with the assistance of the Corporate Administrator, may appoint a substitute servicer pursuant to the Servicing Agreement. Any substitute servicer which may replace the Servicer in accordance with the terms of the Servicing Agreement would have to be able to administer the Purchased Receivables and the Related Collateral in accordance with the terms of the Servicing Agreement, be duly qualified and licensed to administer finance contracts in Germany such as the Loan Contracts, be a bank or credit institution established within the European Economic Area and supervised in accordance with the relevant EU directives, and may be subject to certain residence and/or regulatory requirements. Further, it should be noted that any substitute servicer (other than a (direct or indirect) subsidiary of the Seller or of a parent of the Seller to which the servicing and collection of the receivables and the related collateral of the Seller is outsourced) may charge a servicing fee on a basis different from that of the Servicer. In addition, it should be noted that the Seller intends to outsource the servicing and collection of its receivables and related collateral to a subsidiary of the Seller or of a parent of the Seller, with the consequence that upon such outsourcing, the Servicer (which is currently the Seller) will be replaced by the new (direct or indirect) subsidiary of the Seller or of a parent of the Seller in its capacity as new Servicer. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement".

### *No Independent Investigation and Limited Information*

Neither the Managers, the Arranger, the Co-Arranger, the Transaction Security Trustee nor the Issuer has undertaken or will undertake any investigations, searches or other actions to verify the details of the Purchased Receivables or to establish the creditworthiness of any Debtor or any other party to the Transaction Documents. Each such person will rely solely on the accuracy of the representations and warranties given by the Seller to the Issuer in the Receivables Purchase Agreement in respect of, *inter alia*, the Purchased Receivables, the Debtors, the Loan Contracts underlying the Purchased Receivables and the Related Collateral, including, without limitation, security interests in the Financed Vehicles. The benefit of all such representations and warranties given to the Issuer will be transferred by the Issuer in favour of the Transaction Security Trustee under the Transaction Security Agreement.

The Seller is under no obligation to, and will not, provide the Managers, the Arranger, the Co-Arranger, the Transaction Security Trustee or the Issuer with financial or other information specific to individual Debtors and certain underlying Loan Contracts to which the Purchased Receivables relate. The Managers, the Arranger, the Co-Arranger, the Transaction Security Trustee and the Issuer will only be supplied with general information in relation to the aggregate of the Debtors and the underlying Loan Contracts. Further, neither the Managers, the Arranger, the Co-Arranger, the Transaction Security Trustee nor the Issuer will have any right to inspect the internal records of the Seller.

The primary remedy of the Transaction Security Trustee and the Issuer for breaches of any representation or warranty with respect to the enforceability of the Purchased Receivables, the existence of the Related Collateral, the absence of material litigation with respect to the Seller, the transfer of free title to the Issuer and the compliance of the Purchased Receivables with the Eligibility Criteria will be to require the Seller to pay Deemed Collections in an amount equal to the then Outstanding Principal Amount of such Purchased Receivables (or the affected portion thereof). With respect to breaches of warranties under the Receivables Purchase Agreement generally, the Seller is obliged to indemnify the Issuer against any liability, losses and damages directly resulting from such breaches.

### *Risk of Losses on the Purchased Receivables*

The risk to the Class A Noteholders that they will not receive the maximum amount due to them under the Class A Notes as stated on the cover page of this Prospectus is mitigated by the subordination of the Class B Notes to the Class A Notes as well as the amounts credited to the Reserve Fund which will be available on any Payment Date to meet certain obligations of the Issuer including its obligations under the Class A Notes in accordance with the Pre-Enforcement Priority of Payments.

However, there is no assurance that the Class A Noteholders will receive for each Class A Note the total initial Note Principal Amount plus interest as stated in the Terms and Conditions nor that the distributions and amortisations which are made will correspond to the monthly payments originally agreed upon in the underlying Loan Contracts.

There is no assurance that the Class B Noteholders will receive for each Class B Note the total initial Note Principal Amount plus interest as stated in the Terms and Conditions nor that the distributions and amortisations

which are made will correspond to the monthly payments originally agreed upon in the underlying Loan Contracts. The risk to the Class B Noteholders that they will not receive the maximum amount due to them under the Class B Notes as stated on the cover page of this Prospectus is mitigated by the Reserve Fund which will be available on any Payment Date to meet certain obligations of the Issuer including its obligations under the Class B Notes in accordance with the Pre-Enforcement Priority of Payments.

*Limited Availability of the Reserve Fund in respect of Interest and Principal due on the Notes*

Prior to the occurrence of an Issuer Event of Default in the event of shortfalls under the Purchased Receivables, amounts from the Reserve Fund may only be drawn to reduce shortfalls with respect to interest and principal due under the Notes in accordance with the Pre-Enforcement Priority of Payments.

*Risk of Late Payment Due to Deferral of Purchased Receivables*

Under the Servicing Agreement, the Servicer may, in specific circumstances, grant a deferral of the date on which certain payments are due under the Loan Contracts. This results in a risk of late payment of instalments pursuant to the Loan Contracts underlying the Purchased Receivables.

*Risk of Late Forwarding of Payments received by the Servicer*

No assurance can be given that the Servicer will promptly forward all amounts collected from Debtors pursuant to the relevant Loan Contracts to the Issuer in respect of a particular Collection Period in accordance with the Servicing Agreement. It should be noted that no specific cash reserve (other than the Commingling Reserve following the occurrence of a Commingling Reserve Trigger Event) will be established to avoid any resulting shortfall in the payments of principal and interest by the Issuer in respect of the Notes on the Payment Date immediately following such Collection Period. Consequently, any Collections that are forwarded late will only be paid to the Noteholders on the subsequent Payment Date. However, the Servicer has undertaken to transfer any Collections received during any Collection Period on the Payment Date immediately following such Collection Period to the Transaction Account. Pursuant to the Servicing Agreement, if the Servicer fails to make a payment due under the Servicing Agreement at the latest on the second Business Day after its due date, or, in the event no due date has been determined, within three (3) Business Days after the demand for payment, the Issuer may terminate the appointment of the Servicer and appoint a substitute servicer. Following the occurrence of a Commingling Reserve Trigger Event, the risk of any shortfall due to late forwarding of Collections received or payable by the Servicer is mitigated by the balance credited to the Commingling Reserve Account. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement – Termination of the Servicer" and "CREDIT STRUCTURE — Commingling Reserve".

*Creditworthiness of Parties to the Transaction Documents*

The ability of the Issuer to meet its obligations under the Notes will be dependent on the performance of the duties by each party to the Transaction Documents.

No assurance can be given that the creditworthiness of the parties to the Transaction Documents, in particular the Servicer, will not deteriorate in the future. This may affect the performance of their respective obligations under the respective Transaction Documents. In particular, it may affect the administration, collection and enforcement of the Purchased Receivables by the Servicer in accordance with the Servicing Agreement.

*Sharing with other creditors*

The proceeds of enforcement and collection of the Note Collateral created by the Issuer in favour of the Transaction Security Trustee will be used in accordance with the Post-Enforcement Priority of Payments to satisfy claims of all Beneficiaries thereunder. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post-Enforcement Priority of Payments".

*The Issuer believes that the risks described above are the principal risks inherent in the transaction for the Noteholder, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risk of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus lessen some of these risks for the Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.*

## Credit Structure

### Vehicle Loan Interest Rates

The Receivables which will be purchased by the Issuer include annuity loans under which instalments are calculated on the basis of equal monthly periods during the life of each loan and balloon loans under which the final instalment may be higher than the previous instalments. Each instalment is comprised of a portion allocable to interest and a portion allocable to principal under such loan. In general, the interest portion of each instalment under annuity loans decreases in proportion to the principal portion over the life of such loan whereas towards maturity of such loan a greater part of each monthly instalment is allocated to principal.

### Cash Collection Arrangements

Payments by the Debtors under the Purchased Receivables are due on a monthly basis, generally on the first or fifteenth calendar day, interest being payable in arrear. Prior to a Servicer Termination Event, all Collections will be paid by the Servicer to the Transaction Account maintained by the Issuer with the Account Bank on the Payment Date immediately following each Collection Period. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement" and "THE TRANSACTION ACCOUNT".

The Servicer will identify all amounts paid into either the Transaction Account or the Commingling Reserve Account by crediting such amounts to the respective account and ledgers established for such purpose. Further ledgers will be maintained to record amounts held in the Transaction Account in respect of (i) the balance of the Reserve Fund, (ii) the balance of the Set-Off Reserve Ledger and (iii) the balance of the Interest Rate Swap Ledger.

If at any time (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of less than P-1 by Moody's or such rating has been withdrawn, or (ii) (y) the short-term, unsecured and unguaranteed debt obligations of the Account Bank are assigned a rating of less than F1 (or its replacement) by Fitch or the long-term, unsecured and unguaranteed debt obligations of the Account Bank are assigned a rating of less than A (or its replacement) by Fitch or any such rating has been withdrawn or (z) where the Account Bank has only the minimum of the rating thresholds referred to in (ii)(y) above, such Fitch rating has been placed on rating watch negative by Fitch or (iii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of less than AA (or its replacement) by S&P or any such rating has been withdrawn (each of such rating thresholds, the "**Required Rating**") or (iv) such debt obligations are no longer rated by any of the Rating Agencies (the "**Account Bank Downgrade**"), the Issuer will be required, within thirty (30) calendar days after the Account Bank Downgrade, to transfer any amounts credited to any Account (including, for the avoidance of doubt, the Reserve Fund, the Set-Off Reserve Ledger and the Interest Rate Swap Ledger), at no cost to the Issuer, to an alternative bank with at least the Required Rating.

### Available Distribution Amount

The Available Distribution Amount (as defined below) will be calculated as at each Cut-Off Date with respect to the Collection Period ending on such Cut-Off Date for the purpose of determining, *inter alia*, the amount to be applied under the Pre-Enforcement Priority of Payments on the immediately following Payment Date. The Available Distribution Amount is defined in Appendix A to the Terms and Conditions. See "CERTAIN DEFINITIONS — Available Distribution Amount".

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

### Pre-Enforcement Priority of Payments

The Available Distribution Amount will, pursuant to the Terms and Conditions and the Receivables Purchase Agreement, be applied as of each Payment Date in accordance with the Pre-Enforcement Priority of Payments. The Pre-Enforcement Priority of Payments is set out in Condition 7.6 (*Pre-Enforcement Priority of Payments*) of the Terms and Conditions. The amount of interest and principal payable under the Notes on each Payment Date will depend primarily on the amount of Collections received by the Issuer during the Collection Period

immediately preceding such Payment Date and certain costs and expenses of the Issuer. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Pre-Enforcement Priority of Payments".

Payments to satisfy amounts due to third parties (other than pursuant to the Transaction Documents) and payable in connection with the Issuer's business may be made from the Transaction Account, and, if applicable, the Commingling Reserve Account, other than on a Payment Date.

### **Residual Payment to the Seller**

On each Payment Date prior to the occurrence of a Termination Event and the occurrence of an Issuer Event of Default, the difference (if any) between the Available Distribution Amount and the sum of all amounts payable or to be applied (as the case may be) by the Issuer under items *first* to *eighteenth* (inclusive) of the Pre-Enforcement Priority of Payments with respect to the Cut-Off Date immediately preceding such Payment Date shall be disbursed to the Seller as residual payment in accordance with and subject to the Pre-Enforcement Priority of Payments. Upon the occurrence of an Issuer Event of Default, the difference (if any) between the Credit and the sum of all amounts payable or to be applied (as the case may be) by the Issuer under items *first* to *fifteenth* (inclusive) of the Post-Enforcement Priority of Payments with respect to the Cut-Off Date immediately preceding any Payment Date shall be disbursed to the Seller as residual payment in accordance with and subject to the Post-Enforcement Priority of Payments.

### **Post-Enforcement Priority of Payments**

Upon the occurrence of an Issuer Event of Default prior to the full discharge of all Transaction Secured Obligations, any amounts payable by the Issuer will be paid in accordance with the Post-Enforcement Priority of Payments set out in Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post-Enforcement Priority of Payments".

### **Reserve Fund**

As of the Note Issuance Date, advances in an aggregate amount of EUR 30,000,000.00 by the Subordinated Loan Provider under the Subordinated Loan have been credited to the Reserve Fund. Prior to the occurrence of an Issuer Event of Default, the amount credited to the Reserve Fund as of the Cut-Off Date immediately preceding any Payment Date will be available to meet items *first* to *twelfth* (inclusive) of the Pre-Enforcement Priority of Payments.

If and to the extent that the Available Distribution Amount on any Payment Date exceeds the amounts required to meet the items ranking higher than item *thirteenth* in the Pre-Enforcement Priority of Payments, the excess amount will be applied to credit, or if a drawing has been made, to replenish, the Reserve Fund until the balance standing to the credit of the Reserve Fund equals the Required Reserve Amount.

Pursuant to the Receivables Purchase Agreement and the Terms and Conditions, the Required Reserve Amount will be equal to (a) on the Note Issuance Date and as of any Cut-Off Date prior to (but excluding) the Amortisation Threshold Date, an amount equal to the Reserve Percentage of the aggregate initial Note Principal Amounts of all Notes and (b) on the Cut-Off Date falling on the Amortisation Threshold Date and any Cut-Off Date following the Amortisation Threshold Date, (i) an amount equal to 1.2 times the Reserve Percentage of the Aggregate Outstanding Note Principal Amount of all Notes after payment of any Class A Notes Principal and any Class B Notes Principal on the Payment Date immediately following the relevant Cut-Off Date or (ii) if, in determining the Required Reserve Amount pursuant to (b)(i) above, a Reserve Shortfall were to occur on the Payment Date immediately following such Cut-Off Date or had occurred on any Payment Date preceding such Cut-Off Date, an amount equal to 1.2 times the Reserve Percentage of the Aggregate Outstanding Note Principal Amount as of the Cut-Off Date immediately preceding the first Payment Date upon which a Reserve Shortfall would occur or would have occurred in determining the Required Reserve Amount pursuant to (b)(i) above, provided that, (x) in each case (b)(i) and (ii), the Required Reserve Amount shall not be less than EUR 6,000,000, (y) in each case (a) and (b)(i) and (ii), as of any date prior to the redemption of the Notes in full, the Required Reserve Amount will not be less than an amount equal to 5 % of the Aggregate Outstanding Principal Amount and (z) in each case (a) and (b) (i) and (ii), the Required Reserve Amount shall be equal to zero if the Aggregate Outstanding Note Principal Amount is zero. "**Amortisation Threshold Date**" means the first Cut-Off Date as of which the Aggregate Outstanding Note Principal Amount of all Notes is less than 83.33 % of the aggregate initial Note Principal Amounts of all Notes; a "**Reserve Shortfall**" occurs if the credit standing to the Reserve Fund as of any Payment Date, after filling the Reserve Fund in accordance with item

*twelfth* of the Pre-Enforcement Priority of Payments, falls short of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Payment Date. "**Reserve Percentage**" means 5 %.

If and to the extent that the Available Distribution Amount on any Payment Date exceeds the amounts required to meet the items ranking higher than item *ninth* in the Pre-Enforcement Priority of Payments, the excess amount will be applied to credit, or if a drawing has been made, to replenish, the Reserve Fund until the balance standing to the credit of the Reserve Fund equals the Required Liquidity Reserve Amount. Pursuant to the Receivables Purchase Agreement and the Terms and Conditions of the Notes, the "**Required Liquidity Reserve Amount**" will, as of any Cut-Off Date, be an amount equal to 1 % of the initial Aggregate Outstanding Note Principal Amount of all the Notes as of the Note Issuance Date, provided that the Required Liquidity Reserve Amount will be equal to zero if the Aggregate Outstanding Principal Amount is zero.

After all amounts of interest and principal due in respect of the Notes have been paid, the Reserve Fund will be reduced to zero.

### **Commingling Reserve**

If, at any time as long as the Seller is the Servicer, a Commingling Reserve Trigger Event occurs, the Seller is required to transfer, within fourteen (14) calendar days, the Commingling Reserve Amount to an account of the Issuer held with the Account Bank (the "**Commingling Reserve Account**"). If, at any time as long as the Seller is the Servicer, the balance credited to the Commingling Reserve Account as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event is less than the Commingling Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Commingling Reserve Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Servicer will be required to transfer, within fourteen (14) calendar days, an amount equal to such shortfall as determined as of such Cut-Off Date to the Commingling Reserve Account. A "**Commingling Reserve Trigger Event**" will have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Commingling Required Rating, (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of the Seller or (iii) S&P notifies each of the Seller, the Issuer, the Transaction Security Trustee and the Cash Administrator in writing that the Seller is no longer deemed eligible under the then current applicable rating criteria of S&P unless in each case (i) and (ii) the Seller has at least the Commingling Required Rating. "**Commingling Required Rating**" means, with respect to any entity, that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least F1 (or its replacement) by Fitch and where such entity has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch, P-1 (or its replacement) by Moody's and at least A-2 (or its replacement) by S&P (or, if S&P has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity, the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB+ (or its replacement) by S&P) and, in each case, any such rating has not been withdrawn, and (ii) such entity's long-term unsecured, unsubordinated and unguaranteed debt obligations are assigned a rating of at least A (or its replacement) by Fitch and any such rating has not been withdrawn and where such entity has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch. "**Commingling Reserve Amount**" means, (a) as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event, an amount equal to the sum of (i) the amount of the Scheduled Collections for the period from the beginning of the Collection Period immediately following the relevant Cut-Off Date to the last Business Day of the second Collection Period after the relevant Cut-Off Date (both inclusive) and (ii) 2.5 % of the Aggregate Outstanding Note Principal Amount as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Commingling Reserve Trigger Event has occurred or is continuing, zero. The amounts, if any, standing to the credit of the Commingling Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent that the Seller has, on such Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections) received or payable by the Seller during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date or if the appointment of the Servicer under the Servicing Agreement has been automatically terminated pursuant to the last paragraph of Clause 9.1 of the Servicing Agreement. On any Payment Date following the occurrence of a Commingling Reserve Trigger Event, the Issuer shall pay to the Seller any Commingling Reserve Excess Amount. "**Commingling Reserve Excess Amount**" means, as of any Payment Date, the excess of the amounts standing to the credit of the Commingling Reserve Account over the Commingling Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 8 of the definition of the Available Distribution Amount.

### **Set-Off Reserve**

If, at any time, a Set-Off Reserve Trigger Event occurs, the Seller is required to transfer, within five (5) Business Days, the Set-Off Reserve Amount to a ledger of the Transaction Account (such ledger, the "**Set-Off Reserve Ledger**"). If the balance credited to the Set-Off Reserve Ledger as of any Cut-Off Date following the occurrence of a Set-Off Trigger Event is less than the Set-Off Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Set-Off Reserve Ledger on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Seller will be required, within five (5) Business Days, to transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Set-Off Reserve Ledger. A "**Set-Off Reserve Trigger Event**" will have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Set-Off Required Rating, (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of the Seller or (iii) S&P notifies each of the Seller, the Issuer, the Transaction Security Trustee and the Cash Administrator in writing that the Seller is no longer deemed eligible under the then current applicable rating criteria of S&P unless in each case (i) and (ii) the Seller has at least the Set-Off Required Rating. "**Set-Off Required Rating**" means, with respect to any entity, that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least A-2 (or its replacement) by S&P (or, if S&P has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity, the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB+ (or its replacement) by S&P) and any such rating has not been withdrawn and (ii) (x) the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least A (or its replacement) by Fitch and (y) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least F1 (or its replacement) by Fitch and, in each case (ii)(x) and (y), any such rating has not been withdrawn and where such entity has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch and (iii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least Baa1 (or its replacement) by Moody's, and any such rating has not been withdrawn. "**Set-Off Reserve Amount**" means, (A) in case the Seller has demonstrated as of any Cut-Off Date by a separate report to the Rating Agencies the actual amount of deposits held in current accounts with the Seller: (a) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of the amounts which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds deposits in current accounts with the Seller, and are in each case equal to the lower of (i) the amount of deposits which, as of the relevant Cut-Off Date, are held in current accounts with the Seller by such Debtor and (ii) the Principal Amount of the Purchased Receivables owed by such Debtor as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Set-Off Reserve Trigger Event has occurred or is continuing, zero, or (B) if the Seller has not demonstrated the actual amount of deposits to the Rating Agencies pursuant to (A) above, (a) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of (i) 0.25 % of the Aggregate Outstanding Principal Amount on the relevant Cut-Off Date, and (ii) the sum of the amounts which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds deposits in current accounts with the Seller which are Legacy Santander Consumer Bank AG Accounts, and are in each case equal to the lower of (x) the amount of deposits which, as of the relevant Cut-Off Date, are held in current accounts with the Seller on a Legacy Santander Consumer Bank AG Account, and (y) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date, or (b) if as of any Cut-Off Date no Set-Off Reserve Trigger Event has occurred or is continuing, zero. "**Legacy Santander Consumer Bank AG Account**" means any current account maintained by a Debtor with the Seller which was neither operated prior to 31 January 2011 (10:30 am CET) by SEB AG under its German private banking line (*Deutsches Privatkundengeschäft der SEB AG*), nor created (*eröffnet*) after 31 January 2011 (10:29 am CET) in local branches (*Filialen*) of the Seller which had been acquired by the Seller from SEB AG with effect of 31 January 2011 (10:30 am CET) (i.e. the local branches (*Filialen*) of the Seller which had been operated prior to 31 January 2011 (10:30 am CET) by SEB AG under its German private banking line (*Deutsches Privatkundengeschäft der SEB AG*)). The amounts, if any, standing to the credit of the Set-Off Reserve Ledger shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date were not received by the Seller as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections, and (ii) the Issuer does not have a right of set-off against the Seller with respect to such amounts on the relevant Payment Date. On any Payment Date

following the occurrence of a Set-Off Reserve Trigger Event, the Issuer shall pay to the Seller the Set-Off Reserve Excess Amount. "**Set-Off Reserve Excess Amount**" means, as of any Payment Date, the excess of the amounts standing to the credit of the Set-Off Reserve Ledger over the Set-Off Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 9 of the definition of Available Distribution Amount.

### **Interest Rate Swap**

The Eligibility Criteria require that all Receivables bear a fixed Effective Interest Rate. The interest rate payable by the Issuer with respect to the Notes is calculated as the sum of EURIBOR and a margin as set out in the Terms and Conditions.

The Issuer has hedged this fixed-floating interest rate exposure by entering into the Interest Rate Swap with the Interest Rate Swap Counterparty. Under the Interest Rate Swap, on each Payment Date the Issuer will pay a fixed rate (the "**Fixed Swap Rate**") applied to the Aggregate Outstanding Note Principal Amount as of the immediately preceding Payment Date (less any amount of principal repaid by the Issuer under the Notes on such immediately preceding Payment Date) (the "**Notional Amount**") and the Interest Rate Swap Counterparty will pay a floating rate equal to EURIBOR as set by the Interest Rate Swap Counterparty in respect of the Interest Period immediately preceding such Payment Date applied to the same Notional Amount. Payments under the Interest Rate Swap will be made on a net basis. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Interest Rate Swap".

Pursuant to the Interest Rate Swap, if and so long as the short-term or long-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty are assigned a rating lower than the Interest Rate Swap Counterparty Required Ratings (as defined below) or any such Interest Rate Swap Counterparty Required Rating is withdrawn by any Rating Agency, then the Interest Rate Swap Counterparty will be obliged, within fourteen (14) calendar days, at its own cost, to post collateral for its obligations in accordance with the provisions of the Credit Support Annex, and in addition, will be obliged, within fourteen (14) calendar days, at its cost, to either (i) obtain a guarantee of its obligations under the Interest Rate Swap from a third party with the Interest Rate Swap Counterparty Required Ratings; (ii) transfer all of its rights and obligations under the Interest Rate Swap to a third party with the Interest Rate Swap Counterparty Required Ratings or (iii) take such other actions as a result of which the Class A Notes will be rated by the Rating Agencies at the same level as immediately prior to such event. Failure by the Interest Rate Swap Counterparty to comply with any of the aforementioned requirements will constitute a reason for termination by the Issuer of the Interest Rate Swap in accordance with the terms and conditions thereof. Where the Interest Rate Swap Counterparty provides collateral in accordance with the provisions of the Credit Support Annex, such collateral or interest thereon will not form part of the Available Distribution Amount (other than collateral amounts applied in satisfaction of termination payments due to the Issuer following the designation of an early termination date under the Interest Rate Swap). See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Interest Rate Swap" and "THE INTEREST RATE SWAP COUNTERPARTY".

"**Interest Rate Swap Counterparty Required Ratings**" means that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty are assigned a rating of (x) at least F1 (or its replacement) by Fitch and where the Interest Rate Swap Counterparty has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch, (y) at least P-1 (or its replacement) by Moody's and (z) at least A-1 (or its replacement) by S&P and (ii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty are assigned a rating of at least A (or its replacement) by Fitch and where the Interest Rate Swap Counterparty has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch and of at least A by S&P, and, if Moody's has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty, of at least A2 (or its replacement) by Moody's and, if S&P has not assigned a rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty of at least A-1, at least A+ (or its replacement) by S&P, and if S&P has not assigned a rating to the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty, the short-term, unsecured and unsubordinated debt obligations of the Interest Rate Swap Counterparty are rated at least A-1 by S&P.

### **Credit Enhancement**

As, on the Note Issuance Date, the average interest rate under the Loan Contracts exceeds the average interest rate of the Notes, it is expected that the aggregate interest portions of the Collections received and forming part

of item 2 of the definition of Available Distribution Amount will exceed the amounts required to meet the items ranking higher than Class A Notes Interest (item *seventh*) in the Pre-Enforcement Priority of Payments.

Prior to the occurrence of an Issuer Event of Default, the Class A Notes have the benefit of credit enhancement provided through the subordination of the Class B Notes and through the Reserve Fund, provided that (i) if no Principal Deficiency Trigger Event occurs as of any Payment Date, the payment of interest of the Class B Notes is subordinated to the payment of interest of the Class A Notes and the payment of principal of the Class B Notes is subordinated to the payment of principal of the Class A Notes, and (ii) if a Principal Deficiency Trigger Event occurs as of any Payment Date, the payment of interest and principal of the Class B Notes is subordinated to the payment of interest and principal of the Class A Notes. The Class B Notes have the benefit of credit enhancement provided through the Reserve Fund.

Following the occurrence of an Issuer Event of Default, the Class A Notes have the benefit of credit enhancement provided through the subordination, both as to payment of interest and principal and on enforcement of the Note Collateral, of the Class B Notes.

### **Subordinated Loan**

The Subordinated Loan Provider has made available to the Issuer on or prior to the Purchase Date a subordinated loan facility (the "**Subordinated Loan**") in the principal amount of EUR 30,000,000.00 which has been utilised for the purpose of establishing the Reserve Fund. The obligations of the Issuer under the Subordinated Loan are subordinated to the obligations of the Issuer under the Notes and, following an Issuer Event of Default, rank against the Notes and all other obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments.

Prior to the occurrence of an Issuer Event of Default, interest under the Subordinated Loan will be payable by the Issuer monthly in arrear on each Payment Date, subject to and in accordance with the Pre-Enforcement Priority of Payments. The principal amount outstanding and unpaid on the Subordinated Loan will be repaid by the Issuer out of reductions in the amount of the Required Reserve Amount in accordance with the Pre-Enforcement Priority of Payments. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement".

## Terms and Conditions of the Notes

The terms and conditions of the Notes are set out below. Appendix A to the Terms and Conditions is set out under "CERTAIN DEFINITIONS". Appendix B to the Terms and Conditions is set out under "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT". Appendix C to the Terms and Conditions is set out under "DESCRIPTION OF THE PORTFOLIO — Eligibility Criteria". Appendix D to the Terms and Conditions is set out under "CREDIT AND COLLECTION POLICY". Each of Appendix A, Appendix B, Appendix C and Appendix D forms an integral part of the Terms and Conditions.

### 1. Form and Denomination

- (a) SC Germany Auto 2011-1 UG (haftungsbeschränkt), incorporated with limited liability (*Unternehmersgesellschaft (haftungsbeschränkt)*) in the Federal Republic of Germany ("**Germany**") registered with the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under the registration number HRB 91156 with its registered office at c/o Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Germany (the "**Issuer**") issues the following classes of floating rate amortising asset-backed notes in bearer form (each, a "**Class**" and collectively, the "**Notes**") pursuant to these terms and conditions (the "**Terms and Conditions**"):
- (i) Class A Floating Rate Notes due on the Payment Date falling in September 2021 (the "**Class A Notes**") which are issued in an initial aggregate principal amount of EUR 573,000,000 and divided into 5,730, each having a principal amount of EUR 100,000,
- (ii) Class B Floating Rate Notes due on the Payment Date falling in September 2021 (the "**Class B Notes**") which are issued in the aggregate principal amount of EUR 27,000,000 and divided into 270, each having a principal amount of EUR 100,000.

The Notes shall be issued on or about 23 September 2011 (the "**Note Issuance Date**"). All Notes shall be issued in new global note form. The holders of the Notes are referred to as the "**Noteholders**".

- (b) Each Class of Notes shall be initially represented by a temporary global bearer note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Notes shall be exchangeable, as provided in paragraph (c) below, for permanent global bearer notes which are recorded in the records of the ICSDs (the "**Permanent Global Note**") without interest coupons representing each such Class. Definitive Notes and interest coupons shall not be issued. Each Permanent Global Note and each Temporary Global Note is also referred to herein as a "**Global Note**" and, together, as "**Global Notes**". Each Global Note representing the Class A Notes shall be deposited with an entity appointed as common safekeeper (the "**Class A Notes Common Safekeeper**") by the ICSDs. Each Global Note representing the Class B Notes shall be deposited with an entity appointed as common safekeeper (the "**Class B Notes Common Safekeeper**") and together with the Class A Notes Common Safekeeper, the "**Common Safekeepers**") by the ICSDs.
- (c) The Temporary Global Notes shall be exchanged for the Permanent Global Notes recorded in the records of the ICSDs on a date (the "**Exchange Date**") not earlier than 40 calendar days and not later than 180 calendar days after the date of issue of the Temporary Global Notes upon delivery by the relevant participants to the ICSDs, as relevant, and by the ICSDs to the Principal Paying Agent, of certificates in the form which forms part of the Temporary Global Notes and are available from the Principal Paying Agent for such purpose, to the effect that the beneficial owner or owners of the Notes represented by the relevant Temporary Global Note is not a U.S. person or are not U.S. persons other than certain financial institutions or certain persons holding through such financial institutions. Each Permanent Global Note delivered in exchange for the relevant Temporary Global Note shall be delivered only outside of the United States. "**United States**" shall mean, for the purposes of this Condition 1(c), the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands). Any exchange of a Temporary Global Note pursuant to this Condition 1(c) shall be made free of charge to the Noteholders. Upon an exchange of a portion only of the Notes represented by the Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.

- (d) Payments of interest or principal on the Notes represented by a Temporary Global Note shall be made only after delivery by the relevant participants to the ICSDs, as relevant, and by an ICSD to the Principal Paying Agent of the certifications described in paragraph (c) above.
- (e) Each Global Note shall be manually signed by or on behalf of the Issuer and shall be authenticated by the Principal Paying Agent and, in respect of each Global Note representing the Class A Notes, effectuated by the Class A Notes Common Safekeeper on behalf of the Issuer and, in respect of each Global Note representing the Class B Notes, effectuated by the Class B Notes Common Safekeeper on behalf of the Issuer.
- (f) The aggregate nominal amount of the Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. Absent errors, the records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate nominal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the aggregate nominal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the aggregate nominal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.

- (g) The provisions set out in Schedule 8 of the agency agreement (the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon, acting through its London Branch as principal paying agent (the "**Principal Paying Agent**"), as calculation agent (the "**Calculation Agent**") and as cash administrator (the "**Cash Administrator**") and Wilmington Trust SP Services (Frankfurt) GmbH as EURIBOR determination agent (the "**EURIBOR Determination Agent**") dated 21 September 2011 which contain primarily the procedural provisions regarding resolutions of Noteholders shall hereby be fully incorporated into these Terms and Conditions. The Issuer shall specify, by means of a notification in accordance with Condition 13 (*Form of Notices*), at any time, but no later than upon publication of a convening notice for a Noteholders' meeting, a website for the purpose of publications under such procedural provisions. Such notification shall hereby be fully incorporated into these Terms and Conditions upon publication or delivery thereof in accordance with Condition 13 (*Form of Notices*).
- (h) Copies of the Global Notes are available free of charge at the main offices of the Issuer and of the Principal Paying Agent (as defined in Condition 9(a) (*Paying Agents; Luxembourg Intermediary; Determinations Binding*)).
- (i) Certain terms not defined but used herein shall have the same meanings herein as in Appendix A, Appendix C or Appendix D to these Terms and Conditions ("**Appendix A**", "**Appendix C**" and "**Appendix D**", respectively) each of which constitutes an integral part of these Terms and Conditions.
- (j) The Notes are subject to the provisions of a transaction security agreement (the "**Transaction Security Agreement**") between the Issuer, the Principal Paying Agent, the Calculation Agent, the Cash Administrator, the EURIBOR Determination Agent, the Interest Rate Swap Counterparty, the Managers, the Data Trustee, the Account Bank, the Corporate Administrator, the Seller, the Servicer, the Subordinated Loan Provider and Wilmington Trust (London) Limited as transaction security trustee (the "**Transaction Security Trustee**") dated 21 September 2011. The main provisions of the Transaction Security Agreement are set out in Appendix B to these Terms and Conditions ("**Appendix B**") which constitutes an integral part of these Terms and Conditions. Terms defined in the Transaction Security Agreement shall have the same meanings herein.

## 2. Status and Priority

- (a) The Notes constitute direct, secured and (subject to Condition 3.2 (*Limited Recourse*)) unconditional obligations of the Issuer.

- (b) The obligations of the Issuer under the Class A Notes rank *pari passu* amongst themselves without any preference among themselves in respect of security. Following an Issuer Event of Default (as defined in Condition 3.5 (*Issuer Event of Default*)), the obligations of the Issuer under the Class A Notes rank against all other current and future obligations of the Issuer in accordance with the post-enforcement priority of payments (the "**Post-Enforcement Priority of Payments**") set out in Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement (see Appendix B). The obligations of the Issuer under the Class B Notes rank *pari passu* amongst themselves in respect of security. Following an Issuer Event of Default the obligations of the Issuer under the Class B Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments.

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

#### *3.1 Security*

Pursuant to the Transaction Security Agreement, the Issuer has transferred or pledged its rights and claims in all Purchased Receivables and the Related Collateral transferred by the Seller to it under the Receivables Purchase Agreement, all of its rights and claims arising under certain Transaction Documents to which the Issuer is a party and certain other rights specified in the Transaction Security Agreement (such collateral as defined in Clause 7 (*Security Purpose*) of the Transaction Security Agreement, the "**Collateral**") as security for the Notes and other obligations specified in the Transaction Security Agreement. As to the form and contents of such provision of security, reference is made to Clauses 5 (*Transfer for Security Purposes of the Assigned Security*) and 6 (*Pledge*) and the other provisions of the Transaction Security Agreement (see Appendix B). In addition, the Issuer has granted a security interest to the Transaction Security Trustee in respect of all present and future rights, claims and interests which the Issuer is or becomes entitled to from or in relation to the Interest Rate Swap Counterparty and/or any other party pursuant to or in respect of the Interest Rate Swap to the Transaction Security Trustee as security for the payment and/or discharge on demand of all monies and liabilities due by the Issuer to the Transaction Security Trustee in accordance with an English security deed dated 21 September 2011 (the "**English Security Deed**", the security interests granted in accordance with the English Security Deed together with the Collateral, the "**Note Collateral**").

#### *3.2 Limited Recourse*

- (a) **All payment obligations of the Issuer under the Notes constitute exclusive obligations to pay out the Credit (as defined in Clause 23.1 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement) in accordance with the Post-Enforcement Priority of Payments. Such funds shall be generated by, and limited to, primarily (i) payments made to the Issuer by the Servicer under the Servicing Agreement, (ii) payments made to the Issuer by the Interest Rate Swap Counterparty under the Interest Rate Swap, (iii) payments made to the Issuer under the other Transaction Documents (other than the Funding Loan Agreement), (iv) proceeds from the realisation of the Note Collateral and (v) interest earned on the balance credited to the Transaction Account, as available on the relevant Payment Date (Condition 5.1 (*Payment Dates*)) according to the Post-Enforcement Priority of Payments (Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement) provided that, prior to the occurrence of an Issuer Event of Default, the Available Distribution Amount shall be applied in accordance with the Pre-Enforcement Priority of Payments (Condition 7.6 (*Pre-Enforcement Priority of Payments*)).** The Notes shall not give rise to any payment obligation in excess of the foregoing and recourse shall be limited accordingly.
- (b) The Issuer shall hold all monies paid to it in the Transaction Account, except the Commingling Reserve Amount which the Issuer shall hold in the Commingling Reserve Account. Furthermore, the Issuer shall exercise all of its rights under the Transaction Documents with the due care of a prudent businessman such that obligations under the Notes may be performed to the fullest extent possible.
- (c) To the extent that such assets, or the proceeds of realisation thereof, after payment of all claims ranking in priority to the Notes, prove ultimately insufficient to satisfy the claims of all Noteholders in full, then any shortfall arising therefrom shall be extinguished and neither any Noteholder nor the Transaction Security Trustee shall have any further claims against the Issuer. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time as no further assets are available and no further proceeds can be

realised therefrom to satisfy any outstanding claim of the Noteholders, and neither assets nor proceeds shall be so available thereafter.

### 3.3 *Enforcement of Payment Obligations*

**The enforcement of the payment obligations under the Notes shall only be effected by the Transaction Security Trustee for the benefit of all Noteholders, provided that each Noteholder shall be entitled to proceed directly against the Issuer in the event that the Transaction Security Trustee, after having become obliged to enforce the Note Collateral and having been given notice thereof, fails to do so within a reasonable time period and such failure continues. The Transaction Security Trustee shall foreclose on the Note Collateral upon the occurrence of an Issuer Event of Default on the conditions and in accordance with the terms of the Transaction Security Agreement including, in particular, Clauses 19 (*Enforcement of Note Collateral*) and 20 (*Payments upon Occurrence of an Issuer Event of Default*) of the Transaction Security Agreement (see Appendix B) and the terms of the English Security Deed.**

### 3.4 *Obligations of the Issuer only*

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

### 3.5 *Issuer Event of Default*

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

- (i) the Issuer becomes overindebted (*überschuldet*) or is unable to pay its debts as they fall due (*zahlungsunfähig*) or the inability of the Issuer to pay its debts as they fall due is imminent (*drohende Zahlungsunfähigkeit*) or measures under Section 21 of the German Insolvency Code (*Insolvenzordnung*) are taken with respect to the Issuer or the Issuer initiates or otherwise becomes subject to liquidation, insolvency, or similar proceedings under any applicable law, which affect or prejudice the performance of its obligations under the Notes or the other Transaction Documents, and are not, in the opinion of the Transaction Security Trustee, being disputed in good faith with a reasonable prospect of discontinuing or discharging the same, or such proceedings are not instituted for lack of assets;
- (ii) the Issuer defaults in the payment of any interest due and payable in respect of any Class A Note and such default continues for a period of at least five (5) Business Days;
- (iii) the Issuer defaults in the payment of any interest or principal due and payable in respect of any Note or in the due payment or performance of any other Transaction Secured Obligation (as such term is defined in Clause 7 (*Security Purpose*) of the Transaction Security Agreement), other than those mentioned under items *fifteenth* to *nineteenth* of the Pre-Enforcement Priority of Payments, in each case to the extent that the Available Distribution Amount as of the Cut-Off Date immediately preceding the relevant Payment Date would have been sufficient to pay such amounts, and such default continues for a period of at least five (5) Business Days;
- (iv) a distress, execution, attachment or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is not discharged or does not otherwise cease to apply within thirty (30) calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the Issuer makes a conveyance or assignment for the benefit of its creditors generally; or
- (v) the Transaction Security Trustee ceases to have a valid and enforceable security interest in any of the Note Collateral or any other security interest created under any Transaction Security Document.

## **4. General Covenants of the Issuer**

### 4.1 *Restrictions on Activities*

As long as any Notes are outstanding, the Issuer shall not be entitled, without the prior consent of the Transaction Security Trustee (such consent shall not be given unless (i) S&P has confirmed in writing that such action would not negatively affect or result in a downgrading or withdrawal of the then current rating of any

Class of Notes and (ii) each Rating Agency has been notified in writing of such action) or unless required by applicable law, to engage in or undertake any of the activities or transactions specified in Clause 39 (*Actions of the Issuer requiring consent*) of the Transaction Security Agreement (see **Appendix B**).

#### 4.2 *Appointment of Transaction Security Trustee*

As long as any Notes are outstanding, the Issuer shall ensure that a transaction security trustee is appointed at all times who has undertaken substantially the same functions and obligations as the Transaction Security Trustee pursuant to these Terms and Conditions and the Transaction Security Agreement.

### 5. **Payments on the Notes**

#### 5.1 *Payment Dates*

Payments of interest and, in accordance with the provisions herein, principal in respect of the Notes to the Noteholders shall become due and payable monthly on the thirteenth day of each calendar month or if such day is not a Business Day, on the next succeeding day which is a Business Day unless such date would thereby fall into the next calendar month, in which case the payment will be made on the immediately preceding Business Day, commencing on 13 October 2011 (each such day, a "**Payment Date**"). "**Business Day**" shall mean a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET2**") are operational and on which commercial banks and foreign exchange markets are open or required to be open for business in Luxembourg, Madrid, Spain, London, England, Frankfurt am Main, Germany and Düsseldorf, Germany.

#### 5.2 *Note Principal Amount*

Payments of principal and interest on each Note as of any Payment Date shall be made on the Note Principal Amount of such Note. The "**Note Principal Amount**" of any Note as of any date shall equal the initial note principal amount of EUR 100,000 as reduced by all amounts paid prior to such date on such Note in respect of principal. "**Class A Principal Amount**" shall mean, as of any date, the sum of the Note Principal Amounts of all Class A Notes and "**Class B Principal Amount**" shall mean, as of any date, the sum of the Note Principal Amounts of all Class B Notes. Each of the Class A Principal Amount and the Class B Principal Amount is referred to herein as a "**Class Principal Amount**".

#### 5.3 *Payments and Discharge*

- (a) Payments of principal and interest in respect of the Notes shall be made by the Issuer, through the Principal Paying Agent, on each Payment Date to, or to the order of, the ICSDs, as relevant, for credit to the relevant participants in the ICSDs for subsequent transfer to the Noteholders.
- (b) Payments in respect of interest on any Notes represented by the Temporary Global Note shall be made to, or to the order of, the ICSDs, as relevant, for credit to the relevant participants in the ICSDs for subsequent transfer to the relevant Noteholders upon due certification as provided in Condition 1(c) (*Form and Denomination*).
- (c) All payments made by the Issuer to, or to the order of, the ICSDs, as relevant, shall discharge the liability of the Issuer under the relevant Notes to the extent of the sums so paid. Any failure to make the entries in the records of the ICSDs referred to in Condition 5.2 (*Note Principal Amount*) shall not affect the discharge referred to in the preceding sentence.

### 6. **Payments of Interest**

#### 6.1 *Interest Calculation*

- (a) Subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) and, in particular, subject to the Pre-Enforcement Priority of Payments and, upon the occurrence of an Issuer Event of Default, the Post-Enforcement Priority of Payments, each Note shall bear interest on its Note Principal Amount from the Note Issuance Date until the close of the day preceding the day on which such Note has been redeemed in full (both days inclusive).

- (b) The amount of interest payable by the Issuer in respect of each Note on any Payment Date (the "**Interest Amount**") shall be calculated by applying the relevant Interest Rate (Condition 6.3 (*Interest Rate*)), for the relevant Interest Period (Condition 6.2 (*Interest Period*)), to the Note Principal Amount outstanding immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 360 and rounding the result to the nearest EUR 0.01 (with EUR 0.005 being rounded upwards). "**Class A Notes Interest**" shall mean the aggregate Interest Amount payable (including any Interest Shortfall) in respect of all Class A Notes on any date and "**Class B Notes Interest**" shall mean the aggregate Interest Amount payable (including any Interest Shortfall) in respect of all Class B Notes on any date.

## 6.2 *Interest Period*

"**Interest Period**" shall mean, in respect of the first Payment Date, the period commencing on (and including) the Note Issuance Date and ending on (but excluding) the first Payment Date and in respect of any subsequent Payment Date, the period commencing on (and including) a Payment Date and ending on (but excluding) the immediately following Payment Date.

## 6.3 *Interest Rate*

- (a) The interest rate payable on the Note for each Interest Period (each, an "**Interest Rate**") shall be
- (i) in the case of the Class A Notes, EURIBOR plus 0.90 % per annum,
  - (ii) in the case of the Class B Notes, EURIBOR plus 1.55 % per annum.
- (b) "**EURIBOR**" for each Interest Period shall mean the rate for deposits in euro for a period of one month (with respect to the first Interest Period, the linear interpolation between two weeks and three weeks) which appears on Reuters 3000 page EURIBOR01 (or such other page as may replace such page on that service for the purpose of displaying Brussels inter-bank offered rate quotations of major banks) as of 11:00 a.m. (Brussels time) on the second Business Day immediately preceding the commencement of such Interest Period (each, a "**EURIBOR Determination Date**"), all as determined by the EURIBOR Determination Agent. If Reuters 3000 Page EURIBOR01 is not available or if no such quotation appears thereon, in each case as at such time, the EURIBOR Determination Agent shall request the principal Euro-zone office of the Reference Banks selected by it to provide the EURIBOR Determination Agent with its offered quotation (expressed as a percentage rate per annum) for one-month deposits (with respect to the first Interest Period, the linear interpolation between two weeks and three weeks) in euro at approximately 11:00 a.m. (Brussels time) on the relevant EURIBOR Determination Date to prime banks in the Euro-zone inter-bank market for the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time. If two or more of the selected Reference Banks provide the EURIBOR Determination Agent with such offered quotations, EURIBOR for such Interest Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one thousandth of a percentage point, with 0.000005 being rounded upwards). If on the relevant EURIBOR Determination Date fewer than two of the selected Reference Banks provide the EURIBOR Determination Agent with such offered quotations, EURIBOR for such Interest Period shall be the rate per annum which the EURIBOR Determination Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates communicated to (and at the request of) the EURIBOR Determination Agent by major banks in the Euro-zone, selected by the EURIBOR Determination Agent, at approximately 11:00 a.m. (Brussels time) on such EURIBOR Determination Date for loans in euro to leading European banks for such Interest Period and in an amount that is representative for a single transaction in that market at that time. "**Reference Banks**" shall mean four major banks in the Euro-zone inter-bank market. "**Euro-zone**" shall mean the region comprising member states of the European Union that have adopted the single currency, the euro, in accordance with the EC Treaty. "**EC Treaty**" shall mean the Treaty establishing the European Community signed in Rome on 25 March 1957, as amended from time to time, including by the Treaty on European Union signed in Maastricht on 7 February 1992, the Treaty of Amsterdam signed in Amsterdam on 2 October 1997 and the Lisbon Treaty signed in Lisbon on 13 December 2007.

In the event that the EURIBOR Determination Agent is on any EURIBOR Determination Date required but unable to determine EURIBOR for the relevant Interest Period in accordance with the above,

EURIBOR for such Interest Period shall be EURIBOR as determined on the previous EURIBOR Determination Date.

This Condition 6.3 shall be without prejudice to the application of any higher interest under applicable mandatory law.

#### 6.4 *Notifications*

The Calculation Agent shall, as soon as practicable either on each EURIBOR Determination Date or on the Business Day immediately following each EURIBOR Determination Date but no later than 11 a.m. (London time) on such Business Day, determine the relevant Interest Period, Interest Rate, Interest Amount and Payment Date with respect to each Class of Notes and notify such information to the Principal Paying Agent and the Cash Administrator in writing without undue delay. Upon receipt of such information and if applicable, relevant completed forms, by no later than 2 p.m. (London time) on the day of intended notification, the Principal Paying Agent shall notify such information (i) to the Issuer, the Transaction Security Trustee, the Interest Rate Swap Counterparty and the Corporate Administrator, (ii) as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, to the Luxembourg Stock Exchange and the Luxembourg Intermediary as well as to the holders of such Notes in accordance with Condition 13 (*Form of Notices*) and (iii) if any Notes are listed on any other stock exchange, to such exchange as well as to the holders of such Notes in accordance with Condition 13 (*Form of Notices*). In the event that such notification is required to be given to the Luxembourg Stock Exchange and the Luxembourg Intermediary, this notification, together with any completed forms required by the Luxembourg Stock Exchange, shall be given no later than the close of the day of intended notification.

#### 6.5 *Interest Shortfall*

Accrued interest not paid on any Payment Date related to the Interest Period in which it accrued, shall be an "**Interest Shortfall**" with respect to the relevant Note. An Interest Shortfall shall become due and payable on the next Payment Date and on any following Payment Date (subject to Condition 3.2 (*Limited Recourse*)) until it is reduced to zero. Interest shall not accrue on Interest Shortfalls at any time.

### 7. **Redemption**

#### 7.1 *Amortisation*

Subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) and, in particular, subject to the Post-Enforcement Priority of Payments upon the occurrence of an Issuer Event of Default, the Class A Notes and, after the Class A Notes have been redeemed in full, the Class B Notes, in this order sequentially, shall be redeemed on each Payment Date in an amount equal to the Available Distribution Amount less the sum of all amounts payable or to be applied (as the case may be) by the Issuer as set forth in the Pre-Enforcement Priority of Payments under items *first* to *ninth* (inclusive) and item *eleventh* (if relevant) and subject to the relevant Class Target Principal Amount, provided that each Note of a particular Class shall be redeemed on each Payment Date in an amount equal to the redemption amount allocated to such Class divided by the number of Notes in such Class. "**Class A Notes Principal**" shall mean the aggregate principal amount payable in respect of all Class A Notes on any date and "**Class B Notes Principal**" shall mean the aggregate principal amount payable in respect of all Class B Notes on any date.

#### 7.2 *Scheduled Maturity Date*

On the Payment Date falling in September 2018 (the "**Scheduled Maturity Date**"), each Class A Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount and, after all Class A Notes have been redeemed in full, each Class B Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount, subject to the availability of funds pursuant to the Pre-Enforcement Priority of Payments. In the event of insufficient funds pursuant to the Pre-Enforcement Priority of Payments, any outstanding Note shall be redeemed on the next Payment Date and on any following Payment Date in accordance with and subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) until each Note has been redeemed in full, subject to the Condition 7.3 (*Legal Maturity Date*).

### 7.3 *Legal Maturity Date*

On the Payment Date falling in September 2021 (the "**Legal Maturity Date**"), each Class A Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount and, after all Class A Notes have been redeemed in full, each Class B Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount, in each case subject to the limitations set forth in Condition 3.2 (*Limited Recourse*). The Issuer shall be under no obligation to make any payment under the Notes after the Legal Maturity Date.

### 7.4 *Early Redemption*

- (a) On any Payment Date on which the Aggregate Outstanding Principal Amount has been reduced to less than 10 % of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date, the Seller shall have the option under the Receivables Purchase Agreement to repurchase all Purchased Receivables (together with any Related Collateral) which have not been sold to a third party and the proceeds from such repurchase shall constitute Collections, subject to the following requirements:
- (i) the proceeds distributable as a result of such repurchase on the Early Redemption Date shall be at least equal to the then Aggregate Outstanding Note Principal Amount plus accrued but unpaid interest thereon together with all amounts ranking prior thereto according to the Pre-Enforcement Priority of Payments;
  - (ii) the Seller shall advise the Issuer of its intention to exercise the repurchase option at least one month prior to the contemplated termination date which shall be a Payment Date (the "**Early Redemption Date**"); and
  - (iii) the repurchase price to be paid by the Seller is equal to the current value of all Purchased Receivables outstanding plus any interest accrued until and outstanding on the Early Redemption Date.
- (b) Early redemption of the Notes pursuant to this Condition 7.4 shall be excluded if the sum of the repurchase price determined pursuant to Condition 7.4(a)(iii) above is not sufficient to fully satisfy the obligations of the Issuer specified under Condition 7.4(a)(i) above.
- (c) Upon payment in full of the amounts pursuant to Condition 7.4(a)(i) to the Noteholders, the Noteholders shall not receive any further payments of interest or principal.

### 7.5 *Optional Redemption for Taxation Reasons*

If the Issuer is or becomes at any time required by law to deduct or withhold in respect of any payment under the Notes current or future taxes, levies or governmental charges, regardless of their nature, which are imposed under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, the Issuer shall determine within twenty (20) calendar days of such circumstance occurring whether it would be practicable to arrange for the substitution of the Issuer in accordance with Condition 11 (*Substitution of the Issuer*) or to change its tax residence to another jurisdiction approved by the Transaction Security Trustee. The Transaction Security Trustee shall not give such approval unless (i) S&P has confirmed in writing that such substitution or change of the tax residence of the Issuer would not negatively affect or result in a downgrading or withdrawal of the then current ratings of any Class of Notes and (ii) each Rating Agency has been notified in writing of such substitution or change of the tax residence of the Issuer. If the Issuer determines that any of such measures would be practicable, it shall effect such substitution in accordance with Condition 11 (*Substitution of the Issuer*) or (as relevant) such change of tax residence within sixty (60) calendar days from such determination. If, however, it determines within twenty (20) calendar days of such circumstance occurring that none of such measures would be practicable or if, having determined that any of such measures would be practicable, it is unable so to avoid such deduction or withholding within such further period of sixty (60) calendar days, then the Issuer shall be entitled at its option (but shall have no obligation) to fully redeem all (but not some only) of the Notes, upon not more than sixty (60) calendar days' nor less than thirty (30) calendar days' notice of redemption given to the Transaction Security Trustee, to the Principal Paying Agent and, in accordance with Condition 13 (*Form of Notices*), to the Noteholders at their then aggregate outstanding Note Principal Amounts, together with accrued but unpaid interest (if any) to the date (which must be a Payment Date) fixed for redemption. Any such notice

shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

#### 7.6 *Pre-Enforcement Priority of Payments*

On each Payment Date prior to the occurrence of an Issuer Event of Default, the Available Distribution Amount as of the Cut-Off Date immediately preceding such Payment Date shall be applied in accordance with the following order of priorities (the "**Pre-Enforcement Priority of Payments**")

*first*, to pay any obligation of the Issuer which is due and payable with respect to corporation and trade tax under any applicable law (if any);

*second*, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;

*third*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Corporate Administrator under the Corporate Administration Agreement, the Data Trustee under the Data Trust Agreement, and the Account Bank under the Accounts Agreement, any amounts due and payable by the Issuer in connection with the establishment of the Issuer, and any other amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses, and a reserved profit of the Issuer of up to EUR 500 annually;

*fourth*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Cash Administrator, the Calculation Agent and the EURIBOR Determination Agent under the Agency Agreement, the Managers under the Subscription Agreement (excluding any commissions and concessions which are payable to the Managers under the Subscription Agreement on the Note Issuance Date and which are to be paid by the Issuer by applying the funds disbursed to it under the Funding Loan), the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeepers and any other relevant party with respect to the issue of the Notes;

*fifth*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement or otherwise, and any such amounts due and payable to any substitute servicer or back-up servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and the Related Collateral which may be appointed from time to time in accordance with the Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral;

*sixth*, to pay any amount due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap, other than any termination payment (as determined pursuant to the Interest Rate Swap) due and payable to the Interest Rate Swap Counterparty if an event of default has occurred under the Interest Rate Swap with respect to the Interest Rate Swap Counterparty;

*seventh*, to pay Class A Notes Interest due and payable on such Payment Date *pro rata* on each Class A Note;

*eighth*, if no Principal Deficiency Trigger Event occurs, to pay Class B Notes Interest due and payable on such Payment Date *pro rata* on each Class B Note;

*ninth*, to credit to the Reserve Fund with effect as from such Payment Date up to the amount of the Required Liquidity Reserve Amount as of such Cut-Off Date;

*tenth*, to pay any Class A Notes Principal as of such Cut-Off Date, *pro rata* on each Class A Note, but only until the Class A Principal Amount following such payment is equal to the Class A Target Principal Amount;

*eleventh*, upon the occurrence of a Principal Deficiency Trigger Event, to pay Class B Notes Interest due and payable on such Payment Date *pro rata* on each Class B Note;

*twelfth*, after the Class A Notes have been redeemed in full, to pay any Class B Notes Principal as of such Cut-Off Date, *pro rata* on each Class B Note, but only until the Class B Principal Amount following such payment is equal to the Class B Target Principal Amount;

*thirteenth*, unless the Payment Date falls on a Servicer Disruption Date, to credit to the Reserve Fund with effect as from such Payment Date up to the excess of (x) the amount of the Required Reserve Amount as of such Cut-Off Date over (y) the amount of the Required Liquidity Reserve Amount as of such Cut-Off Date;

*fourteenth*, unless the Payment Date falls on a Servicer Disruption Date, after a Commingling Reserve Trigger Event has occurred, to credit to the Commingling Reserve Account with effect as from such Payment Date up to the amount of the Commingling Reserve Amount as of such Cut-Off Date;

*fifteenth*, unless the Payment Date falls on a Servicer Disruption Date, after a Set-Off Reserve Trigger Event has occurred, to credit to and fill the Set-Off Reserve Ledger with effect as from such Payment Date up to the amount of the Set-Off Reserve Amount as of such Cut-Off Date;

*sixteenth*, unless the Payment Date falls on a Servicer Disruption Date, to pay any termination payment due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap if an event of default has occurred under the Interest Rate Swap with respect to the Interest Rate Swap Counterparty;

*seventeenth*, unless the Payment Date falls on a Servicer Disruption Date, to pay first, interest (including accrued interest) due and payable under the Subordinated Loan Agreement and thereafter, outstanding principal under the Subordinated Loan Agreement in the event of any reduction of the Required Reserve Amount from time to time (if any) in accordance with the provisions of the Receivables Purchase Agreement, in an amount (if any) which is equal to the difference between the amount of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date, but in no event more than the difference between the actual credit then standing to the Reserve Fund as of such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date (and if such difference is negative, it shall be deemed to be zero);

*eighteenth*, unless the Payment Date falls on a Servicer Disruption Date, to pay any amounts owed by the Issuer to the Seller due and payable under the Receivables Purchase Agreement in respect of (i) any valid return of a direct debit (*Lastschriftrückbelastung*) (to the extent such returns do not reduce the Collections for the Collection Period ending on such Cut-Off Date), (ii) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (iii) any Deemed Collection paid by the Seller for a Disputed Receivable which proves subsequently with *res judicata* (*rechtskräftig festgestellt*) to be an enforceable Purchased Receivable, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Receivables Purchase Agreement or other Transaction Documents; and

*nineteenth*, unless the Payment Date falls on a Servicer Disruption Date, to pay, prior to the occurrence of a Termination Event, any remaining amount to the Seller in accordance with the Receivables Purchase Agreement,

*provided that* any payment to be made by the Issuer under items *first to fifth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using any amounts then credited to the Transaction Account and, if applicable, the Commingling Reserve Account, and *provided further that* outside of such order of priority, any Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or any other Swap Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the Interest Rate Swap, to reduce the amount that would otherwise be payable by the Interest Rate Swap Counterparty to the Issuer on early termination of the Interest Rate Swap) due to be transferred or paid by the Issuer to the Interest Rate Swap Counterparty pursuant to the terms and conditions of the Interest Rate Swap shall be transferred or paid (as applicable) to the Interest Rate Swap Counterparty if and to the extent that such Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or other Swap Collateral (as the case may be) has been received by the Issuer and sufficient funds are available for this purpose on the Interest Rate Swap Ledger when such transfer or payment is made.

## 8. Notifications

The Principal Paying Agent shall notify the Issuer, the Corporate Administrator, the Cash Administrator, the Transaction Security Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 13 (*Form of Notices*), the Noteholders, and so long as any of the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the official list of the Luxembourg Stock Exchange, the Luxembourg Stock Exchange and the Luxembourg Intermediary and if any Notes are listed on any other stock exchanges, such stock exchange:

- (i) with respect to each Payment Date, of the Interest Amount pursuant to Condition 6.1 (*Interest Calculation*);
- (ii) with respect to each Payment Date, of the amount of Interest Shortfall pursuant to Condition 6.5 (*Interest Shortfall*), if any;
- (iii) with respect to each Payment Date, of the amount of principal on each Class A Note and each Class B Note pursuant to Condition 7 (*Redemption*) to be paid on such Payment Date and, if applicable, that such Payment Date constitutes a Servicer Disruption Date;
- (iv) with respect to each Payment Date, of the Note Principal Amount of each Class A Note and each Class B Note and the Class A Principal Amount and the Class B Principal Amount as from such Payment Date; and
- (v) in the event the payments to be made on a Payment Date constitute the final payment with respect to Notes pursuant to Condition 7.3 (*Legal Maturity Date*) Condition 7.4 (*Early Redemption*) or Condition 7.5 (*Optional Redemption for Taxation Reasons*), of the fact that such is the final payment.

In each case, such notification shall be made by the Principal Paying Agent on the EURIBOR Determination Date preceding the relevant Payment Date.

## 9. Paying Agents; Luxembourg Intermediary; Determinations Binding

- (a) The Issuer has appointed (i) The Bank of New York Mellon, acting through its London Branch as paying agent (in such capacity, the "**Principal Paying Agent**"), as cash administrator (in such capacity, the "**Cash Administrator**") and as interest determination bank (in such capacity, the "**Calculation Agent**") and (ii) Wilmington Trust SP Services (Frankfurt) GmbH as EURIBOR determination agent (in such capacity, the "**EURIBOR Determination Agent**") and each of the Principal Paying Agent, the Calculation Agent, the Cash Administrator and the EURIBOR Determination Agent, a "**Paying Agent**") and has appointed The Bank of New York Mellon (Luxembourg) S.A. as the initial Luxembourg intermediary (the "**Luxembourg Intermediary**").
- (b) The Issuer shall procure that for as long as any Notes are outstanding there shall always be a Principal Paying Agent, a Calculation Agent, a Cash Administrator and an EURIBOR Determination Agent to perform the functions assigned to it in these Terms and Conditions. The Issuer may at any time, by giving not less than thirty (30) calendar days' notice by publication in accordance with Condition 13 (*Form of Notices*), replace any of the Paying Agents by one or more other banks or other financial institutions which assume such functions, *provided that* (i) the Issuer shall maintain at all times a paying agent having a specified office in the European Union for as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and (ii) no paying agent located in the United States of America will be appointed. Each of the Paying Agents and the Luxembourg Intermediary shall act solely as agents for the Issuer and shall not have any agency or trustee relationship with the Noteholders. The Issuer shall procure that for so long as any Notes are listed on the official list of the Luxembourg Stock Exchange, there shall be a Luxembourg Intermediary.
- (c) All Interest Rates and Interest Amounts determined and other calculations and determinations made by the Principal Paying Agent for the purposes of these Terms and Conditions shall, in the absence of manifest error, be final and binding. All determinations of the rate of EURIBOR made by the EURIBOR Determination Agent for the purposes of these Terms and Conditions shall, in the absence of manifest error, be final and binding.

## 10. Taxes

Payments shall only be made by the Issuer after the deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected (collectively, "taxes") under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, to the extent that such deduction or withholding is required by law. The Issuer shall account for the deducted or withheld taxes with the competent government agencies and shall, upon request of a Noteholder, provide proof thereof. The Issuer is not obliged to pay any additional amounts as compensation for taxes.

## 11. Substitution of the Issuer

(a) If, in the determination of the Issuer and the reasonable opinion of the Transaction Security Trustee (who may rely on one or more legal opinions from reputable law firms), as a result of any enactment of or supplement or amendment to, or change in, the laws of any relevant jurisdiction or as a result of an official communication of previously not existing or not publicly available official interpretation, or a change in the official interpretation, implementation or application of such laws that becomes effective on or after the Note Issuance Date:

- (i) any of the Issuer, the Seller, the Servicer or the Interest Rate Swap Counterparty would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), be materially restricted from performing any of its obligations under the Notes or the other Transaction Documents to which it is a party; or
- (ii) any of the Issuer, the Seller, the Servicer or the Interest Rate Swap Counterparty would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), (x) be required to make any tax withholding or deduction in respect of any payments on the Notes and/or the other Transaction Documents to which it is a party or (y) would not be entitled to relief for tax purposes for any amount which it is obliged to pay, or would be treated as receiving for tax purposes an amount which it is not entitled to receive, in each case under the Notes or the other Transaction Documents;

then the Issuer shall inform the Transaction Security Trustee accordingly and shall, in order to avoid the relevant event described in paragraph (i) or (ii) above, use its reasonable endeavours to arrange the substitution of the Issuer with a company incorporated in another jurisdiction in accordance with Condition 11(b) or to effect any other measure suitable to avoid the relevant event described in paragraph (i) or (ii) above.

(b) The Issuer is entitled to substitute in its place another company (the "**New Issuer**") as debtor for all obligations arising under and in connection with the Notes only subject to the provisions of Condition 11(a) and the following conditions:

- (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Notes and the Transaction Documents by means of an agreement with the Issuer and/or the other parties to the Transaction Documents, and that the Note Collateral created in accordance with Condition 3.1 (*Security*) is held by the Transaction Security Trustee for the purpose of securing the obligations of the New Issuer upon the Issuer's substitution;
- (ii) no additional expenses or legal disadvantages of any kind arise for either the Noteholders or the Interest Rate Swap Counterparty from such assumption of debt and the Issuer has obtained a tax opinion to this effect from a reputable tax lawyer in the relevant jurisdiction which can be examined at the offices of the Principal Paying Agent;
- (iii) the New Issuer provides proof satisfactory to the Transaction Security Trustee that it has obtained all of the necessary governmental approvals in the jurisdiction in which it has its registered address and that it is permitted to fulfil all of the obligations arising under or in connection with the Notes without discrimination against the Noteholders in their entirety;

- (iv) the Issuer and the New Issuer enter into such agreements and execute such documents necessary for the effectiveness of the substitution; and
- (v) each Rating Agency has been notified of such substitution and S&P has confirmed in writing that such substitution will not negatively affect or result in a downgrading or withdrawal of the then current ratings of any Class of Notes.

Upon fulfilment of the aforementioned conditions, the New Issuer shall in every respect substitute the Issuer and the Issuer shall, *vis-à-vis* the Noteholders, be released from all obligations relating to the function of issuer under or in connection with the Notes.

- (c) Notice of such substitution of the Issuer shall be given in accordance with Condition 13 (*Form of Notices*).
- (d) In the event of such substitution of the Issuer, each reference to the Issuer in these Terms and Conditions shall be deemed to be a reference to the New Issuer.

## **12. Resolutions of Noteholders**

- (a) The Noteholders of any Class may agree by majority resolution to amend these Terms and Conditions, provided that no obligation to make any payment or render any other performance shall be imposed on any Noteholder by majority resolution.
- (b) Majority resolutions shall be binding on all Noteholders of the relevant Class. Resolutions which do not provide for identical conditions for all Noteholders of relevant Class are void, unless the Noteholders of such Class who are disadvantaged have expressly consented to their being treated disadvantageously.
- (c) Noteholders of any Class may in particular agree by majority resolution in relation to such Class to the following:
  - (i) the change of the due date for payment of interest, the reduction, or the cancellation, of interest;
  - (ii) the change of the due date for payment of principal;
  - (iii) the reduction of principal;
  - (iv) the subordination of claims arising from the Notes of such Class in insolvency proceedings of the Issuer;
  - (v) the conversion of the Notes of such Class into, or the exchange of the Notes of such Class for, shares, other securities or obligations;
  - (vi) the exchange or release of security;
  - (vii) the change of the currency of the Notes of such Class;
  - (viii) the waiver or restriction of Noteholders' rights to terminate the Notes of such Class;
  - (ix) the substitution of the Issuer;
  - (x) the appointment or removal of a common representative for the Noteholders of such Class; and
  - (xi) the amendment or rescission of ancillary provisions of the Notes.
- (d) Resolutions shall be passed by simple majority of the votes cast. Resolutions relating to material amendments to these Terms and Conditions, in particular to provisions relating to the matters specified in

Condition 12 (*Resolutions of Noteholders*) (c) items (i) through (x) above, require a majority of not less than 75 per cent. of the votes cast (a "**qualified majority**").<sup>1</sup>

- (e) Noteholders of the relevant Class shall pass resolutions by vote taken without a meeting.
- (f) Each Noteholder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes of the relevant Class. As long as the entitlement to the Notes of the relevant Class lies with, or the Notes of the relevant Class are held for the account of, the Issuer or any of its affiliates (§ 271 (2) of the German Commercial Code (*Handelsgesetzbuch*)), the right to vote in respect of such Notes shall be suspended. The Issuer may not transfer Notes, of which the voting rights are so suspended, to another person for the purpose of exercising such voting rights in the place of the Issuer; this shall also apply to any affiliate of the Issuer. No person shall be permitted to exercise such voting right for the purpose stipulated in sentence 3, first half sentence, herein above.
- (g) No person shall be permitted to offer, promise or grant any benefit or advantage to another person entitled to vote in consideration of such person abstaining from voting or voting in a certain way.
- (h) A person entitled to vote may not demand, accept or accept the promise of, any benefit, advantage or consideration for abstaining from voting or voting in a certain way.
- (i) The Noteholders of any Class may by qualified majority resolution appoint a common representative (*gemeinsamer Vertreter*) (the "**Noteholders' Representative**") to exercise rights of the Noteholders of such Class on behalf of each Noteholder. Any natural person having legal capacity or any qualified legal person may act as Noteholders' Representative. Any person who:
  - (i) is a member of the management board, the supervisory board, the board of directors or any similar body, or an officer or employee, of the Issuer or any of its affiliates;
  - (ii) holds an interest of at least 20 per cent. in the share capital of the Issuer or of any of its affiliates;
  - (iii) is a financial creditor of the Issuer or any of its affiliates, holding a claim in the amount of at least 20 per cent. of the outstanding Notes of such Class, or is a member of a corporate body, an officer or other employee of such financial creditor; or
  - (iv) is subject to the control of any of the persons set forth in sub-paragraphs (i) to (iii) above by reason of a special personal relationship with such person,

must disclose the relevant circumstances to the Noteholders of such Class prior to being appointed as a Noteholders' Representative. If any such circumstances arise after the appointment of a Noteholders' Representative, the Noteholders' Representative shall inform the Noteholders of the relevant Class promptly in appropriate form and manner.

If the Noteholders of different Classes appoint a Noteholders' Representative, such person may be the same person as is appointed Noteholders' Representative of such other Class.

- (j) The Noteholders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders of the relevant Class. The Noteholders' Representative shall comply with the instructions of the Noteholders of the relevant Class. To the extent that the Noteholders' Representative has been authorized to assert certain rights of the Noteholders of the relevant Class, the Noteholders of such Class shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Noteholders' Representative shall provide reports to the Noteholders of the relevant Class on its activities.
- (k) The Noteholders' Representative shall be liable for the performance of its duties towards the Noteholders of the relevant Class who shall be joint and several creditors (*Gesamtgläubiger*); in the performance of its duties it shall act with the diligence and care of a prudent business manager. The liability of the

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<sup>1</sup> The list of matters specified in Condition 12 (c) (i) through (ix) corresponds to the statutory list set out in § 5 (3) nos. 1-9 of the German Act on Debt Securities (*Schuldverschreibungsgesetz*). For all of the matters specified in § 5 (3) nos. 1-9 of the German Act on Debt Securities (*Schuldverschreibungsgesetz*) only a majority of 75 per cent. or more is permitted.

Noteholders' Representative may be limited by a resolution passed by the Noteholders of the relevant Class. The Noteholders of the relevant Class shall decide upon the assertion of claims for compensation of the Noteholders of such Class against the Noteholders' Representative.

- (l) Each Noteholders' Representative may be removed from office at any time by the Noteholders of the relevant Class without specifying any reasons. Each Noteholders' Representative may demand from the Issuer to furnish all information required for the performance of the duties entrusted to it. The Issuer shall bear the costs and expenses arising from the appointment of each Noteholders' Representative, including reasonable remuneration of such Noteholders' Representative.

### **13. Form of Notices**

- (a) All notices to the Noteholders hereunder shall be either (i) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Noteholders or (ii) made available for a period of not less than 30 calendar days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange on the following website: [www.bourse.lu](http://www.bourse.lu).
- (b) Any notice referred to under Condition 13(a)(i) above shall be deemed to have been given to all Noteholders on the seventh calendar day after the day on which such notice was delivered to Euroclear and Clearstream Luxembourg. Any notice referred to under Condition 13(a)(ii) above shall be deemed to have been given to all Noteholders on the day on which it is made available on the website, *provided that* if so made available after 4:00 p.m. (Frankfurt time) it shall be deemed to have been given on the immediately following calendar day.
- (c) If any Notes are listed on any stock exchange other than the Luxembourg Stock Exchange, all notices to the Noteholders shall be published in a manner conforming to the rules of such stock exchange. Any notice shall be deemed to have been given to all Noteholders on the date of such publication conforming to the rules of such stock exchange.

### **14. Miscellaneous**

#### *14.1 Presentation Period*

The presentation period for the Global Notes provided in § 801(1), first sentence, of the German Civil Code (*Bürgerliches Gesetzbuch*) shall end five years after the Legal Maturity Date.

#### *14.2 Replacement of Global Notes*

If any of the Global Notes is lost, stolen, damaged or destroyed, it may be replaced by the Issuer upon payment by the claimant of the costs arising in connection therewith. As a condition of replacement, the Issuer may require the fulfilment of certain conditions, the provision of proof regarding the existence of indemnification and/or the provision of adequate collateral. In the event of any of the Global Notes being damaged, such Global Note shall be surrendered before a replacement is issued. If any Global Note is lost or destroyed, the foregoing shall not limit any right to file a petition for the annulment of such Global Note pursuant to the provisions of the laws of Germany.

#### *14.3 Governing Law*

The form and content of the Notes and all of the rights and obligations of the Noteholders and the Issuer under the Notes shall be governed in all respects by the laws of Germany.

#### *14.4 Jurisdiction*

The non-exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes shall be the District Court (*Landgericht*) in Frankfurt am Main. The Issuer hereby submits to the jurisdiction of such court. The German courts shall have exclusive jurisdiction over the annulment of the Global Notes in the event of their loss or destruction.

## Certain Definitions

"**Account**" shall mean any of the Transaction Account, the Commingling Reserve Account and any other bank account specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to the Transaction Account and the Commingling Reserve Account in accordance with the Accounts Agreement and the Transaction Security Agreement (together, the "**Accounts**");

"**Accounts Agreement**" shall mean an agreement dated 21 September 2011 and entered into between the Issuer, the Account Bank, the Transaction Security Trustee and the Corporate Administrator in relation to the Accounts;

"**Account Bank**" shall mean Banco Santander, S.A., Frankfurt Branch, Eschersheimer Landstr. 27, 60322 Frankfurt am Main, Germany, any successor thereof or any other person appointed as Account Bank in accordance with the Accounts Agreement and the Transaction Security Agreement from time to time as the bank with whom the Issuer holds the Accounts;

"**Adverse Claim**" shall mean any ownership interest, lien, security interest, charge or encumbrance, or other right or claim in, over or on any person's assets or properties in favour of any other person;

"**Aggregate Outstanding Note Principal Amount**" shall mean, in respect of all Notes at any time, the aggregate of the Note Principal Amounts of all Notes;

"**Aggregate Outstanding Principal Amount**" shall mean, in respect of all Purchased Receivables at any time, the aggregate of the Outstanding Principal Amounts of all Purchased Receivables which, as of such time, are not Defaulted Receivables;

"**Amortisation Threshold Date**" shall mean the first Cut-Off Date as of which the Aggregate Outstanding Note Principal Amount of all Notes is less than 83.33 % of the aggregate initial Note Principal Amounts of all Notes;

"**Available Distribution Amount**" shall mean with respect to any Cut-Off Date and the Collection Period ending on such Cut-Off Date, an amount calculated by the Servicer pursuant to the Servicing Agreement as of such Cut-Off Date and notified to the Issuer, the Corporate Administrator, the Calculation Agent, the Principal Paying Agent, the Cash Administrator and the Transaction Security Trustee not later than on the second Business Day after such Cut-Off Date (or, if the Servicer fails to calculate such amount, the amount calculated by the Cash Administrator with respect to such Cut-Off Date on the basis of the information available to the Cash Administrator at that time (for the avoidance of doubt, the Cash Administrator shall not be obliged to request such information from any party to the Transaction Documents (other than the Calculation Agent or the Principal Paying Agent as long as the Cash Administrator, the Calculation Agent and the Principal Paying Agent are the same entity) or any other third party) and notified to the Issuer, the Corporate Administrator, the Principal Paying Agent, the Calculation Agent and the Transaction Security Trustee not later than on the third Business Day preceding the Payment Date following such Cut-Off Date), as the sum of:

1. the amounts standing to the credit of the Reserve Fund as of such Cut-Off Date;
2. any Collections (including, for the avoidance of doubt, Deemed Collections paid by the Seller or (if different) the Servicer) received by the Issuer from the Seller or (if different) the Servicer during the Collection Period ending on such Cut-Off Date;
3. any amount paid by any Interest Rate Swap Counterparty to the Issuer under the Interest Rate Swap (or otherwise received by the Issuer in respect thereof) on or before and with respect to the Payment Date immediately following such Cut-Off Date (excluding, however, (i) any Swap Collateral other than any proceeds from such Swap Collateral applied in satisfaction of payments due to the Issuer in accordance with the Interest Rate Swap upon early termination of the Interest Rate Swap), (ii) any Excess Swap Collateral, (iii) any amount received by the Issuer in respect of Replacement Swap Premium to the extent that such amount is required to be applied directly to pay a termination payment due and payable by the Issuer to the Interest Rate Swap Counterparty upon termination of the Interest Rate Swap, and (iv) any Swap Tax Credits);
4. (i)(A) any stamp duty, registration and other similar taxes, (B) any taxes levied on the Issuer and any relevant parties involved in the financing of the Issuer due to the Issuer and such parties having entered into the Receivables Purchase Agreement, the other Transaction Documents or other agreements relating

to the financing of the acquisition by the Issuer of the Purchased Receivables, (C) any liabilities, costs, claims and expenses which arise from the non-payment or the delayed payment of any taxes specified under (B) above, except for those penalties and interest charges which are attributable to the gross negligence of the Issuer, and (D) any additional amounts corresponding to sums which the Seller is required to deduct or withhold for or on account of tax with respect to all payments made by the Seller to the Issuer under the Receivables Purchase Agreement, in each case paid by the Seller pursuant to the Receivables Purchase Agreement, and (ii) any taxes, increased costs and other amounts, in each case, paid by the Seller to the Issuer pursuant to the Receivables Purchase Agreement (other than any Transaction Cost Fee) and any taxes, increased costs and other amounts paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;

5. (i)(A) any default interest on unpaid sums due by the Seller to the Issuer and (B) indemnities against any loss or expense, including legal fees, incurred by the Issuer as a consequence of any default of the Seller, in each case paid by the Seller to the Issuer pursuant to the Receivables Purchase Agreement and (ii) any default interest and indemnities paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
6. any other amounts paid by the Seller to the Issuer under or with respect to the Receivables Purchase Agreement (other than any Transaction Cost Fee) or the Purchased Receivables or the Related Collateral and any other amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, the Purchased Receivables or the Related Collateral, in each case as collected during such Collection Period;
7. any interest earned (if any) on any balance credited to the Transaction Account during such Collection Period (subject to paragraph (3) above, excluding any interest earned in respect of any Swap Collateral credited to the Interest Rate Swap Ledger);
8. the amounts (if any) standing to the credit of the Commingling Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Commingling Reserve Account), but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer under items *first* to *twelfth* (inclusive) of the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Seller in its capacity as Servicer under item *fifth* of the Pre-Enforcement Priority of Payments), provided, however, that such amounts shall only be included in the Available Distribution Amount if and to the extent that the Seller or (if different) the Servicer have, as of the relevant Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections) received or payable by the Seller or (if different) the Servicer during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding the relevant Payment Date or if the appointment of the Servicer under the Servicing Agreement has been automatically terminated pursuant to the last paragraph of Clause 9.1 of the Servicing Agreement;
9. the amounts (if any) standing to the credit of the Set-Off Reserve Ledger, but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer under items *first* to *twelfth* (inclusive) of the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Seller in its capacity as Servicer under item *fifth* of the Pre-Enforcement Priority of Payments), provided, however, that such amounts shall only be included in the Available Distribution Amount if and to the extent that (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date were not received by the Seller as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections, and (ii) the Issuer does not have a right of set-off against the Seller or (if different) the Servicer with respect to such amounts on the relevant Payment Date;
10. the amounts (if any) standing to the credit of the Transaction Account which would have been distributed as Available Distribution Amount on any Payment Date prior to such Cut-Off Date, but were not distributed due to such Payment Date falling on a Servicer Disruption Date or the prior occurrence of a Termination Event; and

11. any amount (other than covered by (1) through (9) above) (if any) paid to the Issuer by any other party to any Transaction Document (other than the Funding Loan Agreement) which according to such Transaction Document is to be allocated to the Available Distribution Amount.

**"Beneficiary"** shall mean each of the Managers, the Noteholders, the Principal Paying Agent, the Calculation Agent, the Cash Administrator, the EURIBOR Determination Agent, the Interest Rate Swap Counterparty, the Account Bank, the Transaction Security Trustee, the Data Trustee, the Corporate Administrator, the Seller, the Servicer, the Subordinated Loan Provider and any other party acceding to the Transaction Security Agreement as Replacement Beneficiary pursuant to Clause 40 (*Accession of Replacement Beneficiaries*) of the Transaction Security Agreement and any successor, assignee, transferee or replacement thereof;

**"Class A Noteholder"** shall mean a holder of Class A Notes;

**"Class A Notes Principal"** shall mean the aggregate principal amount payable in respect of all Class A Notes on any date;

**"Class A Principal Amount"** shall mean, as of any date, the sum of the Note Principal Amounts of all Class A Notes;

**"Class A Target Principal Amount"** shall mean:

- (A) as of any Payment Date which does not fall on a Servicer Disruption Date, (a) if a Principal Deficiency Trigger Event does not occur, the excess (if any) of (i) the Aggregate Outstanding Principal Amount (as calculated by the Servicer) as of the Cut-Off Date immediately preceding such Payment Date over (ii) the Class B Principal Amount outstanding as of the Cut-Off Date immediately preceding such Payment Date, as calculated by the Calculation Agent, or (b) if a Principal Deficiency Trigger Event has occurred as of such Payment Date, zero; or
- (B) as of any Payment Date falling on a Servicer Disruption Date, an amount equal to the Class A Principal Amount outstanding as of the Cut-Off Date immediately preceding such Payment Date, as calculated by the Calculation Agent;

**"Class B Noteholder"** shall mean a holder of Class B Notes;

**"Class B Notes Principal"** shall mean the aggregate principal amount payable in respect of all Class B Notes on any date;

**"Class B Principal Amount"** shall mean, as of any date, the sum of the Note Principal Amounts of all Class B Notes;

**"Class B Target Principal Amount"** shall mean:

- (A) as of any Payment Date falling on or after the date on which all Class A Notes have been redeemed in full, but not falling on a Servicer Disruption Date, (a) if a Principal Deficiency Trigger Event does not occur, the Aggregate Outstanding Principal Amount (as calculated by the Servicer) as of the Cut-Off Date immediately preceding such Payment Date, or (b) if a Principal Deficiency Trigger Event has occurred as of such Payment Date, zero; or
- (B) as of any Payment Date falling on or after the date on which all Class A Notes have been redeemed in full and falling on a Servicer Disruption Date, the Class B Principal Amount outstanding as of the Cut-Off Date immediately preceding such Payment Date, as calculated by the Calculation Agent;

**"Class Principal Amount"** shall mean each of the Class A Principal Amount and the Class B Principal Amount;

**"Class Target Principal Amount"** shall mean either of the Class A Target Principal Amount or the Class B Target Principal Amount;

**"Collection Period"** shall mean, in relation to any Cut-Off Date, the period commencing on (but excluding) the Cut-Off Date immediately preceding such Cut-Off Date and ending on (and including) such Cut-Off Date and

with respect to the first Payment Date the Collection Period commenced on 31 August 2011 (excluding such date) and ends on 30 September 2011 (including such date);

**"Collections"** shall mean, with respect to any Purchased Receivable and any Related Collateral, all cash collections, finance, interest, late payment or similar charges and other cash proceeds of such Purchased Receivable or other amounts received or recovered in respect thereof, including, without limitation, all proceeds from any loss compensation insurance policies (*Restschuldversicherungen*), all proceeds from insurance policies relating to the Financed Vehicles or otherwise entered into in connection with the financing of the acquisition of the Financed Vehicles, all cash proceeds of any Related Collateral, any proceeds from the sale of Defaulted Receivables (together with the relevant Related Collateral) received by the Servicer on behalf of the Issuer from any third party and any participation in extraordinary profits (*Mehrerlösbeteiligungen*) after realisation of the Related Collateral to which the Issuer is entitled under the relevant Loan Contract, in each case which is irrevocable and final (provided that any direct debit (*Lastschriftinzug*) shall constitute a Collection irrespective of any subsequent valid return thereof (*Lastschriftrückbelastung*)), and any Deemed Collections of such Purchased Receivable less any amount previously received but required to be repaid on account of a valid return of a direct debit (*Lastschriftrückbelastung*), provided that, for the avoidance of doubt, any Collection which is less than the amount then outstanding and due from the relevant Debtor shall be applied in accordance with Sections 366 *et seqq.* of the German Civil Code (*Bürgerliches Gesetzbuch*);

**"Commingling Required Rating"** shall mean, with respect to any entity, that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least F1 (or its replacement) by Fitch and where such entity has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch, P-1 (or its replacement) by Moody's and at least A-2 (or its replacement) by S&P (or, if S&P has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity, the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB+ (or its replacement) by S&P) and, in each case, any such rating has not been withdrawn, and (ii) such entity's long-term unsecured, unsubordinated and unguaranteed debt obligations are assigned a rating of at least A (or its replacement) by Fitch and any such rating has not been withdrawn and where such entity has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch;

**"Commingling Reserve Account"** shall mean the bank account with the account number 315035251 and IBAN DE30 5032 0500 0315 0352 51 held in the name of the Issuer at the Account Bank, Bank Sort Code (*Bankleitzahl*) 315 030 250, as well as any other bank accounts specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to or as substitute for such Commingling Reserve Account in accordance with the Accounts Agreement and the Transaction Security Agreement, to which the Seller shall transfer the Commingling Reserve Amount following the occurrence of a Commingling Reserve Trigger Event and if the balance credited to the Commingling Reserve Account as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event is less than the Commingling Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Commingling Reserve Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, an amount equal to such shortfall as determined as of such Cut-Off Date;

**"Commingling Reserve Amount"** shall mean, (a) as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event, an amount equal to the sum of (i) the amount of the Scheduled Collections for the period from the beginning of the Collection Period immediately following the relevant Cut-Off Date to the last Business Day of the second Collection Period after the relevant Cut-Off Date (both inclusive) and (ii) 2.5 % of the Aggregate Outstanding Note Principal Amount as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Commingling Reserve Trigger Event has occurred or is continuing, zero;

A **"Commingling Reserve Trigger Event"** shall have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Commingling Required Rating or (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of the Seller unless in each case (i) and (ii) the Seller has at least the Commingling Required Rating;

**"Corporate Administrator"** shall mean Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Germany, as administrator or any successor thereof or any other person appointed as replacement corporate administrator from time to time in accordance with the Corporate Administration Agreement;

**"Corporate Administration Agreement"** shall mean a corporate administration agreement dated 21 September 2011 and entered into between the Corporate Administrator and the Issuer;

**"Credit and Collection Policy"** shall mean the credit and collection policies and practices as applied by the Seller and as set out in Appendix D (*Credit and Collection Policy*) to the Terms and Conditions (**"Appendix D"**);

**"Credit Support Annex"** shall mean any credit support document entered into between the Issuer and the Interest Rate Swap Counterparty from time to time which forms part of, and is subject to the Interest Rate Swap and is part of the schedule thereto;

**"Cut-Off Date"** shall mean the last day of each calendar month, and the Cut-Off Date with respect to each Payment Date is the Cut-Off Date immediately preceding such Payment Date and the first Cut-Off Date was 31 August 2011;

**"Data Trustee"** shall mean The Bank of New York Mellon, acting through its Frankfurt Branch, Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Germany, any successor thereof or any other person appointed as Data Trustee from time to time in accordance with the Data Trust Agreement;

**"Data Trust Agreement"** shall mean the data trust agreement dated 21 September 2011 and entered into between the Issuer, the Data Trustee, the Seller and the Transaction Security Trustee;

**"Debtor"** shall mean each of the persons obliged to make payments under a Loan Contract (together, the **"Debtors"**);

**"Deemed Collection"** shall mean an amount equal to the sum of (A) the Outstanding Principal Amount of the affected portion of any Purchased Receivable if (i) such Purchased Receivable becomes a Disputed Receivable (irrespective of any subsequent court determination in respect thereof), (ii) the relevant Loan Contract proves not to have been legally valid, binding, enforceable and assignable as of the Purchase Date and not to have been entered into with respect to a Financed Vehicle registered in Germany title to which was transferred by the relevant Debtor to the Seller as Related Collateral, (iii) the Related Collateral contemplated in the relevant Loan Contract proves not to have existed as of the Purchase Date, (iv) the Issuer proves not to have acquired, upon the payment of the purchase price for such Purchased Receivable on the Purchase Date, title to such Purchased Receivable and to the Related Collateral contemplated in the relevant Loan Contract free and clear of any Adverse Claim, (v) such Purchased Receivable proves not to have been an Eligible Receivable on the Purchase Date, (vi) such Purchased Receivable or Related Collateral contemplated in the relevant Loan Contract is deferred (other than in accordance with the Servicing Agreement or the Credit and Collection Policy, or with the prior approval of the Issuer), redeemed or otherwise modified (other than in accordance with the Servicing Agreement) (in each case other than an early termination of the relevant Loan Contract in accordance with the Credit and Collection Policy prior to the expiry date of the relevant Loan Contract as scheduled therein), or (vii) such Purchased Receivable or the relevant Related Collateral contemplated in the relevant Loan Contract otherwise did not exist in whole or partly prior to its sale and assignment to the Issuer or ceases to exist for any reason (including, without limitation, in the case of a termination of the Loan Contract following a request of the relevant Debtor for an exchange of the Financed Vehicle, but in any event other than by payment to the Servicer or the Issuer or because of a breach by the relevant Debtor of its payment obligations under the Loan Contract), and (B) any reduction of the Outstanding Principal Amount of any Purchased Receivable or any other amount owed by a Debtor due to (i) any set-off against the Seller due to a counterclaim of the Debtor or any set-off or equivalent action against the relevant Debtor by the Seller or (ii) any discount or other credit in favour of the Debtor, in each case as of the date of such reduction for such Purchased Receivable;

**"Defaulted Receivable"** shall mean, as of any date, any Purchased Receivable (which is not a Disputed Receivable) which has been declared due and payable in full (*insgesamt fällig gestellt*) in accordance with the Credit and Collection Policy;

**"Delinquent Receivable"** shall mean, as of any date, any Purchased Receivable (which is not a Disputed Receivable and not a Defaulted Receivable) which is included in the 31 to 60 days overdue bracket in the Monthly Report for the Collection Period ending on or immediately preceding such date;

**"Disputed Receivable"** shall mean any Purchased Receivable in respect of which payment is not made and disputed by the Debtor (other than where the Servicer has given written notice, specifying the relevant facts, to

the Issuer that, in its reasonable opinion, such dispute is made because of the inability (*Bonitätsrisiko*) of the relevant Debtor to pay), whether by reason of any matter concerning the Financed Vehicles or by reason of any other matter or in respect of which a set-off or counterclaim is being claimed by such Debtor;

**"Effective Interest Rate"** shall mean the higher of (i) the agreed interest rate to be paid by the relevant Debtors under the relevant Loan Contract with respect to the Outstanding Principal Amount as of the Cut-Off Date immediately preceding the Purchase Date and (ii) the interest rate agreed between the Seller and the relevant car dealer, importer or manufacturer who has subsidised the financing of the Financed Vehicles under the relevant Loan Contract by paying an up-front subsidy to the Seller, in each case as such interest rate has been notified by the Seller to the Issuer in accordance with the Receivables Purchase Agreement;

**"Eligible Receivable"** shall mean any Receivable which meets the eligibility criteria specified in Appendix C to the Terms and Conditions;

**"Excess Swap Collateral"** shall mean, in respect of the Interest Rate Swap, an amount (which shall be transferred directly to the Interest Rate Swap Counterparty in accordance with the Interest Rate Swap) equal to the amount by which the value of the collateral (or the applicable part of any collateral) provided by the Interest Rate Swap Counterparty to the Issuer pursuant to the Interest Rate Swap exceeds the Interest Rate Swap Counterparty's liability under the Interest Rate Swap as at the date of termination of the Interest Rate Swap or which it is otherwise entitled to have returned to it under the terms of the Interest Rate Swap;

**"Financed Vehicle"** shall mean any vehicle designated to be a passenger car, motorcycle or trailer pursuant to its German car certificate (*Fahrzeugbrief*), registration certificate part II (*Zulassungsbescheinigung Teil II*) or any equivalent documents located in Germany which is financed pursuant to the relevant Loan Contract;

**"Funding Loan Agreement"** shall mean the loan agreement dated 21 September 2011 between the Issuer and the Funding Loan Provider;

**"Funding Loan Provider"** shall mean Santander Consumer Finance, S.A., Ciudad Grupo Santander, Avenida de Cantabria, s/n, 28660 Boadilla del Monte (Madrid), Spain, or any successor or assignee thereof;

**"Instalment Protection Insurance"** (*Ratenschutzversicherung*) shall mean either (i) a life insurance (a) including an accident insurance (*Ratenschutz-Lebensversicherung mit Unfall-Zusatzversicherung*) entered into by a Debtor in respect of the financing of the acquisition of a Financed Vehicle by such Debtor by way of accession to a group insurance agreement (*Gruppenversicherungsvertrag*) between the Seller in its capacity as insurance policy holder and an insurer which covers the risk that such Debtor in its capacity as insured person is unable to pay the Loan Instalments owed by such Debtor under the relevant Loan Contract due to such Debtor (1) deceasing due to such Debtor falling victim to an accident or (2) deceasing due to other reasons and (b) including a temporary disability insurance (*Arbeitsunfähigkeitsversicherung*) entered into by a Debtor who is not older than 60 years at such time in respect of the financing of the acquisition of a Financed Vehicle by way of accession to a group insurance agreement (*Gruppenversicherungsvertrag*) between the Seller in its capacity as insurance policy holder and an insurer which covers the risk that such Debtor in its capacity as insured person is unable to pay the Loan Instalments owed by such Debtor under the relevant Loan Contract due to such Debtor becoming temporary disabled (*arbeitsunfähig*) or (ii) an additional unemployment insurance (*Ratenschutz-Arbeitslosigkeitsversicherung*) entered into by a Debtor who is less than 55 years old at such time in respect of the financing of the acquisition of a Financed Vehicle by way of accession to a group insurance agreement (*Gruppenversicherungsvertrag*) between the Seller in its capacity as insurance policy holder and an insurer which covers the risk that such Debtor in its capacity as insured person is unable to pay the Loan Instalments owed by such Debtor under the relevant Loan Contract due to such Debtor becoming unemployed; in each case (i) the accession of such Debtor to a group insurance agreement (*Gruppenversicherungsvertrag*) referring to an Instalment Protection Insurance (*Ratenschutzversicherung*) between the Seller in its capacity as insurance policy holder is no precondition of the financing of the acquisition of a Financed Vehicle and (ii) the contribution owed by the Debtor for accession to the Instalment Protection Insurance is added to the Principal Amount owed by the Debtor as part of the Loan Instalments under the Loan Contract to which the Debtor is party;

**"Insurance Agreement"** shall mean any of (i) an Instalment Protection Insurance (*Ratenschutzversicherung*), (ii) a Santander Safe Insurance (*Santander Safe Versicherung*), and (iii) any other insurance agreement entered into by the Seller as insurance policy holder (*Versicherungsnehmer*) in connection with the financing of the acquisition of a Financed Vehicle where the relevant Debtor is the insured person;

**"Interest Amount"** shall mean the amount of interest payable by the Issuer in respect of each Note on any Payment Date;

**"Interest Rate"** shall mean the interest rate payable on the Notes for each Interest Period, which is, (i) in the case of the Class A Notes, EURIBOR plus 0.90 % per annum, and, (ii) in the case of the Class B Notes, EURIBOR plus 1.55 % per annum;

**"Interest Rate Swap"** shall mean an interest rate swap agreement (including any schedule thereto and confirmation thereunder as well as any related Credit Support Annex) entered into on or about 16 September 2011 between the Issuer and the Interest Rate Swap Counterparty;

**"Interest Rate Swap Ledger"** shall mean a ledger of the Transaction Account to which the Issuer shall transfer any collateral posted by the Interest Rate Swap Counterparty under the Credit Support Annex, any Replacement Swap Premium and any Swap Tax Credits;

**"Interest Rate Swap Counterparty"** shall mean Banco Santander, S.A. with its office at Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain or its successor or any transferee appointed in accordance with the Interest Rate Swap;

**"Interest Shortfall"** shall mean accrued interest not paid on any Payment Date related to the Interest Period in which it accrued with respect to the relevant Note;

**"International Central Securities Depository"** or **"ICSD"** shall mean each of the operator of the Euroclear System and Clearstream Banking, *société anonyme*;

**"Joint Lead Manager"** shall mean any of Banco Santander, S.A., with its registered office at Paseo de Pareda 9-12, 39004 Santander, Spain, NATIXIS with its business office at 47, quai d'Austerlitz, 75013 Paris, France and WestLB AG with its business office at Herzogstraße 15, 40217 Düsseldorf, Germany (together, the **"Joint Lead Managers"**);

**"Legacy Santander Consumer Bank AG Account"** shall mean any current account maintained by a Debtor with the Seller which was neither operated prior to 31 January 2011 (10:30 am CET) by SEB AG under its German private banking line (*Deutsches Privatkundengeschäft der SEB AG*), nor created (*eröffnet*) after 31 January 2011 (10:29 am CET) in local branches (*Filialen*) of the Seller which had been acquired by the Seller from SEB AG with effect of 31 January 2011 (10:30 am CET) (i.e. the local branches (*Filialen*) of the Seller which had been operated prior to 31 January 2011 (10.30 am CET) by SEB AG under its German private banking line (*Deutsches Privatkundengeschäft der SEB AG*));

**"Loan Contract"** shall mean any loan contract entered into between the Seller and any Debtor for the purpose of financing (i) the acquisition of a Financed Vehicle and (ii) the contribution due and payable by the Debtor for accession to any Insurance Agreement in respect of the financing of the acquisition of such Financed Vehicle;

**"Loan Instalment"** shall mean any obligation of a Debtor under a Loan Contract to pay principal, interest, fees, costs, prepayment penalties (if any), and default interest owed under any relevant Loan Contract or any Related Collateral relating to any of the foregoing;

**"Luxembourg Stock Exchange"** means Société de la Bourse de Luxembourg with its registered address at 11, avenue de la Porte-Neuve, L-2227 Luxembourg;

**"Manager"** shall mean any of the Joint Lead Managers and together, the **"Managers"**;

**"Monthly Report"** shall mean any monthly report substantially in the form (based on an Microsoft-Office template) as set out in a schedule to the Servicing Agreement or otherwise agreed between the Seller, the Servicer (if different) and the Issuer, which shall be prepared by the Servicer with respect to each Collection Period and delivered to the Issuer with a copy to the Corporate Administrator, the Cash Administrator, the Principal Paying Agent and the Calculation Agent at the latest on the second Business Day after the Cut-Off Date on which the relevant Collection Period ends;

**"Note Principal Amount"** of any Note as of any date shall equal the initial note principal amount of EUR 100,000 as reduced by all amounts paid prior to such date on such Note in respect of principal;

**"Outstanding Principal Amount"** shall mean, with respect to any Purchased Receivable, at any time the Principal Amount of such Purchased Receivable less the amount of the principal portion of the Collections received by the Issuer and applied to the Principal Amount of such Purchased Receivable in accordance with the Loan Contract, provided that Collections shall not be treated as received by the Issuer until credited to the Transaction Account;

**"Principal Amount"** shall mean, with respect to any Receivable, the aggregate principal amount of such Receivable which is scheduled to become due after the Cut-Off Date immediately preceding the Purchase Date;

**"Principal Deficiency Trigger Event"** shall have occurred if, as of any Payment Date (other than a Servicer Disruption Date), the Aggregate Outstanding Note Principal Amount as of such Payment Date would, on such Payment Date, after the application of the Available Distribution Amount in accordance with the Pre-Enforcement Priority of Payments, exceed the Aggregate Outstanding Principal Amount of the Purchased Receivables as of such Payment Date by at least EUR 7,500,000;

**"Purchase Date"** shall mean, with respect to the purchase of the Receivables together with the Related Collateral by the Issuer from the Seller under the Receivables Purchase Agreement, any calendar day falling on or before the Note Issuance Date;

**"Purchased Receivable"** shall mean any Receivable which is sold and assigned or purported to be assigned to the Issuer in accordance with the Receivables Purchase Agreement;

**"Rating Agencies"** shall mean Fitch Ratings Limited (Attn: Structured Finance Monitoring, 30 North Colonnade, Canary Wharf, London E14 5GN, United Kingdom, Email: abssurveillance@fitchratings.com or such other contact details as may be notified by Fitch to the Issuer from time to time) or its successor ("**Fitch**"), Moody's Investors Service Limited (Attn: Structured Finance Monitoring, Moody's Deutschland GmbH, SF Monitoring, An der Welle 5, D-60322 Frankfurt am Main, Germany, Email: monitor.abs@moodys.com or such other contact details as may be notified by Moody's to the Issuer from time to time) or its successor ("**Moody's**") and Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. (Attn: Standard & Poor's Ratings Services, 20 Canada Square, London E14 5LH, United Kingdom, Email: ABSEuropeanSurveillance@standardandpoors.com or such other contact details as may be notified by S&P to the Issuer from time to time) or its successor ("**S&P**"), in each case with respect to the relevant contact details as may be otherwise notified by any of the Rating Agencies from time to time;

**"Receivable"** shall mean any liability to pay Loan Instalments which a Debtor owes to the Seller in accordance with a Loan Contract, together with any and all present and future ancillary rights under the relevant Loan Contracts, in particular rights to determine legal relationships (*Gestaltungsrechte*), including termination rights (*Kündigungsrechte*), and the rights to give directions (*Weisungsrechte*);

**"Receivables Purchase Agreement"** shall mean a receivables purchase agreement dated 21 September 2011, and entered into between the Issuer and the Seller;

**"Records"** shall mean with respect to any Purchased Receivable, Related Collateral, Financed Vehicle and the related Debtors all contracts, correspondence, files, notes of dealings and other documents, books, books of accounts, registers, records and other information regardless of how stored;

**"Related Collateral"** shall mean with respect to any Purchased Receivable:

- (a) any accessory security rights (*akzessorische Sicherheiten*) for such Purchased Receivable;
- (b) security title (*Sicherungseigentum*) to the Financed Vehicles or any other moveable objects granted as collateral in favour of the Seller to secure the payment of such Purchased Receivable;
- (c) any and all other present and future claims and rights under the respective Loan Contract or in respect of the Financed Vehicles, including, without limitation, (i) claims against comprehensive insurers (*Kaskoversicherer*) taken with respect to the relevant specified Financed Vehicles except for claims for partial refund of the premium in the event of early termination of the insurance, (ii) claims against the relevant insurer under any Insurance Agreement entered into in connection with the financing of the acquisition of the relevant specified Financial Vehicles and (iii) damage compensation claims based on

contracts or torts against the respective Debtors or against third parties (including comprehensive insurers (*Kaskoversicherer*)) due to damage to, or loss of, the Financed Vehicles;

- (d) any other ownership interests, liens, charges, encumbrances, security interest or other rights or claims in favour of the Seller on any property from time to time securing the payment of such Purchased Receivable, and the Records relating thereto;
- (e) any sureties, guarantees, and any and all present and future rights and claims under insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Purchased Receivable whether pursuant to the Loan Contract relating to such Receivable or otherwise, including any and all such present and future rights and claims under any Instalment Protection Insurance (*Ratenschutzversicherung*);
- (f) all Records relating to the Purchased Receivables and/or the Related Collateral under items (a) through (e) and (g); and
- (g) any claims to receive proceeds which arise from the disposal of or recourse to the Related Collateral, provided that any costs incurred by the Seller or (if different) the Servicer in connection with such disposal or recourse and any amounts which are due to the relevant Debtor in accordance with the relevant Loan Contract shall be deducted from such proceeds;

**"Replacement Swap Premium"** shall mean an amount received by the Issuer from a replacement interest rate swap provider upon entry by the Issuer into an agreement with such replacement interest rate swap provider to replace the Interest Rate Swap;

**"Required Liquidity Reserve Amount"** shall mean, as of any Cut-Off Date, an amount equal to 1 % of the initial Aggregate Outstanding Note Principal Amount of all Notes as of the Note Issuance Date, provided that the Required Liquidity Reserve Amount shall be equal to zero if the Aggregate Outstanding Principal Amount is zero;

**"Required Reserve Amount"** shall mean (a) on the Note Issuance Date and as of any Cut-Off Date prior to (but excluding) the Amortisation Threshold Date, an amount equal to the Reserve Percentage of the aggregate initial Note Principal Amounts of all Notes and (b) on the Cut-Off Date falling on the Amortisation Threshold Date and any Cut-Off Date following the Amortisation Threshold Date, (i) an amount equal to 1.2 times the Reserve Percentage of the Aggregate Outstanding Note Principal Amount of all Notes after payment of any Class A Notes Principal and any Class B Notes Principal in accordance with the Pre-Enforcement Priority of Payments on the Payment Date immediately following the relevant Cut-Off Date or (ii) if, in determining the Required Reserve Amount pursuant to (b)(i) above, a Reserve Shortfall were to occur on the Payment Date immediately following such Cut-Off Date or had occurred on any Payment Date preceding such Cut-Off Date, an amount equal to 1.2 times the Reserve Percentage of the Aggregate Outstanding Note Principal Amount as of the Cut-Off Date immediately preceding the first Payment Date upon which a Reserve Shortfall would occur or would have occurred in determining the Required Reserve Amount pursuant to (b)(i) above, provided that, (x) in each case (b)(i) and (ii), the Required Reserve Amount shall not be less than EUR 6,000,000, (y) in each case (a) and (b)(i) and (ii), as of any date prior to the redemption of the Notes in full, the Required Reserve Amount shall not be less than an amount equal to 5 % of the Aggregate Outstanding Principal Amount and (z) in each case (a) and (b) (i) and (ii), the Required Reserve Amount shall be equal to zero if the Aggregate Outstanding Note Principal Amount is zero;

**"Reserve Fund"** shall mean a ledger account to the Transaction Account to which the relevant portion of the Available Distribution Amount as determined as of each relevant Cut-Off Date is applied and credited pursuant to items *ninth* and *thirteenth* of the Pre-Enforcement Priority of Payments on the Payment Date immediately following such Cut-Off Date;

**"Reserve Percentage"** shall mean 5 %;

**"Reserve Shortfall"** shall occur if the credit standing to the Reserve Fund as of any Payment Date, after filling the Reserve Fund in accordance with item *thirteenth* of the Pre-Enforcement Priority of Payments, falls short of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Payment Date;

**"Santander Consumer Bank"** shall mean Santander Consumer Bank AG, a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Germany, registered in the commercial register of the local court (*Amtsgericht*) in Mönchengladbach under registration number HRB 1747 with its office at Santander-Platz 1, 41061 Mönchengladbach, Germany, or any successor thereof;

**"Santander Safe Insurance"** (*Santander Safe Versicherung*) shall mean an insurance entered into by a Debtor in respect of the financing of the acquisition of a Financed Vehicle by such Debtor by way of accession to a group insurance agreement (*Santander Safe Gruppenversicherungsvertrag*) between the Seller in its capacity as insurance policy holder and an insurer which covers the risk that loss is incurred if the relevant Financed Vehicle has to be completely written off (*Totalschaden*) due to fire, accident (irrespective of whether such accident was caused by the Debtor or a third party), flooding or theft, such loss being an amount equal to the difference between the original purchase price paid by the Debtor for such Financed Vehicle according to the relevant Loan Contract and the then current market value of such Financed Vehicle or the replacement cost of such Financed Vehicle at such time, taking also into account a certain value-based compensation. The Santander Safe Insurance is subject to certain exclusions. For instance, no coverage is provided if the insured event has been caused by a deliberate act (*vorsätzlich*) of the insured person and only limited coverage is provided if the insured person has acted with gross negligence (*grob fahrlässig*). The contribution owed by the Debtor for the accession to the Santander Safe Insurance is added to the Principal Amount owed by the Debtor as part of the Loan Instalments under the Loan Contract to which the Debtor is party;

**"Scheduled Collections"** shall mean, with respect to any Collection Period, the amount of Collections scheduled to be received by the Servicer with respect to such Collection Period, as reported by the Servicer for such Collection Period;

**"Seller"** shall mean Santander Consumer Bank;

**"Servicer"** shall mean the Seller and any successor thereof or substitute servicer appointed by the Issuer in accordance with the Servicing Agreement or the Receivables Purchase Agreement;

**"Servicer Disruption Date"** shall mean any Payment Date in respect of which the Servicer fails to provide a Monthly Report for the immediately preceding Collection Period to the Calculation Agent in time, as notified by the Principal Paying Agent to the Noteholders in accordance with Conditions 8 (*Notifications*) and 13 (*Form of Notices*) of the Terms and Conditions;

**"Servicer Termination Event"** shall mean the occurrence of any of the following events:

1. The Servicer fails to make a payment due under the Servicing Agreement at the latest on the second Business Day after its due date, or, in the event no due date has been determined, within three (3) Business Days after the demand for payment, where such aggregate amount due is at least EUR 50,000.
2. Following a demand for performance the Servicer fails within five (5) Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in paragraph 1 above) owed to the Issuer under the Servicing Agreement.
3. Any of the representations and warranties made by the Servicer with respect to or under the Servicing Agreement or any Monthly Report or information transmitted is materially false or incorrect.
4. The Servicer is (i) over-indebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or (ii) intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings) or dissolution proceedings and, other than with respect to (i), the Servicer fails to remedy such status within twenty (20) Business Days.
5. The Servicer is in default with respect to any Material Payment Obligation owed to any third party for a period of more than five (5) calendar days.
6. The Servicer is in breach of any of the covenants set out in the Servicing Agreement.
7. Any licence, authorisation or registration of the Servicer required with respect to the Servicing Agreement and the Services to be performed thereunder is revoked, restricted or made subject to any conditions.

8. The Servicer is not collecting Purchased Receivables or Related Collateral pursuant to the Servicing Agreement or is no longer entitled or capable to collect the Purchased Receivables and the Related Collateral for practical or legal reasons.
9. At any time there is otherwise no person which holds any required licence, authorisation or registration appointed by the Issuer to collect the Purchased Receivables and the Related Collateral in accordance with the Servicing Agreement.
10. There are valid reasons to cause the fulfilment of material duties and material obligations under the Servicing Agreement or under the Loan Contracts or Related Collateral on the part of the Servicer or the Seller (acting in its capacity as the Servicer) to appear to be impeded.
11. The Servicer (to the extent that it is identical with the Seller) is in breach of any of the financial covenants set out in the Receivables Purchase Agreement.
12. A material adverse change in the business or financial conditions of the Servicer has occurred which materially affects its ability to perform its obligations under the Servicing Agreement;

**"Servicing Agreement"** shall mean a servicing agreement dated 21 September 2011 and entered into by the Issuer, the Servicer and the Transaction Security Trustee;

**"Set-Off Required Rating"** shall mean, with respect to any entity, that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least A-2 (or its replacement) by S&P (or, if S&P has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity, the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB+ (or its replacement) by S&P) and any such rating has not been withdrawn and (ii) (x) the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least A (or its replacement) by Fitch and (y) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least F1 (or its replacement) by Fitch and, in each case (ii)(x) and (y), any such rating has not been withdrawn and where such entity has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch and (iii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least Baa1 (or its replacement) by Moody's, and any such rating has not been withdrawn;

**"Set-Off Reserve Amount"** shall mean, (A) if the Seller has demonstrated as of any Cut-Off Date by a separate report to the Rating Agencies the actual amount of deposits held in current accounts with the Seller (a) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of the amounts which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds deposits in current accounts with the Seller, and are in each case equal to the lower of (i) the amount of deposits which, as of the relevant Cut-Off Date, are held in current accounts with the Seller by such Debtor and (ii) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Set-Off Reserve Trigger Event has occurred or is continuing, zero; or (B) if the Seller has not demonstrated the actual amount of deposits to the Rating Agencies pursuant to (A) above, (a) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of (i) 0.25 % of the Aggregate Outstanding Principal Amount on the relevant Cut-Off Date, and (ii) the sum of the amounts which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds deposits in current accounts with the Seller which are Legacy Santander Consumer Bank AG Accounts, and are in each case equal to the lower of (x) the amount of deposits which, as of the relevant Cut-Off Date, are held in current accounts with the Seller on a Legacy Santander Consumer Bank AG Account, and (y) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date, or (b) if as of any Cut-Off Date no Set-Off Reserve Trigger Event has occurred or is continuing, zero;

**"Set-Off Reserve Ledger"** shall mean a ledger of the Transaction Account to which the Seller shall transfer the Set-Off Reserve Amount following the occurrence of a Set-Off Reserve Trigger Event and if the balance credited to the Set-Off Reserve Ledger as of any Cut-Off Date following the occurrence of a Set-Off Trigger Event is less than the Set-Off Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be

credited to the Set-Off Reserve Ledger on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, an amount equal to such shortfall as determined as of such Cut-Off Date;

A "**Set-Off Reserve Trigger Event**" shall have occurred if, at any time, (i) Santander Consumer Finance, S.A ceases to have the Set-Off Required Rating, (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of the Seller or (iii) S&P notifies each of the Seller, the Issuer, the Transaction Security Trustee and the Cash Administrator in writing that the Seller is no longer deemed eligible under the then current applicable rating criteria of S&P unless in each case (i) and (ii) the Seller has at least the Set-Off Required Rating;

"**Subordinated Loan Agreement**" shall mean a subordinated loan agreement dated 21 September 2011 and entered into by the Issuer as borrower and the Subordinated Loan Provider as lender;

"**Subordinated Loan Provider**" shall mean Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany, or any successor or assignee thereof;

"**Subscription Agreement**" shall mean an agreement for the subscription of the Notes dated 21 September 2011 and entered into between the Issuer and the Managers;

"**Swap Collateral**" shall mean an amount equal to the value of collateral (other than Excess Swap Collateral) provided by the Interest Rate Swap Counterparty to the Issuer under the Interest Rate Swap and includes any interest and distributions in respect thereof;

"**Swap Tax Credit**" shall mean any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Interest Rate Swap Counterparty to the Issuer;

"**Termination Event**" shall mean the occurrence of any of the following events:

- (1) the Seller fails to make a payment due under the Receivables Purchase Agreement at the latest on the fifth Business Day after its due date, or, in the event no due date has been determined, within five (5) Business Days after the demand for payment, where such aggregate amount due is at least EUR 50,000,
- (2) the Seller fails within five (5) Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in (1) above) owed to the Issuer under the Receivables Purchase Agreement after its due date, or, in the event no due date has been determined, within five (5) Business Days after the demand for performance,
- (3) any of the representations and warranties made by the Seller, with respect to or under the Receivables Purchase Agreement or information transmitted is materially false or incorrect, unless such falseness or incorrectness, insofar as it relates to Purchased Receivables, Related Collateral, or the Loan Contracts, has been remedied by the earlier of: (i) the fifth Business Day (inclusive) prior to the Purchase Date and (ii) the tenth Business Day (inclusive) after the Seller has become aware that such representations or warranties were false or incorrect,
- (4) the Seller is overindebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings) or dissolution proceedings and the Seller fails to remedy such status within twenty (20) Business Days,
- (5) the Seller is in default with respect to any Material Payment Obligations owed to any third parties for a period of more than five (5) calendar days; "**Material Payment Obligation**" shall mean a payment due and payable in the amount of or in excess of EUR 1,000,000 (one million euro),
- (6) the Seller is in material breach of any of the covenants of the Seller under the Receivables Purchase Agreement,

- (7) the banking licence of the Seller is revoked, restricted or made subject to any conditions or any of the proceedings referred to in or any action under Sections 45, 46 and 46b of the German Banking Act (*Gesetz über das Kreditwesen*) have been taken with respect to the Seller,
- (8) the Seller fails to perform any material obligation under the Loan Contracts or in relation to the Related Collateral,
- (9) an Issuer Event of Default has occurred, or
- (10) a material adverse change in the business or financial conditions of the Seller has occurred which materially affects its ability to perform its obligations under the Receivables Purchase Agreement;

**"Transaction Account"** shall mean the bank account with the account number 315035250 and IBAN DE57 5032 0500 0315 0352 50 held in the name of the Issuer at the Account Bank, Bank Sort Code (*Bankleitzahl*) 315 030 250, as well as any other bank accounts specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to or as substitute for such Transaction Account in accordance with the Accounts Agreement and the Transaction Security Agreement;

**"Transaction Cost Fee"** shall mean a fee payable by the Seller to the Issuer on each Payment Date pursuant to the Receivables Purchase Agreement, such fee to be applied by the Issuer to pay the interest and principal due under the Funding Loan Agreement;

**"Transaction Documents"** shall mean the Receivables Purchase Agreement, the Servicing Agreement, the Transaction Security Documents, the Interest Rate Swap, the Subordinated Loan Agreement, the Corporate Administration Agreement, the Accounts Agreement, the Data Trust Agreement, the Notes, the Agency Agreement, the Subscription Agreement, the Funding Loan Agreement and any amendment agreement, termination agreement or replacement agreement relating to any such agreement; and

**"Transaction Security Documents"** shall mean the Transaction Security Agreement, the English Security Deed and any other agreement or document entered into from time to time by the Transaction Security Trustee with the Issuer for the benefit of the Noteholders and the other Beneficiaries for the purpose, *inter alia*, of securing all or any of the obligations of the Issuer under the Transaction Documents (other than the Funding Loan Agreement).

## **Summary of Rules regarding Resolutions of Noteholders**

Pursuant to the Terms and Conditions of the Notes, the Noteholders may agree to amendments or decide on other matters relating to the Notes by way of resolution to be passed by taking votes without a meeting.

In addition to the provisions included in the Terms and Conditions of the Notes, the rules regarding the solicitation of votes and the conduct of the voting by Noteholders, the passing and publication of resolutions as well as their implementation and challenge before German courts are set out in Schedule 8 to the Agency Agreement which is incorporated by reference into the Terms and Conditions. Under the German Act on Debt Securities (*Schuldverschreibungsgesetz*), these rules are largely mandatory, although they permit in limited circumstances supplementary provisions set out in or incorporated into the Terms and Conditions.

### **Specific rules on the taking of votes without a meeting**

The following is a brief summary of some of the statutory rules regarding the solicitation and conduct of the voting, the passing and publication of resolutions as well as their implementation and challenge before German courts.

The voting shall be conducted by the person presiding over the taking of votes (the "**Chairperson**") who shall be (i) a notary appointed by the Issuer, (ii) the Noteholders' representative if such a representative has been appointed and has solicited the taking of votes, or (iii) a person appointed by the competent court.

The notice for the solicitation of votes shall specify the period within which votes may be cast. Such period shall not be less than 72 hours. During such period, the Noteholders may cast their votes to the Chairperson. The notice for the solicitation of votes shall give details as to the prerequisites which must be met for votes to qualify for being counted.

The Chairperson shall determine each Noteholder's entitlement to vote on the basis of evidence presented and shall prepare a roster of the Noteholders entitled to vote. If a quorum is not reached, the Chairperson may convene a Noteholders' meeting. Each Noteholder who has taken part in the vote may request from the Issuer, for up to one year following the end of the voting period, a copy of the minutes for such vote and any annexes thereto.

Each Noteholder who has taken part in the vote may object in writing to the result of the vote within two weeks following the publication of the resolutions passed. The objection shall be decided upon by the Chairperson. If the Chairperson remedies the objection, the Chairperson shall promptly publish the result. If the Chairperson does not remedy the objection, the Chairperson shall promptly inform the objecting Noteholder in writing.

The Issuer shall bear the costs of the vote and, if the court has convened a meeting or appointed or removed the Chairperson, also the costs of such proceedings.

### **Rules on noteholders' meetings under the German Act on Debt Securities**

In addition to the aforementioned rules, the statutory rules applicable to noteholders' meetings apply *mutatis mutandis* to any taking of votes by noteholders without a meeting. The following summarises some of such rules.

Meetings of noteholders may be convened by the issuer and the noteholders' representative if such a representative has been appointed. Meetings of noteholders must be convened if one or more noteholders holding 5 per cent. or more of the outstanding notes so require for specified reasons permitted by statute.

Meetings may be convened not less than 14 days before the date of the meeting. Attendance and voting at the meeting may be made subject to prior registration of noteholders. The convening notice will provide what proof will be required for attendance and voting at the meeting. The place of the meeting in respect of a German issuer is the place of the issuer's registered office, provided, however, that where the relevant notes are listed on a stock exchange within the European Union or the European Economic Area, the meeting may be held at the place of such stock exchange.

The convening notice must include relevant particulars and must be made publicly available together with the agenda of the meeting setting out the proposals for resolution.

Each noteholder may be represented by proxy. A quorum exists if noteholders representing by value not less than 50 per cent. of the outstanding notes are present or represented at the meeting. If the quorum is not reached, a second meeting may be called at which no quorum will be required, provided that where a resolution may only be adopted by a qualified majority, a quorum requires the presence of at least 25 per cent. of the principal amount of outstanding notes.

All resolutions adopted must be properly published. Resolutions which amend or supplement the terms and conditions of notes certificated by one or more global notes must be implemented by supplementing or amending the relevant global note(s).

In insolvency proceedings instituted in Germany against the issuer, the noteholders' representative, if appointed, is obliged and exclusively entitled to assert the noteholders' rights under the notes. Any resolutions passed by the noteholders are subject to the provisions of the German Insolvency Code (*Insolvenzordnung*).

If a resolution constitutes a breach of the statute or the terms and conditions of the notes, noteholders may bring an action to set aside such resolution. Such action must be filed with the competent court within one month following the publication of the resolution.

## **The Main Provisions of the Transaction Security Agreement**

The following sets out the main provisions of the Transaction Security Agreement. The full text of the Transaction Security Agreement (excluding any Schedule thereto) constitutes Appendix B to the Terms and Conditions and forms an integral part of the Terms and Conditions. The text of the recitals, Clause 1 (*Definitions and Construction*), Clause 41.2 (*Notices*) and Clause 47 (*Counterparts*) of the Transaction Security Agreement have been omitted from the following.

### **2. Duties of the Transaction Security Trustee**

This Transaction Security Agreement sets out the general rights and obligations of the Transaction Security Trustee which govern the performance of its functions under this Transaction Security Agreement. The Transaction Security Trustee shall perform the activities and services set out in this Transaction Security Agreement or contemplated to be performed by the Transaction Security Trustee pursuant to the terms of any other Transaction Document to which the Transaction Security Trustee is a party. Unless otherwise stated herein or in the Transaction Documents to which the Transaction Security Trustee is a party, the Transaction Security Trustee is not obliged to supervise the discharge by the Issuer of its payment and other obligations arising from the Notes or any other relevant Transaction Documents or to carry out duties which are the responsibility of the Issuer.

### **3. Position of Transaction Security Trustee in Relation to the Beneficiaries**

3.1 The Transaction Security Trustee shall acquire and hold the security granted to it under this Transaction Security Agreement and exercise its rights (other than its rights under Clauses 28 to 31 of this Transaction Security Agreement) and discharge its duties under the Transaction Documents (other than the Funding Loan Agreement) as a trustee (*Treuhänder*) for the benefit of the Beneficiaries. Without prejudice to the Post-Enforcement Priority of Payments pursuant to Clause 23 (*Post-Enforcement Priority of Payments*), the Transaction Security Trustee shall exercise its duties under this Transaction Security Agreement with regard (i) as long as any of the Class A Notes are outstanding, only to the interests of the Class A Noteholders and (ii) if no Class A Notes remain outstanding, only to the interests of the Class B Noteholders and (iii) if no Notes remain outstanding, only to the interests of the Beneficiary ranking highest in the Post-Enforcement Priority of Payments to whom any amounts are owed.

3.2 This Transaction Security Agreement constitutes a genuine contract for the benefit of third parties (*echter Vertrag zugunsten Dritter*) pursuant to § 328(1) of the German Civil Code in respect of the obligations of the Transaction Security Trustee contained herein to act as trustee (*Treuhänder*) for the benefit of present and future Beneficiaries. The rights of the Issuer under the Transaction Documents in the event of an enforcement of the Transaction Security Trustee Claim pursuant to Clause 4.2 (*Transaction Security Trustee Claim*) shall remain unaffected.

### **4. Position of Transaction Security Trustee in Relation to the Issuer**

#### *4.1 Transaction Security Trustee as Secured Party/Insolvency of Transaction Security Trustee*

With respect to its own claims against the Issuer under this Transaction Security Agreement or otherwise, in particular with respect to any fees, and with respect to the Transaction Security Trustee Claims (as set out below in Clause 4.2 (*Transaction Security Trustee Claim*)) the Transaction Security Trustee shall, in addition to the Beneficiaries, be a secured party (*Sicherungsnehmer*) with respect to the Note Collateral (as defined in Clause 7 (*Security Purpose*)).

To the extent that the Assigned Security (as defined in Clause 5.1 (*Assignment and Transfer*) below) will be transferred to the Transaction Security Trustee for security purposes in accordance with Clause 5 (*Transfer for Security Purposes of the Assigned Security*), in the event of insolvency proceedings being commenced in respect of the Transaction Security Trustee, any Note Collateral held by the Transaction Security Trustee shall be transferred by the Transaction Security Trustee to the relevant new Transaction Security Trustee appointed in accordance with this Transaction Security Agreement.

The Issuer and each Beneficiary hereby undertakes to assign any claim for segregation (*Aussonderung*) it may have in an insolvency of the Transaction Security Trustee with respect to this Transaction Security Agreement

and the Note Collateral to the relevant new Transaction Security Trustee appointed in accordance with this Transaction Security Agreement for the purposes set out herein.

#### 4.2 *Transaction Security Trustee Claim*

(a) The Issuer hereby grants the Transaction Security Trustee a separate claim (the "**Transaction Security Trustee Claim**"), entitling the Transaction Security Trustee to demand from the Issuer:

- (i) that any present or future, actual or contingent obligation of the Issuer in relation to any Noteholder under any Note be fulfilled; and
- (ii) that any present or future, actual or contingent obligation of the Issuer in relation to any Beneficiary under any other Transaction Document (other than the Funding Loan Agreement) to which the Issuer is a party be fulfilled.

(b) The obligation of the Issuer to make payments to the relevant Beneficiary shall remain unaffected by the provisions of paragraph (a) above. The Transaction Security Trustee Claim may be enforced separately from the Beneficiary's claim in respect of the same payment obligation of the Issuer. The Transaction Security Trustee agrees with the Issuer and the Beneficiaries to pay any sums received from the Issuer pursuant to this Clause 4.2 to the relevant Beneficiaries in accordance with the Post-Enforcement Priority of Payments (as such term is defined in Clause 23.1 (*Post-Enforcement Priority of Payments*)) upon the occurrence of an Issuer Event of Default; the relevant Transaction Secured Obligation shall only be deemed fulfilled when the payment due has been made by the Transaction Security Trustee to the relevant Beneficiary.

### 5. **Transfer for Security Purposes of the Assigned Security**

#### 5.1 *Assignment and Transfer*

The Issuer hereby assigns and transfers the following rights and claims (including any contingent rights (*Anwartschaftsrechte*) to such rights and claims) (together, the "**Assigned Security**") to the Transaction Security Trustee for the security purposes set out in Clause 7 (*Security Purpose*) (*Sicherungsabtretung* or *Sicherungsübereignung*, as the case may be):

- (i) all Purchased Receivables together with any Related Collateral and all rights, claims and interests relating thereto;
- (ii) all rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Seller or the Servicer and/or any other party pursuant to or in respect of the Receivables Purchase Agreement or the Servicing Agreement, including all rights of the Issuer relating to any additional security;
- (iii) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Subordinated Loan Provider and/or any other party pursuant to or in respect of the Subordinated Loan Agreement;
- (iv) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Managers and/or any other party pursuant to or in respect of the Subscription Agreement;
- (v) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to a third party pursuant to or in respect of the sale to such third party of Defaulted Receivables;
- (vi) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Account Bank and/or the Corporate Administrator and/or any other party pursuant to or in respect of the Accounts Agreement;
- (vii) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Data Trustee and/or any other party pursuant to or in respect of the Data Trust Agreement;

- (viii) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Principal Paying Agent and/or the Calculation Agent and/or the Cash Administrator and / or the EURIBOR Determination Agent pursuant to the Agency Agreement;
- (ix) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Corporate Administrator and/or any other party pursuant to or in respect of the Corporate Administration Agreement; and
- (x) all present and future rights, claims and interests in or in relation to any amounts standing to the credit of the Transaction Account (including, without limitation, the Reserve Fund, the Set-Off Reserve Ledger, and the Interest Rate Swap Ledger), the Commingling Reserve Account and any other Account,

in each case (i) to (x) above including any and all related non-ancillary (*selbständige*) and ancillary (*unselbständige*) rights to determine unilaterally legal relationships (*Gestaltungsrechte*), including any termination rights (*Kündigungsrechte*).

The Issuer hereby covenants in favour of the Transaction Security Trustee that it will assign and/or transfer any future assets received by it as security for any of the foregoing or otherwise in connection with the Transaction Documents (other than the Funding Loan Agreement) which are governed by German law, in particular such assets which it receives from any of its counterparties in relation to any of such Transaction Documents as collateral for the obligations of such counterparty towards the Issuer, to the Transaction Security Trustee. The Issuer shall perform such covenant in accordance with the provisions of this Transaction Security Agreement.

5.2 The Transaction Security Trustee hereby accepts the assignment and the transfer of the Assigned Security and any security related thereto and the covenants of the Issuer hereunder.

5.3 The existing Assigned Security shall pass over to the Transaction Security Trustee on the date on which this Transaction Security Agreement becomes effective, and any future Assigned Security shall directly pass over to the Transaction Security Trustee at the date on which such Assigned Security arises, and in each case at the earliest at the time at which the Issuer has acquired the rights and claims of which the Assigned Security consists.

The Issuer undertakes to assign and/or transfer to the Transaction Security Trustee, on the terms and conditions and for the purposes set out herein, any rights and claims under any further agreements relating to the Transaction Documents upon execution of such documents.

The Issuer shall create security for the benefit of the Beneficiaries in all its present and future rights, claims and interests which the Issuer is now or becomes hereafter entitled to from or in relation to the Interest Rate Swap Counterparty and/or any other party pursuant to or in respect of the Interest Rate Swap pursuant to the English Security Deed in accordance with the laws of England and Wales.

5.4 To the extent that title to the Assigned Security cannot be transferred by mere agreement between the Issuer and the Transaction Security Trustee as effected in the foregoing Clauses 5.1 to 5.3, the Issuer and the Transaction Security Trustee hereby agree with respect to all Purchased Receivables that:

- (i) the delivery (*Übergabe*) necessary to effect the transfer of title for security purposes with regard to the Financed Vehicles (and any car certificates (*Fahrzeugbriefe*), registration certificates part II (*Zulassungsbescheinigungen Teil II*) or equivalent documents with respect thereto) and any other moveable Related Collateral with regard to any subsequently inserted parts thereof or with regard to any subsequently arising co-owner's interest, is hereby replaced in that the Issuer and the Transaction Security Trustee hereby agree that the Issuer hereby assigns to the Transaction Security Trustee all claims, present or future, to request transfer of possession (*Abtretung aller Herausgabeansprüche gemäß § 931 Bürgerliches Gesetzbuch*) against any third party (including any Debtors, Seller or (if different) Servicer) which is in the direct possession (*unmittelbarer Besitz*) or indirect possession (*mittelbarer Besitz*) of the Financed Vehicles (and any car certificates (*Fahrzeugbriefe*), registration certificates part II (*Zulassungsbescheinigungen Teil II*) or equivalent documents with respect thereto) or other moveable Related Collateral. In addition to the foregoing it is hereby agreed that the Issuer shall, in the event that (but only in the event that) the related Financed Vehicle or other moveable Related Collateral are in the Issuer's direct possession (*unmittelbarer Besitz*), hold possession as fiduciary (*treuhänderisch*) on behalf of the Transaction Security Trustee and shall grant the Transaction Security Trustee indirect possession (*mittelbarer Besitz*) of the related Financed Vehicle and other moveable Related Collateral by keeping it

with due care free of charge (*als Verwahrer*) and separate from other assets owned by it for the Transaction Security Trustee until revoked (*Besitzkonstitut*);

- (ii) any notice to be given in order to effect transfer of title in the Assigned Security shall immediately be given by the Issuer in such form as the Transaction Security Trustee requires and the Issuer hereby agrees that if it fails to give such notice, the Transaction Security Trustee is hereby irrevocably authorised to give such notice on behalf of the Issuer;
- (iii) any other thing to be done or form or registration to be effected to perfect a first priority security interest in the Assigned Security for the Transaction Security Trustee in favour of the Beneficiaries shall be immediately done and effected by the Issuer at its own costs; and
- (iv) the Issuer shall provide any and all necessary details in order to identify the Financed Vehicles title to which has been transferred hereunder from the Issuer to the Transaction Security Trustee as contemplated herein by providing at the latest on the date on which this Transaction Security Agreement becomes effective.

The Transaction Security Trustee hereby accepts the assignment.

#### 5.5 *Assignment of Claims under Account Relationship*

If an express or implied current account relationship (*echtes oder unechtes Kontokorrentverhältnis*) exists or is later established between the Issuer and a third party, the Issuer hereby assigns to the Transaction Security Trustee (without prejudice to the generality of the provisions in Clause 5.1 (*Assignment and Transfer*)) the right to receive a periodic account statement and the right to receive payment of present or future balances and the right to demand the drawing of a balance (including a final net balance determined upon the institution of any insolvency proceedings in respect of the assets of the Issuer), as well as the right to terminate the current account relationship and the right to receive payment of the closing net balance upon termination. The Issuer shall notify the Transaction Security Trustee of any future current account relationship it enters into in accordance with the Transaction Documents.

#### 5.6 *Acknowledgement of Assignment*

All parties to this Transaction Security Agreement hereby acknowledge that the rights and claims of the Issuer which constitute the Assigned Security and which have arisen under contracts and agreements between the Issuer and the parties hereto and which are owed by such parties, are assigned to the Transaction Security Trustee and that the Issuer is entitled to continue to exercise and collect such rights and claims only in accordance with the provisions of and subject to the restrictions contained in this Transaction Security Agreement. For the avoidance of doubt, upon notification to any party hereto by the Transaction Security Trustee in respect of the occurrence of an Issuer Event of Default, the Transaction Security Trustee shall be entitled to exercise the rights of the Issuer under the Transaction Documents referred to in Clause 5.1 (i) to (x), including, without limitation, the right to give instructions to each such party pursuant to the relevant Transaction Document and each party hereto agrees to be bound by such instructions of the Transaction Security Trustee given pursuant to the relevant Transaction Document to which such party is a party.

### **6. Pledge**

The Issuer hereby pledges (*Verpfändung*) to the Transaction Security Trustee all its present and future claims against the Transaction Security Trustee arising under this Transaction Security Agreement.

The Issuer hereby gives notice to the Transaction Security Trustee of such pledge and the Transaction Security Trustee hereby confirms receipt of such notice. The Transaction Security Trustee is under no obligation to enforce any claims of the Issuer against the Transaction Security Trustee pledged to the Transaction Security Trustee pursuant to this Clause 6 (*Pledge*).

### **7. Security Purpose**

The transfer for security purposes of rights and claims pursuant to Clause 5 (*Transfer for Security Purposes of the Assigned Security*) and the pledge pursuant to Clause 6 (*Pledge*) (and the Assigned Security together with such pledges are referred to herein as the "**Collateral**", and together with the security interests established under

the English Security Deed in respect of the Issuer's powers, rights and interest in or pursuant to the Interest Rate Swap, the "**Note Collateral**") serve to secure the Transaction Security Trustee Claim.

In addition, the transfer for security purposes of the Note Collateral is made for the purpose of securing the due payment and performance by the Issuer of any and all obligations (present and future, actual and contingent) which are (or are expressed to be) or become owing by the Issuer to the Noteholders under the Notes and the other Beneficiaries or any of them (including any Replacement Beneficiary following a transfer or assignment, accession, assumption of contract (*Vertragsübernahme*) or novation of certain rights and obligations in accordance with the relevant provision of the relevant Transaction Documents (other than the Funding Loan Agreement)) under or in connection with any of the Transaction Documents (other than the Funding Loan Agreement), as each may be amended, novated, supplemented or extended from time to time (the "**Transaction Secured Obligations**"), and which Transaction Secured Obligations shall, for the avoidance of doubt, include, without limitation, (i) any fees to be paid by the Issuer to any Beneficiary in connection with the Transaction Documents (other than the Funding Loan Agreement) irrespective of whether such fees are agreed or determined in such Transaction Documents or in any fee arrangement relating thereto, (ii) any obligations incurred by the Issuer on, as a consequence of or after the opening of any insolvency proceedings and (iii) any potential obligations on the grounds of any invalidity or unenforceability of any of the Transaction Documents (other than the Funding Loan Agreement), in particular claims on the grounds of unjustified enrichment (*ungerechtfertigter Bereicherung*).

## **8. Collection Authorisation; Further Transfer**

### *8.1 Collection Authorisation*

- (a) The Issuer shall be authorised (*ermächtigt*) to collect or, have collected in the ordinary course of business or otherwise exercise or deal with (which term shall, for the avoidance of doubt, include the enforcement of any security) the rights transferred for security purposes under Clause 5 (*Transfer for Security Purposes of the Assigned Security*) and the rights pledged pursuant to Clause 6 (*Pledge*).
- (b) Without affecting the generality of paragraph (a), it is hereby agreed that the Transaction Security Trustee consents to the assignments, transfers and/or releases by the Issuer (or by the Servicer on behalf of the Issuer) of Purchased Receivables and Related Collateral to any third party in accordance with the Credit and Collection Policy and the release by the Servicer of any Financed Vehicle in accordance with the Receivables Purchase Agreement and/or the Servicing Agreement.
- (c) The authority and consents provided in paragraphs (a) and (b) above, are deemed to be granted only to the extent that the Transaction Security Trustee procures that the obligations of the Issuer are fulfilled in accordance with the Pre-Enforcement Priority of Payments and the requirements under this Transaction Security Agreement.
- (d) The authority and consents contained in paragraphs (a) and (b) may be revoked by the Transaction Security Trustee if, in the Transaction Security Trustee's opinion, such revocation is necessary in order to avoid an adverse effect on the Note Collateral or their value which the Transaction Security Trustee considers material, and the Transaction Security Trustee gives notice thereof to the Issuer and the Seller. The authority and consents contained in paragraphs (a) and (b) shall automatically terminate upon the occurrence of an Issuer Event of Default, but with respect to the Servicer and the Seller only upon notice thereof to the Seller and the Servicer (as the case may be).

### *8.2 Transfer Authorisation*

The Transaction Security Trustee shall be authorised to transfer the Assigned Security in the event that the Transaction Security Trustee is replaced and the Note Collateral is to be transferred to the New Transaction Security Trustee pursuant to Clauses 32.1 (*Resignation*) and 34.1 (*Transfer of Note Collateral*).

- 8.3 In any event the Issuer shall be entitled to retain an amount of up to EUR 500 in each calendar year for its free disposal from the Note Collateral.

## **9. Enforceability**

The Note Collateral shall be enforced upon an Issuer Event of Default in accordance with Clause 19 (*Enforcement of Note Collateral*).

## **10. Release of Collateral**

As soon as the Transaction Security Trustee is satisfied that the Issuer has fully performed all obligations secured by this Transaction Security Agreement and to the extent the Collateral has not been previously released pursuant to this Transaction Security Agreement, the Transaction Security Trustee shall promptly transfer back to the Issuer or to the Issuer's order the Collateral assigned and/or transferred to it under this Transaction Security Agreement.

## **11. Representations of the Issuer with respect to Note Collateral, Covenants**

11.1 The Issuer hereby represents and warrants to and covenants with the Transaction Security Trustee (in its own name and on behalf of the Beneficiaries) that it has (and will have, insofar as future rights and claims are concerned) full and unaffected title to the Note Collateral and any related security thereto which is assigned and/or transferred or pledged hereby and that such Note Collateral and such related security is (and will be insofar as future rights and claims are concerned) free and clear from any encumbrances and adverse rights and claims of any third parties, always subject only to the rights and encumbrances created under this Transaction Security Agreement and the English Security Deed.

11.2 The Issuer hereby represents and warrants to the Transaction Security Trustee (in its own name and on behalf of the Beneficiaries), that, as of the date of execution of this Transaction Security Agreement, it has the corporate power and the authority to enter into this Transaction Security Agreement and that all necessary corporate action has been taken and the validity and enforceability of this Transaction Security Agreement is not subject to any restriction of any kind, consent or other requirement or condition, that has not been satisfied at the date of execution of this Transaction Security Agreement (save that enforceability may be limited by bankruptcy, insolvency or other similar proceedings with respect to the Issuer or by general principles of good faith (*Treu und Glauben*)).

11.3 The Issuer shall be liable (without prejudice to Clause 44 (*No Liability and No Right to Petition and Limitation on Payments*)) to pay damages (*Schadensersatz wegen Nichterfüllung*) in the event that any Note Collateral transferred for security purposes in accordance with this Transaction Security Agreement proves to be invalid or if the transfer itself proves to be invalid.

11.4 The Issuer hereby covenants with the Transaction Security Trustee to notify the Transaction Security Trustee of the issue of any Notes within ten (10) Business Days from the date of issue thereof by way of notice in substantially the form set out in Schedule 1 (*Form of Note Identification Notice*).

## **12. Representations and Warranties of the Transaction Security Trustee and certain other Parties**

12.1 The Transaction Security Trustee hereby represents to the Issuer that it has the legal capacity, is in a position to perform and has obtained all authorisations and licences required for the execution of this Transaction Security Agreement and the performance of its duties and obligations hereunder in accordance with the provisions of this Transaction Security Agreement and the other Transaction Security Documents (and the only other Transaction Security Document in force as of the Note Issuance Date is the English Security Deed dated 21 September 2011) and that, at the time of concluding this Transaction Security Agreement, it does not, to the best of its knowledge, see actual or foreseeable grounds for terminating this Transaction Security Agreement pursuant to Clauses 32 (*Resignation*) or 33 (*Replacement of Transaction Security Trustee*).

12.2 The Transaction Security Trustee hereby represents to the Issuer that it has its "centre of main interests" at the place of its incorporation and that it does not have an "establishment" other than at the place of its incorporation, as such terms are used by Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Procedures.

12.3 It is hereby agreed (without prejudice to the other provisions of this Transaction Security Agreement, and in particular Clauses 33 (*Replacement of Transaction Security Trustee*) and 34.1 (*Transfer of Note Collateral*) hereof) that, in the event that any grounds for terminating this Transaction Security Agreement pursuant to

Clauses 32 (*Resignation*) or 33 (*Replacement of Transaction Security Trustee*) exist or come into existence, or if the Transaction Security Trustee does not possess any authorisation, registration or licence which is required for the performance of its duties and obligations hereunder, the Transaction Security Trustee shall, without undue delay, remedy any such grounds, obtain such authorisations, registrations and licences (provided, for the avoidance of doubt, that the Transaction Security Trustee shall not be obliged to obtain any registration under the German Legal Services Act (*Rechtsdienstleistungsgesetz*) to the extent that the Transaction Security Trustee delegates the performance of its duties and obligations to duly registered agents or agents which do not require such registration in accordance with Clause 26 (*Retaining Third Parties*) and registration of the Transaction Security Trustee is not required as a result of such delegation under applicable law), and any other obligations of the Transaction Security Trustee and the other provisions of this Transaction Security Agreement shall not be affected by the Transaction Security Trustee failing to remedy such grounds or to have obtained such authorisations, registrations or licences.

12.4 Each Beneficiary who is a party to this Transaction Security Agreement hereby represents and warrants, that, as of the date of execution of this Transaction Security Agreement, it has the corporate power and the authority to enter into this Transaction Security Agreement and that all necessary corporate action has been taken and the validity and enforceability of this Transaction Security Agreement is not subject to any restriction of any kind, consent or other requirement or condition, that has not been satisfied as of the date of execution of this Transaction Security Agreement.

### 13. Receipt and Custody of Documents; Notices

13.1 The Transaction Security Trustee shall take delivery of and keep in custody the documents which are delivered to it under the Transaction Documents (if any) and shall:

- (i) keep such documents for one year after the termination of this Transaction Security Agreement; or
- (ii) forward the documents to the new Transaction Security Trustee if the Transaction Security Trustee is replaced in accordance with Clauses 33 (*Replacement of Transaction Security Trustee*) and 34 (*Transfer of Note Collateral*) hereof.

13.2 In the event that the Transaction Security Trustee becomes aware of any variations in writing of the Transaction Documents, it shall immediately give notice thereof to the Rating Agencies.

### 14. Accounts Termination

#### 14.1 *Accounts Termination*

Each Account has been opened, or, if applicable, will be opened by the Issuer in accordance with the Accounts Agreement with the Account Bank. The Issuer, acting together with the Transaction Security Trustee, shall terminate the account relationship with the Account Bank within thirty (30) calendar days after (i) the rating of the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank by Moody's has fallen below P-1 (or its replacement) by Moody's or has been withdrawn, or (ii) (y) the rating of the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank by Fitch has fallen below F1 (or its replacement) or the rating of the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank by Fitch has fallen below A (or its replacement) or any such rating has been withdrawn or (z) where the Account Bank has only the minimum of the rating thresholds referred to in (ii)(y) above, such rating has been placed on rating watch negative by Fitch, or (iii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of less than AA (or its replacement) by S&P or any such rating has been withdrawn (each of such rating thresholds, the "**Required Rating**"), or (iv) such debt obligations of the Account Bank are no longer rated by any of the Rating Agencies (the "**Account Bank Downgrade**").

#### 14.2 *Successor Bank*

- (a) Should the account relationship with the Account Bank be terminated by the Account Bank or the Issuer or for any other reason or should insolvency or bankruptcy or similar proceedings be commenced with respect to the Issuer, the Issuer shall promptly inform the Transaction Security Trustee of such termination or such proceedings. The Issuer, acting in its own name, or, in case of such proceedings, the Transaction Security Trustee (acting in its own name but for the account of and as trustee for the

Beneficiaries), shall then open new accounts with another bank (the "**Successor Bank**") on conditions as close as possible to those previously agreed. The Successor Bank shall be a bank whose short-term, unsecured debt obligations are rated at least the Required Rating. The Issuer shall enter into a new account agreement (or agreements) with the Successor Bank, the Transaction Security Trustee and the Corporate Administrator as contracting parties and any and all amounts credited to the Transaction Account (including, for the avoidance of doubt, the Reserve Fund, the Set-Off Reserve Ledger and the Interest Rate Swap Ledger), the Commingling Reserve Account and any other Account, respectively, shall be transferred to corresponding new accounts, at no cost to the Issuer. In case of commencement of insolvency or bankruptcy or similar proceedings with respect to the Issuer such account agreement(s) shall be entered into between the Transaction Security Trustee and the Successor Bank (and any and all references to "**Transaction Account**", "**Commingling Reserve Account**" and any other Account shall in each case then be read as references to such new corresponding account). It is agreed that best efforts will be undertaken that the new account agreement(s) will provide for the Successor Bank to undertake to promptly notify the other contracting parties to the Accounts Agreement of any Account Bank Downgrade.

- (b) If accounts replacing the Accounts have been opened with a Successor Bank and an Account Bank Downgrade has occurred with respect to such Successor Bank, then within thirty (30) calendar days of such Account Bank Downgrade, the Issuer, or (as the case may be) the Transaction Security Trustee, shall open substitute accounts with another Successor Bank in accordance with the procedure set out in Clause 14.2(a) and terminate each account with the previous Successor Bank.

## **15. Consent of the Transaction Security Trustee**

If the Issuer requests that the Transaction Security Trustee grants its consent pursuant to Clause 39 (*Actions of the Issuer Requiring Consent*) hereof, the Transaction Security Trustee may grant or withhold the requested consent at its discretion taking into account what the Transaction Security Trustee believes to be the interests of the Beneficiaries, giving due regard to the provisions of Clause 3.1. The Transaction Security Trustee shall give such consent (i) if S&P has confirmed in writing that such action would not negatively affect or result in downgrading or withdrawal of the then current ratings of any Class of Notes and each Rating Agency has been notified in writing of such action or (ii) if, in the event that such action could, in the professional judgement of the Transaction Security Trustee, be materially prejudicial (*wesentlich nachteilig*) to the Beneficiaries, and the Transaction Security Trustee or the Issuer has made the notification to each Rating Agency referred to in (i) above and S&P does not (or states that it would not) give the confirmation referred to in (i) above after a reasonable period of time following the request for such confirmation by the Transaction Security Trustee or the Issuer, one or more Noteholders representing at least 66 2/3 % of the then outstanding Class Principal Amount of the most senior outstanding Class of Notes or, if no Notes remain outstanding, one or more Beneficiaries representing 51 % of the then outstanding aggregate amount owed to all Beneficiaries have given their consent to such action, provided that the Transaction Security Trustee shall have no obligation to request such confirmation nor to make such notification.

## **16. Breach of Obligations by the Issuer**

16.1 If the Transaction Security Trustee in the course of its activities obtains knowledge that the existence or the value of the Note Collateral is at risk due to any failure of the Issuer properly to discharge its obligations under this Transaction Security Agreement or the other Transaction Documents (other than the Funding Loan Agreement) to which it is a party, the Transaction Security Trustee shall, at its discretion and subject to Clause 16.2 below, take or initiate all actions which in the opinion of the Transaction Security Trustee are desirable or expedient to avert such risk. To the extent that the Issuer, in the opinion of the Transaction Security Trustee, does not duly discharge its obligations pursuant to Clause 34 (*Transfer of Note Collateral*) in respect of the Note Collateral, the Transaction Security Trustee shall in particular be authorised and obliged to exercise all rights arising under the relevant Transaction Documents on behalf of the Issuer.

16.2 The Transaction Security Trustee shall only be obliged to intervene in accordance with Clause 16.1 if, and to the extent that, it is satisfied that it will be fully indemnified or secured (either by reimbursement of costs, its ranking under the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or in any other way it deems appropriate) against all costs and expenses resulting from its activities (including fees for retaining counsel, banks, auditors or other experts as well as the expenses of retaining third parties to perform certain duties) and against all liabilities (except for liabilities which arise from its own

negligence), obligations and attempts to bring any action in or outside court. Clause 35 (*Standard of Care for Liability*) shall remain unaffected.

## **17. Further Obligations**

17.1 The Transaction Security Trustee shall perform its tasks and obligations under the other Transaction Documents to which it is a party in accordance with this Transaction Security Agreement.

17.2 The Transaction Security Trustee shall, unless otherwise provided for under this Transaction Security Agreement, decide on any consents or approvals to be given by it pursuant to the other Transaction Documents in its reasonable discretion in accordance with this Transaction Security Agreement (in particular Clause 36 (*General*) hereof).

## **18. Power of Attorney**

The Issuer hereby grants the Transaction Security Trustee power of attorney, waiving, to the fullest extent permitted under applicable law, the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar restrictions under the laws of any other countries, with the right to grant substitute power of attorney, to act in the name of the Issuer with respect to all rights of the Issuer arising under the Transaction Documents (except for the rights *vis-à-vis* the Transaction Security Trustee). Such power of attorney shall be irrevocable. It shall expire as soon as a new Transaction Security Trustee has been appointed pursuant to Clauses 32 (*Resignation*) and 33 (*Replacement of Transaction Security Trustee*) and the Issuer has issued a power of attorney to such new Transaction Security Trustee having the same content as the power of attorney previously granted in accordance with the provisions of this Clause 18 (*Power of Attorney*). The Transaction Security Trustee shall only act under this power of attorney in relation to the exercise of its rights and obligations under this Transaction Security Agreement.

## **19. Enforcement of Note Collateral**

### *19.1 Issuer Event of Default*

The Note Collateral shall be subject to enforcement upon the occurrence of an Issuer Event of Default. The Transaction Security Trustee shall promptly, upon obtaining knowledge of an Issuer Event of Default, give notice thereof to the Noteholders pursuant to Clause 19.3 (*Notifications*) and each other Beneficiary as well as the Rating Agencies pursuant to Clause 41 (*Notices*).

### *19.2 Enforcement of Note Collateral*

Upon being notified by any person of the occurrence of an Issuer Event of Default, the Transaction Security Trustee shall enforce or cause enforcement of the Note Collateral in a manner determined at its reasonable discretion, subject to Clause 19.3 (*Notification*) and Clause 30 (*Right to Indemnification*).

### *19.3 Notification*

Within 15 (fifteen) calendar days of the Transaction Security Trustee's obtaining knowledge of the occurrence of an Issuer Event of Default, the Transaction Security Trustee shall give notice to the Noteholders and each other Beneficiary pursuant to Clause 41 (*Notices*), specifying the manner in which it intends to enforce the Note Collateral (in particular, whether it intends to sell the Note Collateral) and apply the proceeds from such enforcement to satisfy the obligations of the Issuer, subject to the Post-Enforcement Priority of Payments (as such term is defined in Clause 23.1 (*Post-Enforcement Priority of Payments*)). If, within thirty (30) calendar days of the publication of such notice, the Transaction Security Trustee receives written notice (i) from one or more Class A Noteholders representing at least 51 % of the outstanding Class A Principal Amount, (ii) if no Class A Notes are outstanding from one or more Class B Noteholders representing at least 51 % of the outstanding Class B Principal Amount, or (iii) if no Notes remain outstanding, from any other Beneficiary or Beneficiaries representing at least 51 % of the aggregate outstanding amount owed to all Beneficiaries, objecting to the action proposed in the Transaction Security Trustee's notice, the Transaction Security Trustee shall not undertake such action. In the event that (i) the Class A Noteholders, (ii) if no Class A Notes are outstanding, the Class B Noteholders, or (iii) if no Notes remain outstanding, the other Beneficiaries representing at least 51 % of the aggregate outstanding amount owed to all Beneficiaries have notified such objection to the Transaction Security Trustee, and (i) one or more Class A Noteholders representing at least 51 % of the outstanding Class A Principal Amount, (ii) if no Class A Notes are outstanding, one or more Class B Noteholders representing at

least 51 % of the outstanding Class B Principal Amount, or (iii) if no Notes remain outstanding, any other Beneficiary or Beneficiaries representing at least 51 % of the aggregate outstanding amount owed to all Beneficiaries, have not proposed (either together with such objection or within thirty (30) calendar days thereafter) to the Transaction Security Trustee an alternative action or have instructed the Transaction Security Trustee to propose alternative action, the Transaction Security Trustee shall be free to decide in its own discretion whether and what action to take provided that such action has not previously been objected to as herein contemplated. If the Transaction Security Trustee receives a written notice (i) from one or more Class A Noteholders representing at least 51 % of the Class A Principal Amount or (ii) if no Class A Notes are outstanding, from one or more Class B Noteholders representing at least 51 % of the Class B Principal Amount, or (iii) if no Notes remain outstanding, from any other Beneficiary or Beneficiaries representing at least 51 % of the aggregate outstanding amount owed to all Beneficiaries, proposing a manner to enforce the Note Collateral, the Transaction Security Trustee shall undertake such action. The Transaction Security Trustee shall, however, not be obliged to undertake any action under this Clause 19.3 other than notification of the Noteholders of the occurrence of an Issuer Event of Default if (and as long as) it has requested from the Class A Noteholders, the Class B Noteholders or the other Beneficiaries (as the case may be) requesting such action an undertaking for full indemnification of the Transaction Security Trustee against any damages, losses, costs and expenses which might arise from such action and no such undertaking has been granted to it.

## **20. Payments upon Occurrence of an Issuer Event of Default**

Upon the occurrence of an Issuer Event of Default:

- (i) The Note Collateral may be exercised, collected, claimed and enforced exclusively by the Transaction Security Trustee.
- (ii) The Transaction Security Trustee shall deposit the proceeds of any enforcement which it receives in the Transaction Account held in the name of the Issuer (but only to the extent the rights and claims arising from or with respect to the Transaction Account have been validly assigned to it under this Transaction Security Agreement), or, in the event that the Transaction Security Trustee has opened a Transaction Account in its own name pursuant to Clause 14 (*Accounts Termination*) above, such account.
- (iii) Payments on the obligations of the Issuer may not be made as long as, in the opinion of the Transaction Security Trustee, there is a risk that such payment will jeopardise the fulfilment of any later maturing obligation of the Issuer ranking with senior priority pursuant to and in accordance with the Post-Enforcement Priority of Payments (as such term is defined in Clause 23.1 (*Post-Enforcement Priority of Payments*)).
- (iv) The Transaction Security Trustee shall make payments out of the proceeds of any enforcement of Note Collateral in accordance with Clause 23.2 (*Post-Enforcement Priority of Payments*).
- (v) Subject to the Post-Enforcement Priority of Payments, after all Transaction Secured Obligations have been satisfied in full, the Transaction Security Trustee shall pay out any remaining amounts to the Issuer.

## **21. Continuing Duties**

For the avoidance of doubt and without affecting general applicable law with respect to any continuing effect of any other provisions of this Agreement, it is hereby agreed that Clauses 13 to 18 shall continue to apply after the occurrence of an Issuer Event of Default.

## **22. Accounts; Set-Off**

22.1 The Transaction Account of the Issuer set up and maintained pursuant to the Accounts Agreement and this Transaction Security Agreement shall be used for receipt of amounts relating to the Transaction Documents and for the fulfilment of the payment obligations of the Issuer. The Commingling Reserve Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Commingling Reserve Amount which is transferred to the Issuer by the Seller following the occurrence of a Commingling Reserve Trigger Event.

22.2 The Issuer shall ensure that all payments made to the Issuer be made by way of a bank transfer to or deposit in the Transaction Account or, in case of a transfer of the Commingling Reserve Amount, to the Commingling Reserve Account. Should any amounts payable to the Issuer be paid in any way other than set

forth in the preceding sentence, the Issuer shall promptly credit such amounts to the Transaction Account or, in case of the Commingling Reserve Amount, to the Commingling Reserve Account. The Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments set out in Clause 23 (*Post-Enforcement Priority of Payments*) shall remain unaffected.

22.3 The Issuer shall not open any new bank account in addition to or as a replacement of the Transaction Account or of the Commingling Reserve Account specified in the Terms and Conditions, unless it has assigned any and all rights relating thereto to the Transaction Security Trustee in accordance with this Transaction Security Agreement, and only after having obtained the consent of the Transaction Security Trustee in accordance with this Transaction Security Agreement. For the avoidance of doubt, upon notification to the Account Bank by the Transaction Security Trustee in respect of the occurrence of an Issuer Event of Default, the Transaction Security Trustee shall be entitled to exercise the rights of the Issuer under the Accounts Agreement assigned to the Transaction Security Trustee in accordance with this Transaction Security Agreement, including, without limitation, the right to give instructions to the Account Bank pursuant to the Accounts Agreement.

22.4 Without prejudice to Clause 44 (*No Liability and No Right to Petition and Limitation on Payments*), all payments by any party hereto (other than the Issuer and the Transaction Security Trustee) are to be rendered without any deduction or retention due to any set-off or counterclaim.

### **23. Post-Enforcement Priority of Payments**

23.1 Upon the occurrence of an Issuer Event of Default and prior to the full discharge of all Transaction Secured Obligations, any credit (other than (i) any Transaction Cost Fee; (ii) any interest earned on any balance credited to the Commingling Reserve Account; (iii) amounts representing any Excess Swap Collateral which shall be returned directly to the Interest Rate Swap Counterparty; (iv) any Swap Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the Interest Rate Swap, to reduce the amount that would otherwise be payable by the Interest Rate Swap Counterparty to the Issuer on early termination of the Interest Rate Swap) which shall be returned directly to the relevant Interest Rate Swap Counterparty; (v) any Swap Tax Credits which shall be paid directly to the Interest Rate Swap Counterparty; and (vi) Replacement Swap Premium (only to the extent that it is applied directly to pay a termination payment due and payable by the Issuer to the Interest Rate Swap Counterparty) which shall be paid directly to the Interest Rate Swap Counterparty) on the Transaction Account and on the Commingling Reserve Account (including, for the avoidance of doubt, any account of the Transaction Security Trustee opened in accordance with Clause 14 (*Accounts Termination*)) and any proceeds obtained from the enforcement of the Note Collateral in accordance with Clause 19 (*Enforcement of Note Collateral*) (together, the "**Credit**") shall be applied exclusively in accordance with the post-enforcement priority of payments ("**Post-Enforcement Priority of Payments**") set out in Clause 23.2.

23.2 Upon the occurrence of an Issuer Event of Default, on any Payment Date any Credit shall be applied in the following order towards fulfilling the payment obligations of the Issuer, in each case only to the extent payments of a higher priority have been made in full:

*first*, to pay any obligation of the Issuer with respect to corporation and trade tax under any applicable law (if any) which is due and payable;

*second*, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;

*third*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Corporate Administrator under the Corporate Administration Agreement, the Data Trustee under the Data Trust Agreement and the Account Bank under the Accounts Agreement, any amounts due by the Issuer in connection with the establishment of the Issuer, and any other amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses;

*fourth*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Cash Administrator, the Calculation Agent and the

EURIBOR Determination Agent under the Agency Agreement, the Managers under the Subscription Agreement (excluding any commissions and concessions which are payable to the Managers under the Subscription Agreement on the Note Issuance Date and which are to be paid by the Issuer by applying the funds disbursed to it under the Funding Loan), the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeepers and any other relevant party with respect to the issue of the Notes;

*fifth*, to pay pari passu with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement or otherwise, and any such amounts due to any substitute servicer or back-up servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and the Related Collateral which may be appointed from time to time in accordance with the Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral;

*sixth*, to pay any amount due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap, other than any termination payment (as determined pursuant to the Interest Rate Swap) due to the Interest Rate Swap Counterparty if an event of default has occurred under the Interest Rate Swap with respect to the Interest Rate Swap Counterparty;

*seventh*, to pay Class A Notes Interest due and payable on such Payment Date, *pro rata* on each Class A Note;

*eighth*, to pay any Class A Notes Principal as of such Payment Date, *pro rata* on each Class A Note;

*ninth*, after the Class A Notes have been redeemed in full, to pay Class B Notes Interest due and payable on such Payment Date, *pro rata* on each Class B Note;

*tenth*, to pay any Class B Notes Principal as of such Payment Date, *pro rata* on each Class B Note;

*eleventh*, to pay any termination payment due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap if an event of default has occurred under the Interest Rate Swap with respect to the Interest Rate Swap Counterparty;

*twelfth*, to pay interest (including accrued interest) due and payable under the Subordinated Loan Agreement;

*thirteenth*, to pay any amounts owed by the Issuer to the Seller due and payable under the Receivables Purchase Agreement in respect of (i) any valid return of a direct debit (*Lastschriftückbelastung*) (to the extent such returns do not reduce the Collections for the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date), (ii) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (iii) any Deemed Collection paid by the Seller for a Disputed Receivable which proves subsequently with *res judicata* (*rechtskräftig festgestellt*) to be an enforceable Purchased Receivable, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Receivables Purchase Agreement or other Transaction Documents;

*fourteenth*, to repay outstanding principal due and payable under the Subordinated Loan Agreement; and

*fifteenth*, to pay any remaining amount to the Seller,

provided that any payment to be made by the Issuer under items *first* to *fifth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using the Credit; and *provided further that* outside of such order of priority, any Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or any other Swap Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the Interest Rate Swap, to reduce the amount that would otherwise be payable by the Interest Rate Swap Counterparty to the Issuer on early termination of the Interest Rate Swap) due to be transferred or paid by the Issuer to the Interest Rate Swap Counterparty pursuant to the terms and conditions of the Interest Rate Swap shall be transferred or paid (as applicable) to the Interest Rate Swap Counterparty if and to the extent that such Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or other Swap Collateral (as the case may be) has been received by the Issuer and sufficient funds are available for this purpose on the Interest Rate Swap Ledger when such transfer or payment is made.

## 24. Relationship to Third Parties

24.1 In relation to the Note Collateral, the Post-Enforcement Priority of Payments shall, subject to applicable law, be binding on all creditors of the Issuer, provided that in relation to any other assets of the Issuer, the Post-Enforcement Priority of Payments shall only apply internally between the Beneficiaries, the Transaction Security Trustee and the Issuer; in respect of third party relationships, the rights of the Beneficiaries and the Transaction Security Trustee shall have equal rank to those of third party creditors of the Issuer.

24.2 The Post-Enforcement Priority of Payments shall also apply if the Transaction Secured Obligations are transferred to third parties by way of assignment, subrogation into a contract or otherwise.

## 25. Overpayment

All payments to Beneficiaries shall be subject to the condition that, if a payment is made to a creditor in breach of the Post-Enforcement Priority of Payments, such creditor shall re-pay the amount so received to the Transaction Security Trustee by payment to the Transaction Account (including any account established by the Transaction Security Trustee in accordance with Clause 14 (*Accounts Termination*) hereof). The Transaction Security Trustee shall then pay out the monies so received in the way that they were payable in accordance with the Post-Enforcement Priority of Payments on the relevant Payment Date. If such overpayment is not repaid by the Payment Date following the overpayment or if the claim to repayment is not enforceable, the Transaction Security Trustee is authorised and obliged to make payments in such a way that any over- or under-payments made in breach of Clause 23.2 (*Post-Enforcement Priority of Payments*) are set off by correspondingly decreased or increased payments on such Payment Date (and, to the extent necessary, on all subsequent Payment Dates).

## 26. Retaining Third Parties

26.1 In individual instances, the Transaction Security Trustee may, at market prices (if appropriate, after obtaining several offers), retain the services of (a) legal counsel, financial consultants, banks and other experts in Germany or elsewhere for the purpose of seeking information and advice to assist it in performing the duties assigned to it under this Transaction Security Agreement and the other Transaction Security Documents, or (b) a suitable law firm, accounting firm or credit or trust institution for the purpose of delegating the entire or partial performance of the following duties:

- (i) the taking of specific measures under Clause 16 (*Breach of Obligations by the Issuer*), particularly the enforcement of certain claims of the Issuer or any Beneficiary;
- (ii) enforcement of Note Collateral pursuant to Clause 19.2 (*Enforcement of Note Collateral*);
- (iii) the settlement of payments under Clause 20 (*Payments upon Occurrence of an Issuer Event of Default*);
- (iv) the settlement of over-payments under Clause 25 (*Overpayment*);
- (v) any other duty of the Transaction Security Trustee under this Transaction Security Agreement if the delegation of the entire or partial performance of such duty is not, in the discretion of the Transaction Security Trustee, subject to Clause 3.1 (*Position of Transaction Security Trustee in Relation to Beneficiaries*), materially prejudicial to the interests of the Beneficiaries,

(any of the aforementioned person so retained, a "**retained third party**", and irrespective of whether such person is already retained by the Transaction Security Trustee, the Issuer, a Beneficiary, or any other person involved in the transactions in connection with the Transaction Documents).

Any fees, costs, charges and expenses, indemnity claims and any other amounts payable by the Transaction Security Trustee to such retained third parties shall be reimbursed by the Issuer.

- 26.2 (i) Subject to Clause 26.2 (ii), the Transaction Security Trustee may rely on such retained third parties and any information and advice obtained therefrom without having to make its own investigations or to supervise such retained parties. The Transaction Security Trustee shall not be liable for the performance or non-performance and any wilful misconduct or negligence of such retained third parties (*Vorsatz und Fahrlässigkeit*).

- (ii) The Transaction Security Trustee shall be liable for any damages or losses caused by it relying on such retained third parties or acting in reliance on information or advice of such retained third parties only in accordance with Clause 35 (*Standard of Care for Liability*).

26.3 The Transaction Security Trustee may sub-contract or delegate the performance of some (but not all) of any of its obligations other than those referred to in Clause 26.1 provided that the Transaction Security Trustee shall not thereby be released or discharged from and shall remain responsible for the performance of such obligations and the performance or non-performance, and the manner of performance, of any sub-contractor or delegate of any of such delegated obligations shall not affect the Transaction Security Trustee's obligations. Any breach in the performance of the delegated obligations by such sub-contractor or delegate shall not be treated as a breach of obligation by the Transaction Security Trustee pursuant to Section 278 of the German Civil Code (*Bürgerliches Gesetzbuch*); however, the Transaction Security Trustee shall remain liable for diligently selecting and supervising such sub-contractors and delegates in accordance with Clause 35 (*Standard of Care for Liability*) hereof.

26.4 The Transaction Security Trustee shall promptly notify in writing the Rating Agencies of every retainer of a third party made pursuant to this Clause 26 (*Retaining Third Parties*) (such notice to include the name of the third party).

## **27. Representations and Warranties of the Issuer**

The Issuer hereby represents and warrants that, as of the date of execution of this Transaction Security Agreement:

- (a) it is a company duly incorporated under the laws of Germany with power to enter into this Transaction Security Agreement and each other document and agreement relating hereto and to exercise its rights and perform its obligations hereunder and thereunder and all corporate and other action required to authorise the execution of and the performance by the Issuer of its obligations hereunder and thereunder has been duly taken;
- (b) under the laws of Germany in force as of the date of execution of this Transaction Security Agreement, it will not be required to make any deduction or withholding from any payment it may make under this Transaction Security Agreement or any other document or agreement relating thereto to which it is expressed to be a party;
- (c) in any proceedings taken in Germany in relation to all or any of this Transaction Security Agreement and each other document and agreement relating hereto it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process;
- (d) all acts, conditions and things required to be done, fulfilled and performed in order (i) to enable it lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Transaction Security Agreement and each other document and agreement relating hereto and (ii) to ensure that the obligations expressed to be assumed by it herein and therein are legal, valid and binding have been done, fulfilled and performed;
- (e) no action or administrative proceeding of or before any court or agency has been started or (to the best of its knowledge and belief) threatened as to which, in its judgment there is a likelihood of an adverse judgment which would have a material adverse effect on its business or financial condition or on its ability to perform its obligations under any of this Transaction Security Agreement or the other documents and agreements relating hereto;
- (f) save for the Transaction Security Documents it has not created any encumbrance over all or any of its present or future revenues or assets and the execution of this Transaction Security Agreement and each other document and agreement relating hereto and the exercise by it of its rights and performance of its obligations hereunder and thereunder will not result in the existence of nor oblige it to create any encumbrance over all or any of its present or future revenues or assets except as provided therein;
- (g) the execution of this Transaction Security Agreement and each other document and agreement relating hereto and the exercise by it of its rights and performance of its obligations hereunder and thereunder do not constitute and will not result in any breach of any agreement or treaty to which it is a party or which is binding upon it;

- (h) the execution of this Transaction Security Agreement and each other document and agreement relating hereto constitute, and the exercise of its rights and performance of its obligations hereunder and thereunder will constitute, private and commercial acts done and performed for private and commercial purposes;
- (i) no Issuer Event of Default has occurred and is continuing;
- (j) its obligations hereunder were entered into on arm's length terms; and
- (k) it has opened each of the Transaction Account and the Commingling Reserve Account with the Account Bank.

## **28. Fees**

The Issuer shall pay the Transaction Security Trustee a fee as separately agreed upon between the Issuer and the Transaction Security Trustee in a fee letter dated on or about 21 September 2011.

## **29. Reimbursement of Expenses**

In addition to the remuneration of the Transaction Security Trustee, the Issuer shall pay all reasonable out-of-pocket costs, charges and expenses (including, without limitation, legal and travelling expenses and fees and expenses of its agents, delegates and advisors) which the Transaction Security Trustee properly incurs in relation to the negotiation, preparation and execution of this Transaction Security Agreement and the other Transaction Documents, any action taken by it under or in relation to this Transaction Security Agreement or any of the other Transaction Documents or any amendment, renewals or waivers made in accordance with the Transaction Documents in respect hereof.

## **30. Right to Indemnification**

30.1 The Issuer shall indemnify the Transaction Security Trustee in respect of all proceedings (including claims and liabilities in respect of taxes other than on the Transaction Security Trustee's own overall net profits, income or gains and subject to Clause 31.2 (*Taxes*)), losses, claims and demands and all costs, charges, expenses, and liabilities to which the Transaction Security Trustee (or any third party pursuant to Clause 26 (*Retaining Third Parties*)) may be or become liable or which may be incurred by the Transaction Security Trustee (or any such third party) in respect of anything done or omitted in relation to this Transaction Security Agreement and any of the other Transaction Documents (other than the Funding Loan Agreement), unless such costs and expenses are incurred by the Transaction Security Trustee due to a breach of the duty of care provided for in Clause 35 (*Standard of Care for Liability*).

For the avoidance of doubt it is hereby agreed that any indemnities shall be owed by the Issuer and that the Transaction Security Trustee has no right of indemnification against the Beneficiaries hereunder unless it has received instruction from any Beneficiary or Beneficiaries (other than the Noteholders) in accordance with Clause 19.3 (*Notification*).

30.2 The Transaction Security Trustee shall not be bound to take any action under or in connection with this Transaction Security Agreement or any other Transaction Document or any document executed pursuant to any of them including, without limitation, forming any opinion or employing any agent, unless in all cases, it is fully indemnified or secured (including under the Post-Enforcement Priority of Payments), and is reasonably satisfied that the Issuer will be able to honour any indemnity in accordance with the Post-Enforcement Priority of Payments as set out in Clause 23.2 (*Post-Enforcement Priority of Payments*) hereof, against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection with them for which purpose the Transaction Security Trustee may require payment in advance of such liabilities being incurred of an amount which it considers (without prejudice to any further demand) sufficient to indemnify it or security satisfactory to it.

## **31. Taxes**

31.1 The Issuer shall bear all stamp duties, transfer taxes and other similar taxes incurred by the Transaction Security Trustee, duties or charges which are imposed in Germany on or in connection with (i) the creation of, holding of, or enforcement of the Note Collateral, (ii) any action taken by the Transaction Security Trustee

pursuant to the Terms and Conditions of the Notes or the other Transaction Documents, and (iii) the issue of the Notes or the conclusion of Transaction Documents.

31.2 All payments of fees and reimbursements of expenses to the Transaction Security Trustee shall include any turnover taxes, value added taxes or similar taxes, other than taxes on the Transaction Security Trustee's net profits, overall income or gains, which are imposed in the future on the services of the Transaction Security Trustee.

## **32. Resignation**

### *32.1 Resignation*

The Transaction Security Trustee may resign from its office as Transaction Security Trustee at any time by giving two months prior written notice, provided that upon or prior to the last Business Day of such notice period a reputable accounting firm or financial institution which is experienced in the business of transaction security trusteeship in the context of securitisations of assets originated in Germany and which has obtained any required authorisations and licences (an "**eligible institution**") has been appointed by the Issuer as successor (the "**New Transaction Security Trustee**") and such appointee assumes all rights and obligations arising from this Transaction Security Agreement and each other Transaction Document to which the Transaction Security Trustee is a party and which has been furnished with all authorities and powers that have been granted to the Transaction Security Trustee. The Transaction Security Trustee shall promptly notify in advance and in writing the Issuer and the Rating Agencies of its intention of resignation. The Issuer shall, upon receipt of the written notice of resignation referred to in the first sentence of this Clause 32.1 (*Resignation*), promptly appoint an eligible institution as New Transaction Security Trustee. The Transaction Security Trustee shall have the right (but no obligation) to nominate a New Transaction Security Trustee for appointment by the Issuer. The Issuer shall have the right to veto any nomination of a New Transaction Security Trustee by the resigning Transaction Security Trustee if such New Transaction Security Trustee is not an eligible institution or if any other eligible institution has been appointed by the Issuer to be the New Transaction Security Trustee and has accepted such appointment. The proposed appointment of the New Transaction Security Trustee shall further be subject to Clauses 32.2 (*Effects of Resignation*) and 34.4 (*Notification to and confirmation by S&P; Publications*) below.

### *32.2 Effects of Resignation*

Any termination of the appointment of the Transaction Security Trustee shall not become effective unless (i) the Issuer has been liquidated and the proceeds of liquidation distributed to the Noteholders and the other Beneficiaries in accordance with this Transaction Security Agreement or, if earlier, no obligations under the Notes and the other Transaction Secured Obligations are outstanding, or (ii) a New Transaction Security Trustee has been appointed and has accepted such transaction security trusteeship (subject to Clause 34.4 (*Notification to and confirmation by S&P; Publications*) below).

### *32.3 Continuation of Rights and Obligations*

Notwithstanding a termination pursuant to Clause 32.1 (*Resignation*), the rights and obligations of the Transaction Security Trustee under all the Transaction Documents to which it is a party shall continue until the appointment of the New Transaction Security Trustee has become effective and the assets and rights have been assigned or transferred to it pursuant to Clause 34.1 (*Transfer of Note Collateral*). None of the provisions of this Clause 32 shall affect the right of the Transaction Security Trustee to resign from its office for good cause (*aus wichtigem Grund*) with immediate effect.

## **33. Replacement of Transaction Security Trustee**

The Issuer shall be authorised and obliged to replace the Transaction Security Trustee under all Transaction Documents to which the Transaction Security Trustee is a party with a reputable accounting firm or financial institution (which is experienced in the business of transaction security trusteeship in securitisation transactions and which has obtained any required authorisations, registrations and licences), if the Issuer has been so instructed in writing by (i) one or more Class A Noteholders representing at least 25 % of the outstanding Class A Principal Amount, unless Class A Noteholders representing at least 50 % of the outstanding Class A Principal Amount instruct the Issuer not to replace the Transaction Security Trustee, (ii) if no Class A Notes are outstanding, one or more Class B Noteholders representing at least 25 % of the outstanding Class B Principal Amount, unless Class B Noteholders representing at least 50 % of the outstanding Class B Principal Amount instruct the Issuer not to replace the Transaction Security Trustee or (iii) if no Notes remain outstanding, any

Beneficiary or Beneficiaries representing at least 25 % of all Beneficiaries to which any amounts are owed, unless Beneficiaries representing at least 50 % of all Beneficiaries to which any amounts are owed instruct the Issuer not to replace the Transaction Security Trustee. Any replacement of the Transaction Security Trustee shall be notified by the Issuer to the Rating Agencies by giving not less than thirty (30) calendar days notice.

### **34. Transfer of Note Collateral**

#### *34.1 Transfer of Note Collateral*

In the case of a replacement of the Transaction Security Trustee pursuant to Clause 32 (*Resignation*) or Clause 33 (*Replacement of Transaction Security Trustee*), the Transaction Security Trustee shall forthwith assign or transfer the Note Collateral and other assets and other rights it holds as fiduciary (*Treuhänder*) under any Transaction Security Document, as well as its Transaction Security Trustee Claim under Clause 4 (*Position of Transaction Security Trustee in Relation to the Issuer*) and the pledge granted to it pursuant to Clause 6 (*Pledge*) to the New Transaction Security Trustee. Without prejudice to this obligation, the Issuer shall hereby be irrevocably authorised to effect such assignment, transfer or pledge on behalf of the Transaction Security Trustee as set out in the first sentence and is for that purpose exempted to the fullest extent permitted under applicable law from the restrictions under Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions contained in the laws of any other country.

#### *34.2 Assumption of Obligations*

In the event of a replacement of the Transaction Security Trustee pursuant to Clause 32 (*Resignation*) or Clause 33 (*Replacement of Transaction Security Trustee*), the Transaction Security Trustee shall reach an agreement with the New Transaction Security Trustee that the New Transaction Security Trustee assumes the obligations of the Transaction Security Trustee's obligations under each Transaction Document to which the Transaction Security Trustee is a party.

#### *34.3 Costs*

The costs incurred in connection with replacing the Transaction Security Trustee pursuant to Clause 32 (*Resignation*) or Clause 33 (*Replacement of Transaction Security Trustee*) shall be borne by the Issuer. If such replacement is due to the conduct of the Transaction Security Trustee constituting good cause (*wichtiger Grund*) for termination, the Issuer shall be entitled, without prejudice to any additional rights, to claim damages from the Transaction Security Trustee in the amount of such costs.

#### *34.4 Notification to and Confirmation by S&P; Publications*

The appointment of a New Transaction Security Trustee in accordance with Clause 32 (*Resignation*) or Clause 33 (*Replacement of Transaction Security Trustee*) shall be notified by the Issuer to the Rating Agencies and shall be subject to the written confirmation from S&P that such appointment would not result in the then current rating of any Class of Notes being downgraded or withdrawn. Following such confirmation from S&P, the appointment of the New Transaction Security Trustee shall take effect and shall be (i) published without delay in accordance with the Terms and Conditions of the Notes or, if this is not possible, in any other appropriate way and (ii) notified by email or facsimile to each Beneficiary other than the Noteholders.

#### *34.5 Accounting*

The Transaction Security Trustee shall be obliged to account to the New Transaction Security Trustee for its activities under or with respect to each Transaction Security Document.

### **35. Standard of Care for Liability**

The Transaction Security Trustee shall be liable for any breach of its obligations under this Transaction Security Agreement only if it fails to meet the standard of care it exercises in its own affairs (*Sorgfalt in eigenen Angelegenheiten*).

### **36. General**

36.1 The Transaction Security Trustee shall not be liable for: (i) any action or failure to act of the Issuer or of other parties to the Transaction Documents; (ii) the Transaction Documents (including any security interest created thereunder) not being legal, valid, binding or enforceable, or for the fairness of the provisions of the

Transaction Documents; and (iii) a loss of documents related to the Note Collateral not attributable to the negligence of the Transaction Security Trustee.

36.2 The Transaction Security Trustee may call for and shall be at liberty to accept a certificate signed by any two managing directors of the Issuer as sufficient evidence of any fact or matter or the expediency of any transaction or thing, and to treat such a certificate to the effect that any particular dealing or transaction or step or thing is, in the opinion of the persons so certifying, expedient or proper as sufficient evidence that it is expedient or proper, and the Transaction Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss or liability that may be caused by acting on any such certificate.

36.3 The Transaction Security Trustee shall (save as otherwise expressly provided herein) as regards all the powers, authorities and discretions vested in it by or pursuant to any Transaction Document (including this Transaction Security Agreement) to which the Transaction Security Trustee is a party or conferred upon the Transaction Security Trustee by operation of law (the exercise of which, as between the Transaction Security Trustee and the Beneficiaries, shall be conclusive and binding on the Beneficiaries) have discretion as to the exercise or non-exercise thereof and, provided it shall not have acted in violation of its standard of care as set out in Clause 35 (*Standard of Care for Liability*), the Transaction Security Trustee shall not be responsible for any loss, costs, damages, expenses or inconvenience that may result from the exercise or non-exercise thereof.

36.4 The Transaction Security Trustee, as between itself and the Beneficiaries, shall have full power to determine all questions and doubts arising in relation to any of the provisions of any Transaction Document and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Transaction Security Trustee, shall be conclusive and shall bind the Transaction Security Trustee and the Beneficiaries. In particular, the Transaction Security Trustee may determine whether or not any event described in this Transaction Security Agreement is, in its opinion, materially prejudicial to the interests of Beneficiaries and if the Transaction Security Trustee shall certify that any such event is, in its opinion, materially prejudicial, such certificate shall be conclusive and binding upon the Issuer and the relevant Beneficiaries.

36.5 The Transaction Security Trustee may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of any Transaction Document is capable of remedy and, if the Transaction Security Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Beneficiaries.

36.6 Any consent given by the Transaction Security Trustee for the purposes of any Transaction Document may be given on such terms and subject to such conditions (if any) as the Transaction Security Trustee thinks fit in its discretion and, notwithstanding anything to the contrary contained in any Transaction Document may be given retrospectively. If a consent or approval of the Transaction Security Trustee is not to be given pursuant to the Terms and Conditions, this Transaction Security Agreement or any other Transaction Document unless (i) S&P has confirmed in writing that the relevant action subject of the consent or approval would not negatively affect or result in a downgrading or withdrawal of the then current ratings of any Class of Notes and (ii) each Rating Agency has been notified in writing of such action, the Transaction Security Trustee shall seek such confirmation from S&P without undue delay.

36.7 The Transaction Security Trustee shall not be responsible for recitals, statements, warranties or representations of any party (other than those relating to or provided by it) contained in any Transaction Document or other document entered into in connection therewith and may rely on the accuracy and correctness thereof (absent actual knowledge to the contrary) and shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of any such agreement or other document or security thereby constituted or evidenced. The Transaction Security Trustee may accept without enquiry, requisition or objection such title as the Issuer may have to the Note Collateral or any part thereof from time to time and shall not be bound to investigate or make any enquiry into the title of the Issuer to the Note Collateral or any part thereof from time to time.

36.8 The Transaction Security Trustee shall not be liable for any error of judgement made in good faith by any officer or employee of the Transaction Security Trustee assigned by the Transaction Security Trustee to administer its corporate trust matters unless such officer or employee has failed to observe the standard of care provided for in Clause 35 (*Standard of Care for Liability*).

36.9 No provision of this Transaction Security Agreement shall require the Transaction Security Trustee to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its

rights or powers or otherwise in connection with any Transaction Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it determines in its reasonable discretion that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.

36.10 The Transaction Security Trustee shall not be responsible for the genuineness, validity, effectiveness or suitability of any Transaction Documents or any other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decisions of any court and (without prejudice to the generality of the foregoing) the Transaction Security Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

- (i) the nature, status, creditworthiness or solvency of the Issuer or any other person or entity who has at any time provided any security or support whether by way of guarantee, charge or otherwise in respect of any advance made to the Issuer;
- (ii) the execution, legality, validity, adequacy, admissibility in evidence or enforceability of any Transaction Document or any other document entered into in connection therewith;
- (iii) the scope or accuracy of any representations, warranties or statements made by or on behalf of the Issuer or any other person or entity who has at any time provided any Transaction Document or in any document entered into in connection therewith;
- (iv) the performance or observance by the Issuer or any other person of any provisions or stipulations relating to Notes or contained in any other Transaction Document or in any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing;
- (v) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with the Transaction Documents;
- (vi) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the Note Collateral or the Transaction Documents or the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security created or purported to be created by or pursuant to any of the Note Collateral or the Transaction Documents or other documents entered into in connection therewith; or
- (vii) any accounts, books, records or files maintained by the Issuer or any other person in respect of any of the Note Collateral or the Transaction Documents.

36.11 The Transaction Security Trustee may, in the absence of actual knowledge to the contrary, assume without enquiry that the Issuer and each of the other parties to the Transaction Documents is duly performing and observing all of the provisions of those documents binding on or relating to it and that no event has happened which constitutes an Issuer Event of Default.

### **37. Undertakings of the Issuer in Relation to the Note Collateral**

The Issuer hereby undertakes *vis-à-vis* the Transaction Security Trustee:

- (i) not to sell the Note Collateral and to refrain from all actions and omissions to act (excluding, for the avoidance of doubt, the collection and enforcement of the Note Collateral in the ordinary course of business or otherwise dealing with the Note Collateral in accordance with the Transaction Documents) which may result in a significant (*wesentlichen*) decrease in the aggregate value or in a loss of the Note Collateral;
- (ii) promptly to notify the Transaction Security Trustee in the event of becoming aware that the rights of the Transaction Security Trustee in the Note Collateral are impaired or jeopardised by way of an attachment or other actions of third parties, by sending a copy of the attachment or transfer order or of any other

document on which the enforcement claim of the third party is based and which it has received, as well as all further documents available to it which are required or useful to enable the Transaction Security Trustee to file proceedings and take other actions in defence of its rights. In addition, the Issuer shall promptly inform the attachment creditor (*Pfändungsgläubiger*) and other third parties in writing of the rights of the Transaction Security Trustee in the Note Collateral; and

- (iii) to permit the Transaction Security Trustee or its representatives to inspect its books and records at any time during usual business hours for purposes of verifying and enforcing the Note Collateral, to give any information necessary for such purpose, and to make the relevant records available for inspection.

### **38. Other Undertakings of the Issuer**

38.1 The Issuer undertakes to:

- (i) promptly notify the Transaction Security Trustee and the Rating Agencies in writing if circumstances occur which constitute an Issuer Event of Default;
- (ii) give the Transaction Security Trustee at any time such other information available to it which the Transaction Security Trustee may reasonably demand for the purpose of performing its duties under the Transaction Documents;
- (iii) send to the Transaction Security Trustee one copy in English (translated if necessary at the Issuer's cost from German by a publicly appointed and sworn translator) of any schedule on the origin and the allocation of funds, any report or notice or any other memorandum as well as any balance sheet, any profit and loss accounts and other statements (such balance sheet, profit and loss accounts and other statements only to be translated at the Issuer's cost from German if reasonably requested by the Transaction Security Trustee in writing) sent out by the Issuer to its shareholders either at the time of the mailing of those documents to the shareholders or as soon as possible thereafter;
- (iv) send or have sent to the Transaction Security Trustee a copy of any notice given to the Noteholders in accordance with the Terms and Conditions of the Notes immediately, or at the latest, on the day of the publication of such notice;
- (v) ensure that the Principal Paying Agent notifies the Corporate Administrator, the Cash Administrator, the Transaction Security Trustee and the Rating Agencies immediately if it does not receive the monies needed to discharge in full any obligation to pay or repay the full or partial principal or interest amounts due to the Noteholders and/ or the Notes on any Payment Date;
- (vi) notify the Transaction Security Trustee of any written amendment to any Transaction Document under which rights of the Transaction Security Trustee arise and to which the Transaction Security Trustee is not a party;
- (vii) to have always at least one managing director (*Geschäftsführer*);
- (viii) not to enter into any other agreements unless (x) such agreement contains "limited recourse", "non-petition" and "limitation on payments" provisions as set out in Clause 44 (*No Liability and No Right to Petition and Limitation on Payments*) of this Transaction Security Agreement and any third party replacing any of the parties to the Transaction Documents (other than the Funding Loan Agreement) is allocated the same ranking in the Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments as was allocated to such creditor and, such third party accedes to the Transaction Security Agreement as Replacement Beneficiary in accordance with Clause 40 (*Accession of Replacement Beneficiaries*) and (y) such agreement has been notified in writing to each Rating Agency and S&P has given its written consent to such agreement if such agreement is of material significance to the Noteholders; it being understood, however, that any Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or any other Swap Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the Interest Rate Swap, to reduce the amount that would otherwise be payable by the Interest Rate Swap Counterparty to the Issuer on early termination of the Interest Rate Swap) shall be paid to the Interest Rate Swap Counterparty as provided for in the Interest Rate Swap and shall not be subject to either the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments;

- (ix) do all such things as are necessary to maintain and keep in full force and effect its corporate existence;
- (x) ensure that it has the capacity and is duly qualified to conduct its business as it is conducted in all applicable jurisdictions;
- (xi) procure that no change is made to the general nature or scope of its business from that carried on at the date of this Transaction Security Agreement;
- (xii) carry on and conduct its business in its own name and in all dealings with all third parties and the public, identify itself by its own corporate name as a separate and distinct entity and not identify itself as being a division or part of any other entity whatsoever;
- (xiii) hold itself out as a separate entity from any other person or entity and take reasonable measures to correct any misunderstanding regarding its separate identity known to it; and prepare and maintain its own full and complete books, records, stationary, invoices and checks, and financial statements separately from those of any other entity including, without limitation, any related company and shall ensure that any such financial statements will comply with generally accepted accounting principles;
- (xiv) observe all corporate and other formalities required by its constitutional documents;
- (xv) maintain adequate capital in light of its contemplated business operations and pay its own liabilities out of its own funds;
- (xvi) three months prior to the expiry of the exemption from withholding tax (and solidarity surcharge thereon) for interest paid on the Purchased Receivables granted in favour of the Issuer and evidenced by a certificate issued by the competent tax authority in Germany (*Dauerüberzahlerbescheinigung*), the Issuer shall apply for a renewal of such exemption;
- (xvii) unless the following notifications have already been made pursuant to another Transaction Document, without undue delay following the termination of the Servicer, to notify, or procure notification of, each Debtor of the assignment of the relevant Purchased Receivables and the Related Collateral and to provide such Debtor with the contact details of the Issuer in accordance with Section 496(2) of the German Civil Code (*Bürgerliches Gesetzbuch*);
- (xviii) to transfer any Swap Collateral, Swap Tax Credit and Replacement Swap Premium to the Interest Rate Swap Ledger; and
- (xix) to use its best efforts to make loan level details available in such manner as may be required in the future to comply with the Eurosystem eligibility criteria set out in the Guideline of the European Central Bank on monetary policy instruments and procedure of the Eurosystem (ECB/2000/7), as amended from time to time, subject to applicable data protection laws.

38.2 The Issuer undertakes that it will not, save as contemplated or permitted by this Transaction Security Agreement or any other Transaction Document:

- (i) sell, transfer or otherwise dispose of or cease to exercise direct control over any part of its present or future undertaking, assets, rights or revenues or otherwise dispose of or use, invest or otherwise deal with any of its assets or undertaking or grant any option or right to acquire the same, whether by one or a series of transactions related or not;
- (ii) enter into any amalgamation, demerger, merger or corporate reconstruction;
- (iii) make any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any other person or hold out its credit as being available to satisfy the obligations of third parties;
- (iv) permit its assets to become commingled with those of any other entity; and
- (vi) permit its accounts and the debts represented thereby to become commingled with those of any other entity.

### 39. Actions of the Issuer requiring consent

So long as any part of the Notes remains outstanding, the Issuer shall not be entitled, without the prior written approval of the Transaction Security Trustee (such approval shall not be given unless (x) S&P has confirmed in writing that such action would not negatively affect or result in a downgrading or withdrawal of the then current ratings of any Class of Notes and (y) each Rating Agency has been notified in writing of such action) or unless required by applicable law, to:

- (i) engage in any business or any other activities other than:
  - (A) the performance of its obligations under the Notes and the other Transaction Documents to which it is a party and under any other agreements which have been entered into in connection with the issue of the Notes or the other Transaction Documents;
  - (B) the enforcement of its rights;
  - (C) the performance of any acts which are necessary or desirable in connection with (A) or (B) above; and
  - (D) the execution of all further documents (including, for the avoidance of doubt, amendment agreements) and undertaking of all other actions, at any time and to the extent permitted by law, which, in the opinion of the Transaction Security Trustee, are necessary or desirable having regard to the interests of the Noteholders in particular, without limitation, in order to ensure that the Terms and Conditions of the Notes are always valid;
- (ii) hold shares in any entity;
- (iii) dispose of any assets or any part thereof or interest therein, unless permitted or contemplated under (i) above;
- (iv) pay dividends or make any other distribution to its shareholders in excess of EUR 1,000 per annum (determined prior to the deduction of any taxes);
- (v) acquire obligations or securities of its shareholders;
- (vi) incur further indebtedness (other than as contemplated in (i) above);
- (vii) have any employees or own any real estate asset;
- (viii) create or permit to subsist any mortgage, lien, pledge, security interest or other encumbrance in respect of any of its assets (except as hereunder permitted and except as otherwise contemplated in (i) above);
- (ix) consolidate or merge with or into any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (x) materially amend its articles of association (*Gesellschaftsvertrag*);
- (xi) issue new shares or acquire or repurchase shares, or capital or declare or pay dividends or any other distributions of any kind whatsoever (other than the dividends provided for under Clause 39 (iv) above and except as contemplated by the Transaction Documents); or
- (xii) open new accounts (other than as contemplated in Clause 39 (i) above).

### 40. Accession of Replacement Beneficiaries

40.1 Any party replacing any of the parties to an existing or future Transaction Document shall become a party (or add a new capacity as a party hereto) to this Transaction Security Agreement (each, a "**Replacement Beneficiary**") (without affecting any rights under general applicable law of such replacement beneficiary or under any agreement with any other party to the Transaction Documents (other than the Funding Loan Agreement) upon execution of an accession agreement (the "**Accession Agreement**") by the Transaction Security Trustee and any Replacement Beneficiary in the form of Schedule 2 hereto.

40.2 The Transaction Security Trustee is hereby irrevocably authorised to execute such Accession Agreement for and on behalf of the Issuer, and the Beneficiaries pursuant to Schedule 2 hereto and to determine the ranking of any Replacement Beneficiary within the order of priorities provided for in the Post-Enforcement Priority of Payments, provided that, without prejudice to Clause 3.1 (*Position of Transaction Security Trustee in Relation to the Beneficiaries*), the Transaction Security Trustee shall allocate to the Replacement Beneficiary the same ranking as was allocated to the Beneficiary so replaced. Each party to this Transaction Security Agreement is hereby irrevocably exempted to the fullest extent possible under applicable law from the restrictions set out in Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions under any applicable law of any other country.

#### **41. Notices**

41.1 Subject to Clause 41.3, all notices under this Transaction Security Agreement shall be made in English by mail or by telefax which shall be confirmed by mail.

41.2 Subject to any written notification given fifteen (15) calendar days in advance of any change of address, all notices under this Transaction Security Agreement to the parties set out below shall be sent to the following addresses: (The remaining text of this Clause 41.2 has been omitted from this Prospectus.)

41.3 All notices to the Noteholders by the Transaction Security Trustee under or in connection with this Transaction Security Agreement or the Notes shall either be (i) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Noteholders or (ii) made available for a period not less than 30 calendar days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange on the following website: [www.bourse.lu](http://www.bourse.lu).

Any such notice referred to under Clause 41.3(i) shall be deemed to have been given to all Noteholders on the seventh calendar day after the day on which such notice was delivered to the ICSDs. Any notice referred to under Clause 41.3(ii) shall be deemed to have been given to all Noteholders on the day on which it is made available on the website, *provided that* if so made available after 4:00 p.m. (Frankfurt time) it shall be deemed to have been given on the immediately following calendar day.

#### **42. Severability; Co-ordination**

42.1 Without prejudice to any other provision hereof, if one or more provisions hereof is or becomes invalid, illegal or unenforceable for any reason in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party or parties shall not, to the fullest extent permitted by applicable law, render invalid, illegal or unenforceable such provision or provisions in any other jurisdiction or with respect to any other party or parties hereto. Such invalid, illegal or unenforceable provision shall be replaced by the relevant parties with a provision which comes as close as reasonably possible to the commercial intentions of the invalid, illegal or unenforceable provision. In the event of any contractual gaps, that provision shall be considered as agreed upon which most closely approximates the intended commercial purpose hereof.

This Transaction Security Agreement shall not be affected by the invalidity, illegality or unenforceability with respect to any provision in any jurisdiction or with respect to any party of any other Transaction Document or amendment agreement thereto.

42.2 The Parties mutually agree to take all measures and actions that become necessary under Clause 42.1 or for other reasons for the continued performance of this Transaction Security Agreement.

#### **43. Variations, Remedies and Waivers**

43.1 No variation of this Transaction Security Agreement (including to this Clause 43) shall be effective unless it is in writing, unless expressly provided otherwise, and provided that (i) S&P confirms in writing that the then current ratings of each Class of Notes will not be downgraded, withdrawn or qualified if such variation is given effect and (ii) each Rating Agency has been notified in writing of such variation. Waivers of this requirement as to form shall also be made in writing. Any requirement of a written form (*Schriftformerfordernis*) agreed between the parties to this Transaction Security Agreement shall not prevent the parties from making a reference to any other agreement or document which is not attached as such to this Transaction Security

Agreement. The Issuer and the Transaction Security Trustee shall immediately inform the Rating Agencies in writing of any variation of this Transaction Security Agreement.

43.2 This Transaction Security Agreement may be amended by the Issuer and the Transaction Security Trustee without the consent of the Beneficiaries (but with effect for the Beneficiaries) if such amendments, in the opinion of the Transaction Security Trustee, do not significantly adversely affect the interests of the Beneficiaries. For that purpose the Transaction Security Trustee is hereby irrevocably authorised to execute such amendments for and on behalf of the Beneficiaries and is hereby irrevocably exempted to the fullest extent permitted under applicable law from the restrictions set out in Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions under any applicable law of any other country.

43.3 No failure to exercise, nor any delay in exercising, on the part of any party hereto, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy.

43.4 The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law or any other Transaction Document.

#### **44. No Liability and No Right to Petition and Limitation on Payments**

44.1 No recourse under any obligation, covenant, or agreement of the Issuer contained in this Transaction Security Agreement shall be held against any shareholder, officer, agent or managing director of the Issuer as such, by the enforcement of any obligation (including, for the avoidance of doubt, any obligation arising from false representations under this Transaction Security Agreement (other than by wilful default or gross negligence)) or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Transaction Security Agreement is a corporate obligation of the Issuer and no liability shall attach to or be incurred by the shareholders, officers, agents or managing directors of the Issuer as such, or any of them, under or by reason of any of the obligations, covenants or agreements of such Issuer contained in this Transaction Security Agreement, or implied therefrom, and that any and all personal liability for breaches by the Issuer of any of such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent or managing director is hereby expressly waived by the other parties hereto as a condition of and consideration for the execution of this Transaction Security Agreement.

44.2 Each party hereby agrees with the other parties that they shall not (otherwise than as contemplated in this Transaction Security Agreement or any other Transaction Security Document), until the expiration of two years and one day after all outstanding amounts under the last maturing Note issued by the Issuer have been paid in full:

- (a) take any corporate action or other steps or legal proceedings for the winding-up, administration, examinership, dissolution or re-organisation or for the appointment of a receiver, administrator, examiner, administrative receiver, trustee in bankruptcy, liquidator, sequestrator or similar officer regarding some or all of the revenues and assets of the Issuer; or
- (b) have any right to take any steps for the purpose of obtaining payment (other than through the enforcement of the Note Collateral) of any amounts payable to it under the Transaction Documents by the Issuer (including, for the avoidance of doubt, any payment obligation arising from false representations under this Transaction Security Agreement) and shall not until such time take any steps to recover any debts or liabilities of any nature whatsoever owing to it by the Issuer.

44.3 Notwithstanding any provision contained in any Transaction Security Document to the contrary, the Issuer shall not, and shall not be obligated to, pay any amount pursuant to this Transaction Security Agreement unless the Issuer has received funds which may be used to make such payment in accordance with the Pre-Enforcement Priority of Payments. Each party hereto acknowledges that the obligations of the Issuer arising hereunder are limited recourse obligations payable solely from the proceeds of the Note Collateral and, following realisation of the Note Collateral and the application of the proceeds thereof in accordance with the Post-Enforcement Priority of Payments set out in Clause 23 (*Post-Enforcement Priority of Payments*) of this Transaction Security Agreement, any claims of any party to this Transaction Security Agreement against the Issuer (and the obligations of the Issuer) shall be extinguished.

44.4 The provisions of this Clause 44 shall survive the termination of this Transaction Security Agreement.

**45. Applicable Law; Place of Performance; Jurisdiction; Miscellaneous**

45.1 This Transaction Security Agreement (including, without limitation, any non-contractual obligation arising out of it) shall be governed by, and construed in accordance with, the German law.

45.2 Place of performance for all obligations of all parties is Mönchengladbach.

45.3 The courts of Frankfurt am Main shall have non-exclusive jurisdiction over disputes arising out of or in connection with this Transaction Security Agreement.

**46. Condition Precedent**

The parties hereto hereby agree that this Transaction Security Agreement and the rights and obligations hereunder shall only become effective upon fulfilment of the condition precedent (*aufschiebende Bedingung*) that, on or about the Note Issuance Date, the Issuer has issued the Notes.

## Outline of the other Principal Transaction Documents

### Receivables Purchase Agreement

On the Note Issuance Date, the Issuer will have purchased Purchased Receivables from the Seller in accordance with the Receivables Purchase Agreement.

To be eligible for sale to the Issuer under the Receivables Purchase Agreement, each Receivable and any part thereof will have to meet the eligibility criteria set out in "DESCRIPTION OF THE PORTFOLIO — Eligibility Criteria" herein.

The offer by the Seller for the purchase of Receivables under the Receivables Purchase Agreement contained certain relevant information for the purpose of identification of the Receivables. In the offer, the Seller represented that certain representations and warranties with respect to the relevant Receivable were true and correct on the Purchase Date. Upon acceptance, the Issuer acquired or was purported to acquire in respect of the relevant Loan Contracts unrestricted title to any and all outstanding Purchased Receivables arising under such Loan Contracts as from the Cut-Off Date immediately preceding the date of the offer, other than any Loan Instalments which have become due prior to or on such Cut-Off Date together with all of the Seller's rights, title and interest in the Related Collateral in accordance with the Receivables Purchase Agreement. As a result, the Issuer obtained the full economic ownership in the Purchased Receivables, including principal and interest, and is free to transfer or otherwise dispose over (*verfügen*) the Purchased Receivables, subject only to the contractual restrictions provided in the relevant Loan Contracts and the contractual agreements underlying the Related Collateral.

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

The sale and assignment of the Receivables pursuant to the Receivables Purchase Agreement constitutes a sale without recourse (*regressloser Verkauf wegen Bonitätsrisiken*). This means that the Seller will not bear the risk of the inability of any Debtors to pay the relevant Purchased Receivables.

Pursuant to the Receivables Purchase Agreement, the delivery (*Übergabe*) necessary to effect the transfer of title in respect of the Financed Vehicles (including any subsequently inserted parts in the Financed Vehicles) and other moveable Related Collateral securing a Purchased Receivable (including any car certificate (*Fahrzeugbrief*), registration certificate part II (*Zulassungsbescheinigung Teil II*) or equivalent document) was replaced by the Seller's assignment to the Issuer of all claims, present or future, to request transfer of possession (*Herausgabeanspruch*) thereof from the relevant third parties holding such possession. In addition, where the Seller holds direct possession of any of the Financed Vehicles and other moveable Related Collateral, the Issuer was granted constructive possession (*mittelbarer Besitz*) by the Seller in respect thereof.

### *Purchase Price*

For marketing reasons, certain car dealers, importers or manufacturers of Financed Vehicles have agreed to subsidise the financing of the Financed Vehicles at a set rate by paying an up-front subsidy to the Seller. This enabled the Seller to offer the Loan Contracts for the purpose of financing the Financed Vehicles at a reduced rate of interest to the Debtors. The subsidy is used to increase the reduced rate of interest to the Effective Interest Rate, i.e., an agreed standard market rate notified by the Seller to the Issuer in accordance with the Receivables Purchase Agreement.

### *Deemed Collections*

If certain events (see the definition of Deemed Collections in "CERTAIN DEFINITIONS — Deemed Collections") occur with respect to a Purchased Receivable, the Seller will be deemed to have received a Deemed Collection in the full amount of the Outstanding Principal Amount of such Purchased Receivable (or the affected portion thereof). To this end, the Seller has undertaken to pay to the Issuer such Deemed Collection. Upon full receipt of such Deemed Collection in the full amount of the Outstanding Principal Amount of such Purchased Receivable (or the affected portion thereof), such Purchased Receivable and the relevant Related Collateral (or the affected portion thereof and unless it is extinguished due to circumstances making it a Disputed

Receivable or is otherwise extinguished) will be automatically re-assigned or re-transferred to the Seller by the Issuer on the next succeeding Payment Date on a non-recourse or guarantee basis on the part of the Issuer. The costs of such assignment will be borne solely by the Seller.

Similarly, the risk that the amount owed by a Debtor, either as part of the purchase price or otherwise, is reduced due to set-off, counterclaim, discount or other credit in favour of such Debtor, has been transferred to the Seller. To this end, the Seller will be deemed to receive such differential amount which will constitute a Deemed Collection.

If a Purchased Receivable which was treated as a Disputed Receivable is *res judicata* (*rechtskräftig festgestellt*) found to be enforceable without any set-off, counterclaim, encumbrance or objection (*Einrede and/or Einwand*), the Seller may request the Issuer to repay any Deemed Collection received in relation to such Purchased Receivable, subject to the Pre-Enforcement Priority of Payments. In such case, the Seller will re-assign such Purchased Receivable and the Related Collateral to the Issuer pursuant to the Receivables Purchase Agreement.

All amounts corresponding to Deemed Collections will be held by the Seller on trust in the name and for the account of the Issuer until payment is made to the Transaction Account.

#### *Use of Related Collateral*

The Issuer has agreed to make use of any Related Collateral only in accordance with the provisions underlying such Related Collateral and the related Loan Contracts.

The Seller will, at its own cost, keep the Related Collateral free of, or release it from, any interference or security rights of third parties and undertake all steps necessary to protect the interest of the Issuer in the Financed Vehicles.

#### *Taxes and Increased Costs; Transaction Cost Fee*

Pursuant to the Receivables Purchase Agreement, the Seller will pay any stamp duty, registration and other similar taxes to which the Receivables Purchase Agreement or any other Transaction Document or any judgement given in connection therewith may be subject.

In addition, the Seller will pay all taxes levied on the Issuer or other relevant parties involved in the financing of the Issuer (in each case excluding taxes on the net income, profits or net worth of such persons under German law, United States federal or state laws, or any other applicable law) due to the Issuer having entered into the Receivables Purchase Agreement or the Issuer and such other relevant parties having entered into the Transaction Documents or other agreements relating to the financing of the acquisition by the Issuer of Receivables in accordance with the Receivables Purchase Agreement. Upon demand of the Issuer, the Seller will indemnify the Issuer against any liabilities, costs, claims and expenses which arise from the non-payment or the delayed payment of any such taxes, except for those penalties and interest charges which are attributable to the gross negligence of the Issuer.

All payments to be made by the Seller to the Issuer pursuant to the Receivables Purchase Agreement will be made free and clear of and without deduction for or on account of any tax. The Seller will reimburse the Issuer for any deductions or retentions which may be made on account of any tax. The Seller will have the opportunity and authorisation to raise defences against the relevant payment at the Seller's own costs.

Where the Issuer has received a credit against a relief or remission for, or repayment of, any tax, then if and to the extent that the Issuer determines that such credit, relief, remission or repayment is in respect of the deduction or withholding giving rise to such additional payment or with reference to the liability, expense or loss to which caused such additional payments, the Issuer will, to the extent that it can do so without prejudice to the retention of the amount of such credit, relief, remission or repayment, pay to the Seller such amount as the Issuer will have concluded to be attributable to such deduction or withholding or, as the case may be, such liability, expense or loss, provided that the Issuer will not be obliged to make any such payment until it is, in its sole opinion, satisfied that its tax affairs for its tax year in respect of which such credit, relief, remission or repayment was obtained have been finally settled.

Pursuant to the Receivables Purchase Agreement, the Seller will pay on each Payment Date to the Issuer the Transaction Cost Fee. The Issuer will apply the Transaction Cost Fee to pay interest and principal due under the Funding Loan (see "— Funding Loan Agreement" below).

### *Insurance and Financed Vehicles*

Any insurance claims in respect of any Financed Vehicles or other Related Collateral form part of the Related Collateral which has been assigned to the Issuer under the Transaction Security Agreement. If the Seller or the Servicer receives any proceeds from comprehensive insurances (*Kaskoversicherungen*) or claims from third parties which have damaged any Financed Vehicles as well as claims against the insurer of such third parties which form part of the Related Collateral, such proceeds will be used to repair such damaged Financed Vehicles. If the relevant damaged Financed Vehicle cannot be repaired, such proceeds will be applied in repayment of the relevant Loan Contract.

### *Notification of Assignment*

The Debtors and other relevant debtors (in particular comprehensive insurers (*Kaskoversicherer*)) will only be notified by the Seller in respect of the assignment of the Purchased Receivables and Related Collateral upon request by the Issuer following the occurrence of a Notification Event or whenever it is necessary to protect the Issuer's justified interests. Where any Debtor is either a military person, a civil servant, a clergyman or a teacher at a public teaching institution and has assigned its rights and claims to wages and social security benefits (to the extent legally possible) to the Seller as part of the Related Collateral, the Seller will, upon request by the Issuer following the occurrence of a Notification Event or if it becomes necessary to protect the Issuer's justified interests, notify such Debtor's employer of such assignment by way of a notarial deed as required under Section 411 of the German Civil Code. Should the Seller fail to notify the Debtors and the other relevant debtors within five (5) Business Days of such request, the Issuer may, at the Seller's costs, notify the Debtors and other relevant debtors of the assignment of the Purchased Receivables and the Related Collateral itself. Without prejudice to the foregoing, under the Servicing Agreement the Issuer is entitled to notify by itself or through any agent or require the Servicer to notify the Debtors, of the assignment if a Notification Event has occurred or whenever it is necessary to protect the Issuer's justified interests. If the Issuer has to undertake the notification by way of notarial deed, the notarization costs will be borne by the Seller.

In addition, at any time after a Notification Event has occurred or whenever it is necessary to protect the justified interests of the Issuer, the Seller, upon request of the Issuer, will inform any relevant insurance company of the assignment of any insurance claims and procure the issuance of a security certificate (*Sicherungsschein*) in the Issuer's name. The Issuer is authorised to notify the relevant insurance company of the assignment on behalf of the Seller. Prior to notification, the Debtors will continue to make all payments to the account of the Seller as provided in the relevant Loan Contract between each Debtor and the Seller and each Debtor will obtain a valid discharge of its payment obligation.

Upon notification, the Debtors will be notified to make all payments to the Issuer to the Transaction Account in order to obtain valid discharge of their payment obligations.

Each of the following constitute "**Notification Events**" pursuant to the Receivables Purchase Agreement:

1. The Servicer fails to make a payment due under or with respect to the Servicing Agreement at the latest on the second Business Day after its due date, or, in the event no due date has been determined, within three (3) Business Days after the demand for payment.
2. The Servicer fails within five (5) Business Days to perform its material obligations (other than those referred to in paragraph 1 above) owed to the Issuer under or with respect to the Servicing Agreement.
3. Either the Seller or the Servicer is (i) overindebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or (ii) intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings), dissolution proceedings or any measure taken by the BaFin pursuant to Sections 45, 46 and 46b of the German Banking Act (*Gesetz über das Kreditwesen*), and, other than with respect to (i), the Seller or (as relevant) the Servicer fails to remedy such status within twenty (20) Business Days.
4. Either of the Seller or the Servicer is in breach of any of the covenants in relation to, *inter alia*, financial reporting, conduct of business, compliance with laws, rules, regulations, judgements, furnishing of information and inspection and keeping of records, the Credit and Collection Policy, tax, software and banking licences, prolongation or supplementation of Purchased Receivables, change of business policy, sales and liens as set out in the Receivables Purchase Agreement or any of the covenants set out in the Servicing Agreement.

5. A Servicer Termination Event (as defined in "— Servicing Agreement" below) has occurred.

*Instalment of new parts or replacement parts in Financed Vehicles*

If, after transfer of title to any Financed Vehicle to the Issuer, any new parts or any new replacement parts are installed into such Financed Vehicle and the Seller acquires title to or a co-ownership interest in such parts, the Seller will transfer such title or co-ownership interest by way of security to the Issuer and the Issuer will not be obliged to make any further payments in respect of such parts.

*Resale and Retransfer of Purchased Receivables*

If the Aggregate Outstanding Principal Amount is less than 10 % of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date, the Seller may demand from the Issuer the resale of all outstanding Purchased Receivables together with any Related Collateral which have not been sold to a third party.

Such resale and retransfer would occur on a Payment Date agreed upon by the Seller as repurchase date, be at the cost of the Seller and coincide with the early redemption of the Notes. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Early Redemption". The Seller may not demand any partial resale of Purchased Receivables. Such resale and retransfer would be for a repurchase price in an amount equal to the then current value of all then outstanding Purchased Receivables plus any interest accrued until and outstanding on such Payment Date and without any recourse against, or warranty or guarantee of, the Issuer. The repurchase and early redemption of the transaction will be excluded if the repurchase price determined by the Seller is not sufficient to fully satisfy the obligations of the Issuer under the Notes together with all amounts ranking prior to the Notes according to the Pre-Enforcement Priority of Payments. The Issuer will retransfer the Purchased Receivables (together with any Related Collateral) at the cost of the Seller to the Seller upon receipt (*Zug um Zug*) of the full repurchase price and all other payments owed by the Seller or the Servicer under the Receivables Purchase Agreement or the Servicing Agreement.

*Set-Off Reserve*

Pursuant to the Receivables Purchase Agreement, if a Set-Off Reserve Trigger Event occurs, the Seller will be required, within five (5) Business Days, to transfer the Set-Off Reserve Amount to a ledger of the Transaction Account (such ledger, the "**Set-Off Reserve Ledger**"). If the balance credited to the Set-Off Reserve Ledger as of any Cut-Off Date following the occurrence of a Set-Off Trigger Event is less than the Set-Off Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Set-Off Reserve Ledger on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Seller will be required within five (5) Business Days under the Receivables Purchase Agreement to transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Set-Off Reserve Ledger. "**Set-Off Reserve Amount**" means, (A) if the Seller has demonstrated as of any Cut-Off Date by a separate report to the Rating Agencies the actual amount of deposits held in current accounts with the Seller (a) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of the amounts which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds deposits in current accounts with the Seller, and are in each case equal to the lower of (i) the amount of deposits which, as of the relevant Cut-Off Date, are held in current accounts with the Seller by such Debtors and (ii) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Set-Off Reserve Trigger Event has occurred or is continuing, zero or (B) if the Seller has not demonstrated the actual amount of deposits to the Rating Agencies pursuant to (A) above, (a) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of (i) 0.25 % of the Aggregate Outstanding Principal Amount on the relevant Cut-Off Date, and (ii) the sum of the amounts which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds deposits in current accounts with the Seller which are Legacy Santander Consumer Bank AG Accounts, and are in each case equal to the lower of (x) the amount of deposits which, as of the relevant Cut-Off Date, are held in current accounts with the Seller on a Legacy Santander Consumer Bank AG Account, and (y) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date, or (b) if as of any Cut-Off Date no Set-Off Reserve Trigger Event has occurred or is continuing, zero. "**Legacy Santander Consumer Bank AG Account**" means any current account maintained by a Debtor with the Seller which was neither operated prior to 31 January 2011 (10:30 am CET) by SEB AG under its German private banking line (*Deutsches Privatkundengeschäft der SEB AG*), nor created (*eröffnet*) after 31 January 2011 (10:29 am CET) in local branches (*Filialen*) of the Seller which had been acquired by the Seller from SEB AG with effect of 31 January 2011 (10:30 am CET) (i.e. the local branches (*Filialen*) of the Seller

which had been operated prior to 31 January 2011 (10:30 am CET) by SEB AG under its German private banking line (*Deutsches Privatkundengeschäft der SEB AG*). The amounts, if any, standing to the credit of the Set-Off Reserve Ledger shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date were not received by the Seller as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections and (ii) the Issuer does not have a right of set-off against the Seller with respect to such amounts on the relevant Payment Date. On any Payment Date following the occurrence of a Set-Off Reserve Trigger Event, the Issuer pay to the Seller the Set-Off Reserve Excess Amount. "**Set-Off Reserve Excess Amount**" means, as of any Payment Date, the excess of the amounts standing to the credit of the Set-Off Reserve Ledger over the Set-Off Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 9 of the definition of Available Distribution Amount.

### **Servicing Agreement**

Pursuant to the Servicing Agreement between the Servicer, the Transaction Security Trustee and the Issuer, the Servicer has the right and duty to administer the Purchased Receivables and the Related Collateral, collect and, if necessary, enforce or otherwise realise the Purchased Receivables and foreclose on the Related Collateral and pay all proceeds to the Issuer.

#### *Servicer's Duties*

The Servicer acts as agent (*Beauftragter*) of the Issuer under the Servicing Agreement. The duties of the Servicer include the assumption of servicing, collection, administrative and enforcement tasks and specific duties set out in the Servicing Agreement (the "**Services**").

Under the Servicing Agreement, the Servicer will, *inter alia*:

- endeavour at its own expense to recover amounts due from the Debtors in accordance with the Credit and Collection Policy, see "CREDIT AND COLLECTION POLICY". The Issuer will assist the Servicer in exercising all rights and legal remedies from and in relation to the Purchased Receivables and the Related Collateral, as is reasonably necessary, yet will be reimbursed by the Servicer for any costs and expenses incurred;
- keep and maintain records, account books and documents in relation to the Purchased Receivables and the Related Collateral (including for tax purposes) in a manner such that these are easily distinguishable from those relating to other receivables in respect of which the Servicer is originator, servicer or depository, or otherwise;
- hold all Records relating to the Purchased Receivables in its possession in trust (*treuhänderisch*) for, and, to the order of, the Issuer;
- assist the Issuer in discharging any Related Collateral in respect of any Purchased Receivables which have been paid;
- exercise and preserve all rights of the Issuer under the Loan Contracts and if no payment under the relevant Purchased Receivable is made on the due date thereof, enforce such Purchased Receivable through court proceedings;
- enforce the Related Collateral in accordance with the terms of the Servicing Agreement and the Receivables Purchase Agreement and apply the enforcement proceeds to the relevant secured obligations, and, insofar as such enforcement proceeds are applied to Purchased Receivables and constitute Collections, pay such Collections to the Issuer; and
- make available on a monthly basis reports containing updated information with respect to the Portfolio to the Issuer, the Corporate Administrator, the Transaction Security Trustee, the Calculation Agent and the Rating Agencies.

The Servicer will administer the Portfolio in accordance with its respective standard procedures, set out in its credit and collection policies for the administration and enforcement of its own consumer loans and related collateral, subject to the provisions of the Servicing Agreement and the Receivable Purchase Agreement. In the administration and servicing of the Portfolio, the Servicer will exercise the due care and diligence of a prudent business man (*Sorgfalt eines ordentlichen Kaufmannes*) as if it was administering receivables on its own behalf. The Servicer will ensure that it has all required licences, approvals, authorisations, registrations and consents which are necessary or desirable for the performance of its duties under the Servicing Agreement.

Pursuant to the Servicing Agreement, the Servicer will not materially amend the Credit and Collection Policy unless (i) S&P has confirmed in writing that such amendment will not result in a downgrading, withdrawal or qualification of their ratings then currently assigned to any Class of Notes, (ii) each Rating Agency has been notified in writing of such amendment and (iii) unless the Issuer, the Seller (if different) and the Transaction Security Trustee have consented to such amendment in writing (such consent not to be unreasonably withheld and to be granted if S&P has given the aforementioned confirmation).

Under the Servicing Agreement, the Servicer will not be entitled to any fee or reimbursement of expenses as consideration for the performance of the Services. However, any fees, costs, charges and expenses, indemnity claims and other amounts payable by the Servicer to any agents appointed by it under the Servicing Agreement will be reimbursed by the Issuer to the Servicer in accordance with the Servicing Agreement and the Pre-Enforcement Priority of Payments.

#### *Commingling Reserve*

Pursuant to the Servicing Agreement, if, at any time as long as the Seller is the Servicer, a Commingling Reserve Trigger Event occurs, the Seller will be required, within fourteen (14) calendar days, to transfer the Commingling Reserve Amount to an account of the Issuer held with the Account Bank (the "**Commingling Reserve Account**"). If, at any time as long as the Seller is the Servicer, the balance credited to the Commingling Reserve Account as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event is less than the Commingling Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Commingling Reserve Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Servicer will be required, within fourteen (14) calendar days, under the Servicing Agreement to transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Commingling Reserve Account. "**Commingling Reserve Amount**" means, (a) as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event, an amount equal to the sum of (i) the amount of the Scheduled Collections for the period from the beginning of the Collection Period immediately following the relevant Cut-Off Date to the last Business Day of the second Collection Period after the relevant Cut-Off Date (both inclusive) and (ii) 2.5 % of the Aggregate Outstanding Note Principal Amount as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Commingling Reserve Trigger Event has occurred or is continuing, zero. "**Scheduled Collections**" means, with respect to any Collection Period, the amount of Collections scheduled to be received by the Servicer with respect to such Collection Period as reported by the Servicer for such Collection Period. "**Commingling Required Rating**" means, with respect to any entity, that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least F1 (or its replacement) by Fitch and where such entity has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch, P-1 (or its replacement) by Moody's and at least A-2 (or its replacement) by S&P (or, if S&P has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity, the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB+ (or its replacement) by S&P) and, in each case, any such rating has not been withdrawn, and (ii) such entity's long-term unsecured, unsubordinated and unguaranteed debt obligations are assigned a rating of at least A (or its replacement) by Fitch and any such rating has not been withdrawn and where such entity has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch. A "**Commingling Reserve Trigger Event**" will have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Commingling Required Rating (ii) Santander Consumer Finance, S.A. or (iii) S&P notifies each of the Seller, the Issuer, the Transaction Security Trustee and the Cash Administrator in writing that the Seller is no longer deemed eligible under the then current applicable rating criteria of S&P, ceases to own, directly or indirectly, at least 75 % of the share capital of the Seller unless in each case (i) and (ii) the Seller has the Commingling Required Rating. The amounts, if any, standing to the credit of the Commingling Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent the Seller has, on such Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B)(i) of the definition of

Deemed Collections) received or payable by the Seller during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date or if the appointment of the Servicer under the Servicing Agreement has been automatically terminated pursuant to the last paragraph of Clause 9.1 of the Servicing Agreement. On any Payment Date following the occurrence of a Commingling Reserve Trigger Event, the Issuer shall pay to the Seller any Commingling Reserve Excess Amount. "**Commingling Reserve Excess Amount**" means, as of any Payment Date, the excess of the amounts standing to the credit of the Commingling Reserve Account over the Commingling Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 8 of the definition of the Available Distribution Amount.

#### *Use of Third Parties*

The Servicer may, subject to certain requirements, delegate and sub-contract its duties in connection with the servicing and enforcement of the Purchased Receivables and/or foreclosure on the Related Collateral, provided that such third party has all licences, registrations and authorisations required for the performance of the servicing delegated to it, in particular any registration required under the German Legal Services Act (*Rechtsdienstleistungsgesetz*). In particular, the Servicer may appoint as agents for this purpose without prior written consent of the Issuer and the Transaction Security Trustee any wholly owned (direct or indirect) subsidiary of Banco Santander, S.A. or the Servicer which has its seat in Germany.

#### *Cash Collection Arrangements*

The Seller expects that the Debtors will continue to make all payments to the account of the Seller as provided in the Loan Contracts between each Debtor and the Seller and thereby obtain a valid discharge of their respective payment obligation. The Debtors will only receive notice of the sale and transfer of the relevant Purchased Receivables to the Issuer if a Notification Event has occurred (see "— Receivables Purchase Agreement — Notification of Assignment"), following receipt of which the Debtors shall make all payments to the Issuer to the Transaction Account in order to obtain valid discharge of their payment obligations.

Under the terms of the Servicing Agreement, the Collections received by the Servicer will be transferred on the Payment Date immediately following each Collection Period to the Transaction Account or as otherwise directed by the Issuer or the Transaction Security Trustee. Until such transfer, the Servicer will hold the Collections and any other amount received on trust (*treuhänderisch*) for the Issuer and will give directions to the relevant banks accordingly. All payments will be made free of all bank charges and costs as well as any tax for the recipient thereof.

#### *Information and Regular Reporting*

The Servicer will use all reasonable endeavours to safely maintain records in relation to each Purchased Receivable in computer readable form. The Servicer will notify to the Issuer and the Rating Agencies any material change in its administrative or operating procedures relating to the keeping and maintaining of records. Any such material change requires the prior consent of the Issuer.

The Servicing Agreement requires the Servicer to furnish at the latest on the second Business Day after the relevant Cut-Off Date the Monthly Report relating to the Collection Period ending on such Cut-Off Date to the Issuer, with a copy to the Corporate Administrator, the Calculation Agent, the Principal Paying Agent and the Cash Administrator, with respect to each Collection Period as well as certification that no Notification Event or Servicer Termination Event has occurred. Each Monthly Report will set out in detail, on an aggregate basis, the state of repayment and amounts outstanding on the Purchased Receivables, measures being taken to collect any overdue payments as well as details regarding all foreclosure proceedings in respect of any Related Collateral and the status, development and timing of such proceedings. The Servicer will, upon request, provide the Issuer with all additional information concerning the Purchased Receivables and the Related Collateral in which the Issuer has a legitimate interest, subject to the terms of the Servicing Agreement and protection of each Debtor's personal data. In the event that the Servicer has agreed with the respective Debtor to debt restructuring of a Purchased Receivable in accordance with the Credit and Collection Policy, the Servicer will not be obliged to report on, or, keep and maintain Records of, the waived principal and interest portions of such Purchased Receivable after the relevant settlement date.

Further, in accordance with the Servicing Agreement, the Servicer will prepare, on a monthly basis, an investor report (each, a "**Detailed Investor Report**") for each Collection Period which it will provide to the Issuer, the Corporate Administrator, the Transaction Security Trustee, the Cash Administrator, the Principal Paying Agent, the Calculation Agent and each Rating Agency no later than 12:00 noon (London time) on the third calendar day

prior to the Payment Date following the Cut-Off Date on which such Collection Period ends. Each Detailed Investor Report will comply with certain reporting standards agreed upon between the Issuer and True Sale International GmbH and Fitch grading criteria.

#### *Termination of Loan Contracts and Enforcement*

If a Debtor defaults on a Purchased Receivable, the Servicer will proceed in accordance with the Credit and Collection Policy. The Servicer will abide by the enforcement and realisation procedures as set out in the Receivables Purchase Agreement and Servicing Agreement. If the Related Collateral is to be enforced, the Servicer will take such measures as it deems necessary in its professional discretion to realise the Related Collateral.

The Servicer is obliged to terminate any Loan Contract in accordance with the Credit and Collection Policy. Where the Servicer fails to do so, the Servicer must compensate the Issuer for any damage caused for its failure to carry out such duly and timely termination such that the Issuer is placed in the same position as if the Servicer had complied with its obligation. The Servicer has undertaken not to agree with any Debtor to restrict such termination rights and will pay damages to the Issuer if it does not effect due and timely termination.

The Servicer will pay the portion of the enforcement proceeds to the Issuer which have been or are to be applied to the Purchased Receivables or the Issuer is otherwise entitled to in accordance with the Servicing Agreement.

#### *Termination of the Servicing Agreement*

Pursuant to the Servicing Agreement, the Issuer may at any time terminate the appointment of the Servicer and appoint a substitute servicer if a Servicer Termination Event has occurred, and/or notify or require the Servicer to notify the relevant Debtors of the assignment of the Purchased Receivables to the Issuer such that all payments in respect to such Purchased Receivables are to be made to the Issuer or a substitute servicer appointed by the Issuer if a Notification Event has occurred. Each of the following events constitute a "**Servicer Termination Event**":

1. The Servicer fails to make a payment due under the Servicing Agreement at the latest on the second Business Day after its due date, or, in the event no due date has been determined, within three (3) Business Days after the demand for payment, where such aggregate amount due is at least EUR 50,000.
2. Following a demand for performance the Servicer fails within five (5) Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in paragraph 1 above) owed to the Issuer under the Servicing Agreement.
3. Any of the representations and warranties made by the Servicer with respect to or under the Servicing Agreement or any Monthly Report or information transmitted is materially false or incorrect.
4. The Servicer is (i) over-indebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or (ii) intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings) or dissolution proceedings and, other than with respect to (i), the Servicer fails to remedy such status within twenty (20) Business Days.
5. The Servicer is in default with respect to any Material Payment Obligation owed to any third party for a period of more than five (5) calendar days.
6. The Servicer is in breach of any of the covenants set out in the Servicing Agreement.
7. Any licence, authorisation or registration of the Servicer required with respect to the Servicing Agreement and the Services to be performed thereunder is revoked, restricted or made subject to any conditions.
8. The Servicer is not collecting Purchased Receivables or Related Collateral pursuant to the Servicing Agreement or is no longer entitled or capable to collect the Purchased Receivables and the Related Collateral for practical or legal reasons.

9. At any time there is otherwise no person which holds any required licence, authorisation or registration appointed by the Issuer to collect the Purchased Receivables and the Related Collateral in accordance with the Servicing Agreement.
10. There are valid reasons to cause the fulfilment of material duties and material obligations under the Servicing Agreement or under the Loan Contracts or Related Collateral on the part of the Servicer or the Seller (acting in its capacity as the Servicer) to appear to be impeded.
11. The Servicer (to the extent that it is identical with the Seller) is in breach of any of the financial covenants set out in the Receivables Purchase Agreement.
12. A material adverse change in the business or financial conditions of the Servicer has occurred which materially affects its ability to perform its obligations under the Servicing Agreement.

Pursuant to the Servicing Agreement, the appointment of the Servicer is automatically terminated in the event that the Servicer is either overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) or the inability of the Servicer to pay its debts is imminent (*drohende Zahlungsunfähigkeit*) or if any measures under Section 21 of the German Insolvency Code or under Sections 45, 46 and 46b of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer.

The Servicer is only entitled to resign as Servicer under the Servicing Agreement for good cause (*aus wichtigem Grund*) and, if the Servicer is the Seller, upon outsourcing of the servicing and collection of the receivables and the related collateral in whole or in part by the Seller to a (direct or indirect) subsidiary of the Seller or of a parent of the Seller where such subsidiary constitutes any related enterprise in accordance with Section 15 of the German Stock Corporation Act (*Aktiengesetz*) in accordance with the Servicing Agreement.

The outgoing Servicer and the Issuer will execute such documents and take such actions as the Issuer may require for the purpose of transferring to the substitute servicer the rights and obligations of the outgoing Servicer, assumption by any substitute servicer of the specific obligations of substitute servicers under the Servicing Agreement and releasing the outgoing Servicer from its future obligations under the Servicing Agreement. Upon termination of the Servicing Agreement with respect to the Servicer and the appointment of a substitute servicer, the Servicer will transfer to any substitute servicer all Records and any and all related material, documentation and information. Any substitute servicer will have all required licences, authorisations and registrations, in particular, any registrations required under the German Legal Services Act (*Rechtsdienstleistungsgesetz*).

Any termination of the appointment of the Servicer or of a substitute servicer as well as the appointment of any new Servicer or new substitute servicer will be notified by the Issuer to the Rating Agencies, the Transaction Security Trustee and the Corporate Administrator and by the Principal Paying Agent, acting on behalf of the Issuer, to the Noteholders in accordance with the Terms and Conditions.

### **English Security Deed**

Pursuant to the English Security Deed, the Issuer has granted a security interest to the Transaction Security Trustee in respect of all present and future rights, claims and interests which the Issuer is or becomes entitled to from or in relation to the Interest Rate Swap Counterparty and/or any other party pursuant to or in respect of the Interest Rate Swap to the Transaction Security Trustee as security for the payment and/or discharge on demand of all monies and liabilities due by the Issuer to the Transaction Security Trustee. Such security interest will secure the Transaction Secured Obligations and the Transaction Security Trustee Claim. The English Security Deed is governed by the laws of England and Wales.

### **Subordinated Loan Agreement**

Pursuant to the Subordinated Loan Agreement, a committed credit facility was made available to the Issuer by the Subordinated Loan Provider. Pursuant to the terms of the Subordinated Loan Agreement, the Issuer has drawn amounts made available thereunder in one single drawdown on or before the Purchase Date which have been credited to the Reserve Fund in accordance with the Subordinated Loan Agreement. The Issuer is not entitled to make any drawings thereunder after the Note Issuance Date. As of the Note Issuance Date, the outstanding amount under the Subordinated Loan Agreement is expected to amount to EUR 30,000,000.00.

Principal amounts outstanding under the Subordinated Loan Agreement are only repayable if and to the extent the Required Reserve Amount is reduced in accordance with the Receivables Purchase Agreement.

The Subordinated Loan Provider has agreed in the Subordinated Loan Agreement for the benefit of the Seller not to have recourse against the Seller for any non-repayment of advances or any non-payment of interest under the Subordinated Loan Agreement which is caused by any Purchased Receivables having become Delinquent Receivables or Defaulted Receivables.

Pursuant to the Subordinated Loan Agreement, the Issuer is under no obligation to pay any amounts under the Subordinated Loan Agreement unless the Issuer has received funds which may be used to make such payment in accordance with the Pre-Enforcement Priority of Payments or, upon the occurrence of an Issuer Event of Default, the Post-Enforcement Priority of Payments. The Subordinated Loan Provider has also agreed in the Subordinated Loan Agreement not to take any corporate action or any legal proceedings regarding some or all of the Issuer's revenues or assets, and not to have any right to take any steps for the purpose of obtaining payment of any amounts payable to it under the Subordinated Loan Agreement by the Issuer.

### **Funding Loan Agreement**

Santander Consumer Finance, S.A. will make available to the Issuer under the Funding Loan Agreement an interest-bearing amortising funding loan (the "**Funding Loan**") which is not credit-linked to the Portfolio and will, subject to certain conditions, be disbursed on the Note Issuance Date to provide the Issuer with the funds necessary to pay certain amounts payable on the Note Issuance Date under the Transaction Documents (including, without limitation, the fees, costs and expenses payable on the Note Issuance Date to the Managers and to other parties in connection with the offer and sale of the Notes) and certain other costs. The Seller will pay the Issuer a fee (the "**Transaction Cost Fee**") on each Payment Date in accordance with the Receivables Purchase Agreement. The Transaction Cost Fee will not form part of the Available Distribution Amount. The Funding Loan will be repaid in eighteen (18) instalments on each Payment Date following the Note Issuance Date. The Funding Loan will be subject to partial repayment, early repayment or optional prepayment in specific circumstances and subject to certain conditions. All payment obligations of the Issuer under the Funding Loan constitute limited obligations to pay out only the amounts received by the Issuer from time to time in respect of the Transaction Cost Fee under the Receivables Purchase Agreement.

### **Data Trust Agreement**

Pursuant to the Data Trust Agreement the Data Trustee will keep data lists containing, *inter alia*, the names and addresses of the Debtors under the Purchased Receivables and of any third party which has provided security which forms part of the Related Collateral and the relevant account numbers relating to such Debtors and third parties providing security with respect to each Purchased Receivable, all of which forms part of the Collateral from time to time pursuant to the Transaction Security Agreement. The Seller is obliged to provide the Data Trustee at the latest on the Purchase Date with such data lists to ensure that, failing notification by the Seller of the assignment of the Purchased Receivables and the Related Collateral, the Transaction Security Trustee or the Issuer, as relevant, are at all times in a position to notify all relevant debtors in accordance with the provisions of the Receivables Purchase Agreement. The Data Trustee will release such lists to the Issuer or the Transaction Security Trustee if, *inter alia*, this is necessary for the Issuer to enforce the Issuer's claims in respect of the Related Collateral, the Seller directs it in writing to do so or the Data Trustee has been notified by either the Issuer or the Seller of the occurrence of certain events specified in the Receivables Purchase Agreement. In the event that insolvency proceedings are commenced with respect to the Issuer, the Data Trustee will deliver to the Transaction Security Trustee such data lists. If a substitute Servicer has been appointed, the relevant lists will be released to it.

### **Interest Rate Swap**

Pursuant to the Interest Rate Swap, the Issuer has hedged its interest rate exposure resulting from fixed rate interest revenue under the Purchased Receivables and floating rate interest obligations under the Notes. Under the Interest Rate Swap, on each Payment Date the Issuer will pay the Fixed Swap Rate applied to the Notional Amount on the first day of the Interest Period immediately preceding the relevant Payment Date (taking into account any amount of principal repaid by the Issuer under the Notes on such day) and the Interest Rate Swap Counterparty will pay a floating rate equal to EURIBOR as set by the Interest Rate Swap Counterparty in respect of the Interest Period immediately preceding such Payment Date, applied to the same Notional Amount. Payments under the Interest Rate Swap will be made on a net basis. The Interest Rate Swap will remain in full force until the earlier of (i) the Legal Maturity Date and (ii) the full redemption of all Notes.

Pursuant to the Interest Rate Swap, if and so long as the short-term or long-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty are assigned a rating lower than the Interest Rate Swap Counterparty Required Ratings (as defined below) or any such rating is withdrawn by any Rating Agency, then the Issuer has the right to terminate the Interest Rate Swap unless the Interest Rate Swap Counterparty, within fourteen (14) calendar days and at its own cost, posts collateral for its obligations in accordance with the provisions of the Credit Support Annex, and in addition, within fourteen (14) calendar days and at its own cost,

- (i) obtains a guarantee of its obligations under the Interest Rate Swap from a third party with the Interest Rate Swap Counterparty Required Ratings;
- (ii) transfers all of its rights and obligations under the Interest Rate Swap to a third party with the Interest Rate Swap Counterparty Required Ratings; or
- (iii) takes such other actions as a result of which the Class A Notes will be rated by the Rating Agencies at the same level as immediately prior to such event.

**"Interest Rate Swap Counterparty Required Ratings"** means that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty are assigned a rating of (x) at least F1 (or its replacement) by Fitch and where the Interest Rate Swap Counterparty has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch, (y) at least P-1 (or its replacement) by Moody's and (z) at least A-1 (or its replacement) by S&P, and (ii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty are assigned a rating of at least A (or its replacement) by Fitch and where the Interest Rate Swap Counterparty has only the minimum required Fitch rating, such Fitch rating has not been placed on rating watch negative by Fitch, and of least A by S&P, and, if Moody's has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty, of at least A2 (or its replacement) by Moody's and, if S&P has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty of at least A-1, of at least A+ (or its replacement) by S&P, and if S&P has not assigned a rating to the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty, the short-term, unsecured and unsubordinated debt obligations of the Interest Rate Swap Counterparty are rated at least A-1 by S&P.

Where the Interest Rate Swap Counterparty provides collateral in accordance with the provisions of the Credit Support Annex, such collateral or interest thereon will not form part of the Available Distribution Amount (other than enforcement proceeds from such collateral applied in satisfaction of termination payments due to the Issuer following the designation of an early termination date under the Interest Rate Swap).

The Interest Rate Swap is governed by the laws of England and Wales. Pursuant to the English Security Deed, the Issuer has created security in favour of the Transaction Security Trustee in all its present and future rights, claims and interests which the Issuer is now or becomes hereafter entitled to pursuant to or in respect of the Interest Rate Swap (see "— English Security Deed" above).

#### **Agency Agreement**

Pursuant to the Agency Agreement, the Principal Paying Agent, the EURIBOR Determination Agent and the Calculation Agent are appointed by the Issuer and each will act as agent of the Issuer to make certain calculations, determinations and to effect payments in respect of the Notes. In addition, the Cash Administrator is appointed by the Issuer under the Agency Agreement to act as its agent and will provide certain cash management services such as verifying the calculations undertaken by the Servicer relating to the payments to be effected on each Payment Date in accordance with the Transaction Documents and providing the Account Bank with payment instructions on behalf of the Issuer required to effect payments in respect of the Notes and any other payments in accordance with the Transaction Documents on each Payment Date. Further, the Cash Administrator will make each Detailed Investor Report provided to it by the Servicer publicly available on its website <https://gctinvestorreporting.bnymellon.com/Home.jsp>, by posting it on Bloomberg and by arranging for its publication on the website of True Sale International GmbH ([www.true-sale-international.de](http://www.true-sale-international.de)) without undue delay. The Cash Administrator will also prepare and provide, on a monthly basis, a cash management report which relates to the envisaged payments to be effected on the immediately succeeding Payment Date in accordance with the Transaction Documents to the Issuer, the Corporate Administrator, the Transaction Security Trustee, the Principal Paying Agent, the Calculation Agent, the EURIBOR Determination Agent and the Rating Agencies no later than on the third Business Day prior to the Payment Date to which such cash management

report relates. The functions, rights and duties of the Cash Administrator, the Principal Paying Agent and the Calculation Agent are set out in the Terms and Conditions as well as the Agency Agreement. See "TERMS AND CONDITIONS OF THE NOTES".

The Agency Agreement provides that the Issuer may terminate the appointment of any Paying Agent with regard to some or all of its functions with the prior written consent of the Transaction Security Trustee upon giving such Paying Agent not less than thirty (30) calendar days' prior notice. Any Paying Agent may at any time resign from its office by giving the Issuer and the Transaction Security Trustee not less than thirty (30) calendar days' prior notice, provided that at all times there shall be a Principal Paying Agent, a Calculation Agent, a Cash Administrator and an EURIBOR Determination Agent appointed. Any termination of the appointment of any Paying Agent and any resignation of such Paying Agent shall only become effective upon the appointment in accordance with the Agency Agreement of one or more banks or financial institutions as replacement agent(s) in the required capacity. The right to termination or resignation for good cause will remain unaffected. If no replacement agent is appointed within twenty (20) calendar days of any Paying Agent's resignation, then such Paying Agent may itself, subject to certain requirements, appoint such replacement agent in the name of the Issuer.

### **Subscription Agreement**

The Issuer and the Managers have entered into a Subscription Agreement under which each Manager has agreed to subscribe and pay for the Notes, subject to certain conditions. Each Manager has the right to all costs and expenses and certain representations, warranties and indemnities from the Issuer. See "SUBSCRIPTION AND SALE".

### **Corporate Administration Agreement**

Pursuant to a Corporate Administration Agreement the Corporate Administrator provides certain corporate and administrative functions to the Issuer. The duties of the Corporate Administrator include, *inter alia*, the following specific duties:

- (i) provision of the registered address for the Issuer;
- (ii) proposing to the Issuer at least two persons but not more than three persons that fulfil the criteria for managing directors set out in the articles of association (*Gesellschaftsvertrag*) of the Issuer to be appointed by the Issuer's shareholders' meeting as managing directors of the Issuer and if the appointment of any managing director has been revoked for any reason whatsoever and this Agreement has not been terminated at such time, proposing to the Issuer a person to be appointed by the Issuer's shareholders' meeting as a new managing director of the Issuer;
- (iii) assisting the managing directors of the Issuer in complying with their duties under statutory law and the articles of association of the Issuer;
- (iv) making available telephone, facsimile and post box facilities at the Issuer's registered address;
- (v) dealing with correspondence of the Issuer, including checking and filing and forwarding it to the respective contact persons;
- (vi) preparing and organising shareholders' meetings, preparing and circulating agendas and other documents or draft documents required at or in connection with such meetings, providing facilities for such meetings and keeping the minutes of such meetings;
- (vii) keeping and maintaining the Issuer's corporate files and maintaining the corporate records, including the list of shareholders and the minutes of the shareholders' meetings;
- (viii) mandating and supervising tax advisors to prepare tax returns and statutory financial statements;
- (ix) supervising matters related to the local registration with the commercial register;
- (x) mandating the managing directors of the Issuer to prepare the annual accounts of the Issuer;
- (xi) accounting for the Issuer, including, without limitation, the preparation of monthly statements according to German GAAP (*Generally Accepted Accounting Principles*) and IFRS (*International Financial Reporting Standards*), as relevant, and providing such monthly statements to the Seller or the Servicer (if

- different to the Seller) within three (3) Business Days after receipt of each Monthly Report from the Servicer in accordance with the Servicing Agreement;
- (xii) instructing and providing assistance to the auditors of the Issuer to carry out the audit of the annual accounts of the Issuer and, if required, filing such accounts with the relevant authorities;
  - (xiii) filing the Issuer's annual accounts and tax returns with the competent authorities;
  - (xiv) assisting the tax advisors and/or auditors of the Issuer to ensure that all application forms (including for extending the certificate issued by a competent German local tax authority confirming that there is no obligation to withhold any taxes (*Dauerüberzahlerbescheinigung*)) are filed with the competent German local tax authority and that the Issuer is registered for tax purposes with respect to all applicable German taxes and using all reasonable endeavours to ensure that the Issuer complies in all respects with its obligations in respect of any applicable taxes;
  - (xv) instructing the tax advisors to prepare the annual tax returns of the Issuer and providing to the tax advisors all information necessary to prepare such returns and submitting such returns together with the annual accounts to the competent German tax authorities;
  - (xvi) with the assistance of tax advisors if necessary, filing all applications for reverse VAT and undertaking all subsequent monthly VAT filings, if applicable;
  - (xvii) being responsible for the administrative monitoring of each Account, including:
    - (aa) ensuring that the Issuer complies with its obligations under the agreements entered into by it in relation to each Account;
    - (bb) performing all its duties under the Accounts Agreement with respect to each Account; and
    - (cc) neither creating nor permitting the creation of any security interest in the name of the Issuer over or in relation to the assets of the Issuer, other than as provided by the Transaction Documents;
  - (xviii) notifying each of the Issuer and the Transaction Security Trustee without undue delay if the Corporate Administrator attains actual knowledge that the rating of the Account Bank is withdrawn or falls under any of the Required Ratings of the Account Bank;
  - (xix) co-ordinating and facilitating the preparation and issuance by the Issuer of and, if requested, drafting all notices, acknowledgements, consents and demands which the Issuer is required to provide or issue under the Transaction Documents and undertaking all other obligations required of it under the Transaction Documents;
  - (xx) assisting the Issuer with and facilitating the identification of a suitable substitute servicer if the appointment of the Servicer under the Servicing Agreement is terminated and such termination is not due to the outsourcing of the servicing and collection of receivables and related collateral to a new direct or indirect subsidiary of the Seller or of a parent of the Seller;
  - (xxi) providing the services necessary to procure that the Issuer complies with (aa) its obligations under the German Money Laundering Act (*Gesetz über das Aufspüren von Gewinnen aus schweren Straftaten – Geldwäschegesetz*), to the extent applicable and (bb) any other obligations under applicable law;
  - (xxii) undertaking quarterly statistical reporting to the German central bank (*Deutsche Bundesbank*) based on the respective reporting received by it from the Servicer (enclosure S1/P1 of their reporting to the German central bank);
  - (xxiii) undertaking monthly reporting to the German central bank (*Deutsche Bundesbank*) with respect to cross-border payments (*AWV-Meldungen*);
  - (xxiv) acting as process agent on behalf of the Issuer in the Federal Republic of Germany;
  - (xxv) providing all other services as are incidental to the above corporate services and as are from time to time agreed with the Issuer in connection with the transaction contemplated by the Transaction Documents; and

(xxvi) providing such further corporate administration services as may be required by the Issuer from time to time subject to the fees chargeable by the Corporate Administrator in accordance with the Corporate Administration Agreement.

Each party to the Corporate Administration Agreement may terminate such agreement or any part thereof for good cause (*aus wichtigem Grund*) and, if possible, give the other party and the Transaction Security Trustee not less than thirty (30) calendar days' prior notice thereof. The Issuer may, with the prior written consent of the Transaction Security Trustee, terminate the appointment of the Corporate Administrator under the Corporate Administration Agreement by giving the Corporate Administrator not less than thirty (30) calendar days' prior notice of such termination. The Corporate Administrator may at any time resign from its office by giving the Issuer and the Transaction Security Trustee not less than thirty (30) calendar days' prior notice.

Any such resignation shall become effective only upon (i) the appointment by the Issuer, with the prior written consent of the Transaction Security Trustee, of another entity (the "**New Corporate Administrator**") and (ii) the giving of prior notice of such appointment to the Noteholders in accordance with Condition 13 (*Form of Notices*) of the Terms and Conditions. If the Issuer fails to appoint a New Corporate Administrator within ten (10) calendar days after receipt of the resignation notice given by the Corporate Administrator in accordance with item (b) above, then the resigning Corporate Administrator may appoint such New Corporate Administrator in the name and for the account of the Issuer by giving (i) prior notice of such appointment to the Noteholders in accordance with Condition 13 (*Form of Notices*) of the Terms and Conditions and (ii) at least fifteen (15) calendar days' prior notice of such appointment to the Issuer and the Transaction Security Trustee in accordance with the Corporate Administration Agreement.

In the event the Corporate Administrator resigns from office in accordance with the Corporate Administration Agreement without good cause (*ohne wichtigen Grund*) or the Issuer terminates the appointment of the Corporate Administrator due to its conduct constituting good cause (*wichtiger Grund*) for termination, the Corporate Administrator shall bear all costs and expenses directly associated with the appointment of a New Corporate Administrator (including the costs of all required publications and legal fees, if any).

Upon the termination or resignation of the Corporate Administrator becoming effective, the Corporate Administrator shall deliver to the Issuer, as it shall direct, all books of accounts, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of or belonging to the Issuer, any original contracts and/or Transaction Documents, any monies then held by the Corporate Administrator on behalf of the Issuer and any other assets of the Issuer and shall take such further action as the Issuer may reasonably direct.

At any time following the appointment of a New Corporate Administrator in accordance with the terms of the Corporate Administration Agreement, the Corporate Administrator shall:

- (i) provide to the New Corporate Administrator all such information available to the Corporate Administrator as the New Corporate Administrator may reasonably require for the purposes of performing the functions of corporate administrator under the Corporate Administration Agreement;
- (ii) take such further action within its power with regard to the appointment of a New Corporate Administrator as the Issuer or the Transaction Security Trustee may reasonably request; and
- (iii) not take any action which would be likely to have a material adverse effect on the ability of the New Corporate Administrator to perform its obligations under the Corporate Administration Agreement.

## Expected Maturity and Average Life of Notes and Assumptions

The expected average life of the Class A Notes and the Class B Notes cannot be predicted as the actual rate at which the Purchased Receivables will be repaid and a number of other relevant factors are unknown.

Calculated estimates as to the expected average life of the Class A Notes and the Class B Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations are made that such estimates are accurate, that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised.

The table below shows the expected average life of the Class A Notes and the Class B Notes based on the following assumptions:

- (a) that the Purchased Receivables are subject to a constant rate of prepayment as shown in the column entitled "Constant Prepayment Rate" in the table below;
- (b) that no Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy;
- (c) that the Notes are issued on the Note Issuance Date of 23 September 2011;
- (d) that no Purchased Receivables become delinquent;
- (e) that the 10 % clean-up call option will be exercised in accordance with the Receivables Purchase Agreement and Condition 7.4 (*Early Redemption*) of the Terms and Conditions;
- (f) that the cumulative gross loss is 2.7 % of the initial Aggregate Outstanding Principal Amount;
- (g) that the recoveries amount to 40 % of the Outstanding Principal Amount of each Purchased Receivable which has become a Defaulted Receivable with a recovery time of zero months; and
- (h) that the sum of (i) the weighted interest margin of (y) the Class A Notes and (z) the Class B Notes, (ii) the Fixed Swap Rate and (iii) the senior expenses amount to 3.2 % of the Aggregate Outstanding Principal Amount.

Constant Prepayment Rate in %	Expected Average Life (years)	Class A Notes			Class B Notes	
		First Principal Payment Date	Expected Maturity	Expected Average Life (years)	First Principal Payment Date	Expected Maturity
0.00	2.36	Oct 2011	May 2016	4.67	May 2016	May 2016
7.00	2.08	Oct 2011	Feb 2016	4.42	Feb 2016	Feb 2016
12.00	1.90	Oct 2011	Nov 2015	4.17	Nov 2015	Nov 2015
17.00	1.75	Oct 2011	Sep 2015	4.00	Sep 2015	Sep 2015

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

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

## Description of the Portfolio

The Portfolio consists of the Purchased Receivables arising under the Loan Contracts and the Related Collateral, originated by the Seller pursuant to the Credit and Collection Policy. See "CREDIT AND COLLECTION POLICY". The Purchased Receivables included in the Portfolio are derived from a portfolio of loans to retail customers to finance the purchase of Financed Vehicles and were acquired by the Issuer pursuant to the Receivables Purchase Agreement. The Aggregate Outstanding Principal Amount as of the close of business (in Mönchengladbach) on 31 August 2011 was EUR 599,999,999.83.

The Seller has made, *inter alia*, the following representations and warranties with respect to the Portfolio under the Receivables Purchase Agreement to the Issuer:

- (a) On the Purchase Date any Receivable offered for purchase is an Eligible Receivable.
- (b) All the Loan Contracts are legally valid, binding, enforceable and assignable and that all Loan Contracts were entered into with respect to a Financed Vehicle registered in Germany title to which has been transferred by the relevant Debtor to the Seller as Related Collateral.
- (c) There exists in respect of each Receivable offered for sale and assignment to the Issuer under the Receivables Purchase Agreement the Related Collateral contemplated in the relevant Loan Contract.
- (d) In the event that it is agreed in the relevant Loan Contract that a comprehensive insurance policy (*Kaskoversicherung*) will be entered into, the respective Debtors have to enter into comprehensive insurance policies (*Kaskoversicherungen*) for the relevant Financed Vehicles which will continue to exist for the term of the Loan Contract. The Seller will, upon request of the Issuer, prove the existence of any such comprehensive insurance policy (*Kaskoversicherung*) and the compliance with any relevant notification or consent requirement applying to the assignment thereof to the Issuer under the Receivables Purchase Agreement.
- (e) Upon the payment of the purchase prices for the Receivables and the Related Collateral on the Purchase Date under the Receivables Purchase Agreement the Issuer will acquire the ownership of each Purchased Receivable assigned on the Purchase Date and the Related Collateral contemplated in the relevant Loan Contract free and clear of any Adverse Claim.
- (f) Neither the Purchased Receivables, the Related Collateral nor the claim for payment of Collections by the Servicer and the Seller to the Issuer is collateralised by a security interest in German-*situs* real property, or rights therein, or in ships, or rights in ships, registered in a German ship registry, or is evidenced by a security, such as a registered or bearer bond.

## Eligibility Criteria

As of the Note Issuance Date, the following criteria (the "**Eligibility Criteria**") must have been met by the Receivables to be eligible for acquisition by the Issuer pursuant to the Receivables Purchase Agreement. The Eligibility Criteria constitute Appendix C to the Terms and Conditions and form an integral part of the Terms and Conditions.

A Receivable is an Eligible Receivable if it and any part thereof meets the following conditions:

1. The Receivable
  - (i) was originated in the ordinary course of business of the Seller in accordance with the Credit and Collection Policy of the Seller and is based on the applicable general terms and conditions of business of the Seller;
  - (ii) was originated on or after 11 June 2010;
  - (iii) is denominated and payable in euro;
  - (iv) the Loan Contract under which it arises has not been terminated;
  - (v) the loan facility under the relevant Loan Contract has been fully drawn by the relevant Debtor;
  - (vi) the Loan Contract under which it arises has a minimum remaining term of one (1) month and a maximum remaining term of eighty-four (84) months, and its original term has not been greater than ninety (90) months; and
  - (vii) has a fixed interest rate and is fully amortising through payment of constant monthly instalments (except for the first instalment and the final instalment payable under the relevant Loan Contract which may differ from the monthly instalments payable for subsequent or previous months).
2. The Receivable exists and constitutes legally valid, binding and enforceable obligations of the respective Debtor and is not subject to any right of revocation (*Anfechtungsrecht*), set-off or counter-claim or warranty claims of the Debtor and no other right of objection, irrespective of whether the Issuer knew or could have known of the existence of objections, defences or counter-rights.
3. The Receivable may be segregated and identified at any time for purposes of ownership and Related Collateral in the electronic files of the Seller and such electronic files and the relating software is able to provide the information to be included in the offer with respect to such Receivables and Related Collateral pursuant to the Receivables Purchase Agreement.
4. The Receivable arises under the Loan Contract which relates to the acquisition by the Debtor of the relevant Financed Vehicle and any Insurance Agreement entered into by such Debtor in respect thereof and is secured by such Financed Vehicle and at the time of sale and assignment of the relevant Receivable and of the Related Collateral the Seller has no direct possession (*unmittelbaren Besitz*) but indirect possession (*mittelbaren Besitz*) to and a valid claim for return of (*Herausgabeanspruch*) such Financed Vehicle.
5. The Receivable is owed by a person who is a consumer (*Verbraucher*) within the meaning of Section 491(1) of the German Civil Code (*Bürgerliches Gesetzbuch*), and the Seller has fully complied with any applicable consumer legislation with respect to such Receivable as of the date when it was originated, in particular (i) those Sections of the German Civil Code and the Introductory Act to the German Civil Code (*Einführungsgesetz zum Bürgerlichen Gesetzbuch*) (collectively, the "**Distance Marketing Provisions**"), which relate to distance marketing of consumer financial services (*Fernabsatzverträgen bei Finanzdienstleistungen*) and (ii) those Sections of the German Civil Code which relate to consumer loan contracts (*Verbraucherdarlehensverträge*), and any applicable right of withdrawal (*Widerrufsrecht/Widerspruchsrecht*) or right to return (*Rückgaberecht*) of such Debtor with respect to the relevant Loan Contract or the relevant Financed Vehicle has irrevocably lapsed, provided that no Loan Contract under which a Receivable arises and to which the Distance Marketing Provisions

apply constitutes a loan agreement that is associated with another agreement (*verbundener Vertrag*) within the meaning of the applicable provisions of the German Civil Code (other than any Insurance Agreement in respect of the relevant Financed Vehicle).

6. The Receivable is not, as of the Purchase Date (with respect to any Loan Instalments under the relevant Loan Contract), a Delinquent Receivable (and for the avoidance of doubt it is hereby agreed that any return of any amounts received by the Seller or the Servicer by way of direct debit (*Lastschrift*) to the relevant Debtor or intermediary credit institution because of a return of such direct debit (*Rücklastschrift*) shall not render the relevant Receivable to be an ineligible Receivable *ab initio* if, but only if, such Debtor has objected (*widersprechen*) to such direct debit within six weeks of such debit), Defaulted Receivable or Disputed Receivable, and in particular the Debtor has not yet terminated or threatened to terminate the relevant Loan Contract, in each of the foregoing cases with respect to any Loan Instalment under the relevant Loan Contract and it is payable by a Debtor which is not the Debtor of any Defaulted Receivable. No breach of any obligation under any agreement (except for the obligation to pay) of any party exists with respect to the Receivable, the Seller has fully complied with its obligations under the Loan Contract and the supplier of the related Financed Vehicle has fully complied with its obligations under the relevant supply contract and any other relevant agreement with the Debtor and no warranty claims of the Debtor exist against such supplier under the relevant supply contract or other agreement.
7. The Receivable is a claim which can be transferred by way of assignment without the consent of the related Debtor and which shall be validly transferred, together with the Related Collateral, to the Issuer in the manner contemplated by the Receivables Purchase Agreement.
8. The Receivable is a Receivable (including any part thereof, the related Financed Vehicle and the other Related Collateral) to which the Seller is fully entitled, free of any rights of any third party, over which the Seller may freely dispose and in respect of which the Issuer will, upon acceptance of the offer for the purchase of such Receivable as contemplated in the Receivables Purchase Agreement, acquire the title unencumbered by any counterclaim, set-off right, other objection and Adverse Claims (other than those of the Debtor under the related Loan Contract); in particular, such Receivable (and the Related Collateral) has not been assigned to any third party for refinancing and has been documented in a set of documents which designates the Financed Vehicle, the acquisition costs thereof, the related Debtor, the Loan Instalments, the applicable interest rate, the initial due dates and the term of the Loan Contract.
9. The Receivable has been created in compliance with all applicable laws, rules and regulations (in particular with respect to consumer protection and data protection) and all required consents, approvals and authorisations have been obtained in respect thereof and neither the Seller nor the Debtor are in violation of any such law, rule or regulation.
10. The Receivable is subject to German law.
11. The assignment of the Receivable does not violate any law or agreements (in particular with respect to consumer protection and data protection) to which the Seller is bound. Following the assignment of the Receivable and Related Collateral, such Receivable and the Related Collateral shall not be available to the creditors of the Seller on the occasion of any insolvency of the Seller.
12. At least two (2) due Loan Instalments have been fully paid for the Receivable prior to the Purchase Date.
13. The Receivable together with all other Purchased Receivables does not exceed any Concentration Limit on the Purchase Date. "**Concentration Limit**" shall mean each of the following requirements:
  - (i) On the Purchase Date, the sum of the Outstanding Principal Amount of the Receivable and the Aggregate Outstanding Principal Amount of all other Purchased Receivables owed by the Debtor owing the Receivable does not exceed EUR 150,000.
  - (ii) On the Purchase Date, the weighted average interest rate of the Receivable and all other Purchased Receivables is at least equal to 5.9 % per annum.
  - (iii) In the event that the Receivable relates to a Financed Vehicle which is not a Used Vehicle, on the Purchase Date, the ratio (expressed as a percentage) of the aggregate Principal Amounts of the Receivable and all other Purchased Receivables which relate to Financed Vehicles which are not

Used Vehicles in relation to the aggregate Principal Amounts of the Receivable and all other Purchased Receivables is at least equal to 40 %. "**Used Vehicle**" shall mean any Financed Vehicle the date of purchase of which by the relevant Debtor was later than 12 months after the date of first registration (*Tag der Erstzulassung*) of such Financed Vehicle.

- (iv) On the Purchase Date, the weighted average remaining term of the Loan Contracts relating to all Purchased Receivables does not exceed fifty-one (51) months.
  - (v) On the Purchase Date, the aggregate Principal Amounts of all Purchased Receivables which arise under balloon loans does not exceed 35 % of the aggregate Principal Amounts of all Purchased Receivables. A "**balloon loan**" is a loan where the final payment due is higher than any of the previous loan instalments payable by the relevant Debtor.
14. The Receivable is due from a Debtor who is either a private individual resident in Germany or a self-employed individual resident in Germany.
  15. The Receivable is due from a Debtor who is not insolvent or bankrupt (*zahlungsunfähig*, including imminent inability to pay its debts (*drohende Zahlungsunfähigkeit*)) or over-indebted (*überschuldet*) and against whom no proceedings for the commencement of insolvency proceedings are pending in any jurisdiction.
  16. The Receivable is not due from a Debtor who is either an employee or an officer of Santander Consumer Bank AG.
  17. The Receivable is not due from a Debtor who holds a deposit on a current account with Santander Consumer Bank AG.

## Information Tables Regarding the Portfolio

The following statistical information sets out certain characteristics of the Purchased Receivables as of 31 August 2011, unless indicated otherwise. The information set out below in respect of the provisional Portfolio may not necessarily correspond to that of the Purchased Receivables as of the Note Issuance Date. After the Note Issuance Date, the Portfolio will change from time to time as a result of repayment, prepayments or repurchase of Purchased Receivables.

### 1. Original Principal Balance

<i>Original Principal Balance (Ranges in EUR)</i>	<i>Original Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
0: 999	47,022.92	0.01%	56	0.10%
1000: 1999	1,009,836.50	0.15%	625	1.07%
2000: 2999	4,710,493.13	0.70%	1,850	3.16%
3000: 3999	10,740,000.03	1.60%	3,076	5.25%
4000: 4999	16,956,881.58	2.53%	3,779	6.45%
5000: 5999	23,809,703.93	3.55%	4,342	7.41%
6000: 6999	27,282,529.27	4.07%	4,195	7.16%
7000: 7999	29,760,238.47	4.44%	3,965	6.76%
8000: 8999	33,054,329.69	4.93%	3,889	6.64%
9000: 9999	32,984,430.15	4.92%	3,472	5.92%
10000:10999	38,644,276.30	5.76%	3,690	6.30%
11000:11999	32,130,287.86	4.79%	2,795	4.77%
12000:12999	30,421,497.18	4.54%	2,434	4.15%
13000:13999	28,570,493.21	4.26%	2,118	3.61%
14000:14999	27,157,841.62	4.05%	1,872	3.19%
15000:15999	25,749,753.60	3.84%	1,659	2.83%
16000:16999	35,502,351.07	5.29%	2,149	3.67%
17000:17999	39,434,949.02	5.88%	2,255	3.85%
18000:18999	36,448,839.69	5.43%	1,972	3.36%
19000:19999	33,476,138.15	4.99%	1,718	2.93%
20000:20999	28,718,221.03	4.28%	1,404	2.40%
21000:21999	23,703,054.29	3.53%	1,104	1.88%
22000:22999	19,793,487.13	2.95%	880	1.50%
23000:23999	16,120,244.53	2.40%	687	1.17%
24000:24999	12,948,744.18	1.93%	529	0.90%
25000:25999	11,727,380.69	1.75%	461	0.79%
26000:26999	9,584,041.77	1.43%	362	0.62%
27000:27999	7,003,845.91	1.04%	255	0.44%
28000:28999	5,888,796.87	0.88%	207	0.35%
29000:29999	4,871,475.79	0.73%	165	0.28%
30000:30999	4,081,479.57	0.61%	134	0.23%
31000:31999	2,927,985.00	0.44%	93	0.16%
32000:32999	2,664,930.13	0.40%	82	0.14%
33000:33999	2,141,862.80	0.32%	64	0.11%
34000:34999	2,134,565.61	0.32%	62	0.11%
35000:35000	385,000.00	0.06%	11	0.02%
35001:	8,187,982.99	1.22%	202	0.34%
<b>Total</b>	<b>670,774,991.66</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

<b>Statistics</b>	<b>in EUR</b>
Average Amount	11,444.13

## 2. Current Principal Balance

<i>Current Principal Balance (Ranges in EUR)</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
0: 999	327,795.63	0.05%	512	0.87%
1000: 1999	2,612,218.59	0.44%	1,661	2.83%
2000: 2999	7,840,548.38	1.31%	3,094	5.28%
3000: 3999	14,033,341.62	2.34%	3,989	6.81%
4000: 4999	19,541,664.71	3.26%	4,329	7.39%
5000: 5999	23,612,921.23	3.94%	4,296	7.33%
6000: 6999	27,697,396.42	4.62%	4,265	7.28%
7000: 7999	30,424,743.97	5.07%	4,056	6.92%
8000: 8999	32,505,688.03	5.42%	3,826	6.53%
9000: 9999	33,033,419.69	5.51%	3,480	5.94%
10000:10999	30,836,034.28	5.14%	2,941	5.02%
11000:11999	27,859,098.01	4.64%	2,428	4.14%
12000:12999	26,834,081.31	4.47%	2,149	3.67%
13000:13999	25,205,637.51	4.20%	1,868	3.19%
14000:14999	22,296,042.16	3.72%	1,540	2.63%
15000:15999	34,588,511.72	5.76%	2,219	3.79%
16000:16999	41,445,471.23	6.91%	2,515	4.29%
17000:17999	35,713,438.13	5.95%	2,042	3.48%
18000:18999	29,774,383.49	4.96%	1,611	2.75%
19000:19999	24,617,815.52	4.10%	1,265	2.16%
20000:20999	20,060,804.60	3.34%	979	1.67%
21000:21999	16,920,450.15	2.82%	787	1.34%
22000:22999	13,736,735.82	2.29%	611	1.04%
23000:23999	11,895,293.94	1.98%	506	0.86%
24000:24999	8,577,298.13	1.43%	350	0.60%
25000:25999	7,007,180.70	1.17%	275	0.47%
26000:26999	5,430,039.27	0.91%	205	0.35%
27000:27999	4,721,510.32	0.79%	172	0.29%
28000:28999	4,044,389.32	0.67%	142	0.24%
29000:29999	3,124,912.58	0.52%	106	0.18%
30000:30999	2,412,346.12	0.40%	79	0.13%
31000:31999	1,893,247.43	0.32%	60	0.10%
32000:32999	1,656,644.12	0.28%	51	0.09%
33000:33999	1,370,244.00	0.23%	41	0.07%
34000:34999	998,442.46	0.17%	29	0.05%
35001:	5,350,209.24	0.89%	134	0.23%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

<b>Statistics</b>	<b>in EUR</b>
Average Amount	10,236.64

### 3. Borrower Concentration

No	Current Principal Balance in EUR	Percentage of Total Balance	Number of Loans
1	64,612.43	0.0108%	1
2	54,385.13	0.0091%	1
3	54,200.47	0.0090%	1
4	54,116.59	0.0090%	1
5	52,500.34	0.0088%	1
6	52,186.29	0.0087%	1
7	51,710.16	0.0086%	1
8	49,965.14	0.0083%	1
9	49,868.03	0.0083%	2
10	49,858.03	0.0083%	1
11	49,408.74	0.0082%	1
12	49,033.64	0.0082%	1
13	48,970.38	0.0082%	1
14	48,907.47	0.0082%	1
15	48,362.26	0.0081%	1
16	48,288.79	0.0080%	1
17	47,373.41	0.0079%	2
18	46,151.76	0.0077%	1
19	45,895.58	0.0076%	1
20	45,852.21	0.0076%	2
21	45,690.06	0.0076%	1
22	45,594.42	0.0076%	1
23	45,439.20	0.0076%	2
24	45,260.78	0.0075%	1
25	45,113.93	0.0075%	1
<b>1,238,745.24</b>	<b>0.2065%</b>	<b>29</b>	

### 4. Geographical Distribution

State	Current Principal Balance in EUR	Percentage of Total Balance	Number of Loans	Percentage of Total Loans
Baden-Württemberg	54,102,444.68	9.02%	5,131	8.75%
Bayern	59,780,773.83	9.96%	5,662	9.66%
Berlin	13,748,839.88	2.29%	1,423	2.43%
Brandenburg	37,318,499.75	6.22%	3,726	6.36%
Bremen	3,082,262.41	0.51%	323	0.55%
Hamburg	7,242,174.82	1.21%	711	1.21%
Hessen	38,529,984.95	6.42%	3,582	6.11%
Mecklenburg-Vorpommern	27,863,865.35	4.64%	2,767	4.72%
Niedersachsen	59,708,214.26	9.95%	5,865	10.01%
Nordrhein-Westfalen	105,207,742.06	17.53%	10,151	17.32%
Rheinland-Pfalz	26,028,975.00	4.34%	2,456	4.19%
Saarland	6,981,540.41	1.16%	722	1.23%
Sachsen	47,611,929.23	7.94%	5,010	8.55%
Sachsen-Anhalt	46,469,294.40	7.74%	4,648	7.93%
Schleswig-Holstein	22,731,801.85	3.79%	2,253	3.84%
Thüringen	43,591,656.95	7.27%	4,183	7.14%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

## 5. Object Type

<i>Car type</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
New Vehicle	240,004,995.41	40.00%	22,655	38.65%
Used Vehicle	359,995,004.42	60.00%	35,958	61.35%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

<i>Object Type</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
Car	575,583,346.13	95.93%	54,664	93.26%
Motorbike	18,406,615.76	3.07%	3,503	5.98%
Leisure	6,010,037.94	1.00%	446	0.76%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

## 6. Insurance Coverage

<i>Payment Protection Insurance</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
No	217,876,716.69	36.31%	21,067	35.94%
Yes	382,123,283.14	63.69%	37,546	64.06%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

<i>Gap Insurance</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
No	480,491,965.31	80.08%	48,462	82.68%
Yes	119,508,034.52	19.92%	10,151	17.32%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

## 7a. Type of Loan

<i>Contracts with Balloon Payments</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
No	396,932,584.27	66.16%	44,843	76.51%
Yes	203,067,415.56	33.84%	13,770	23.49%
- of which balloon rates	102,489,400.07	17.08%		
- of which regular installments	100,578,015.49	16.76%		
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

## 7b. Balloon Loans according to Original Term

<i>Original Term in Months</i>	<i>Balloon Loans Principal in EUR</i>	<i>Balloon Rates in % of Total Current Outstanding</i>	<i>Number of Loans</i>	<i>Balloon Rates in % of Total Balloon Loans</i>
0:12	330,947.75	0.33%	46	0.34%
13:25	4,341,137.42	4.34%	510	3.75%
26:38	18,923,596.33	18.92%	2,412	17.74%
39:51	38,805,135.21	38.80%	5,431	39.95%
52:64	37,568,603.00	37.56%	5,195	38.21%
65:72	44,414.80	0.04%	2	0.01%
73:	14,406.40	0.01%	2	0.01%
<b>Total</b>	<b>102,489,400.07</b>	<b>100.00%</b>	<b>13,770</b>	<b>100.00%</b>

## 7c. Balloon Loans according to Remaining Term

<i>Remaining Term in Months</i>	<i>Balloon Loans Principal in EUR</i>	<i>Balloon Rates in % of Total Current Outstanding</i>	<i>Number of Loans</i>	<i>Balloon Rates in % of Total Balloon Loans</i>
0:12	1,674,968.64	1.63%	213	1.55%
13:25	9,223,913.15	9.00%	1,144	8.31%
26:38	30,304,023.99	29.57%	4,054	29.44%
39:51	37,895,806.27	36.98%	5,149	37.39%
52:64	23,390,688.02	22.82%	3,210	23.31%
<b>Total</b>	<b>102,489,400.07</b>	<b>100.00%</b>	<b>13,770</b>	<b>100.00%</b>

## 8. Method of Payment

<i>Payment Method</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
Direct Debit	598,076,899.88	99.68%	58,428	99.68%
Other	1,923,099.95	0.32%	185	0.32%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

<i>Cycle of Payment</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
15th of month	286,297,109.40	47.72%	27,948	47.68%
1st of month	313,702,890.43	52.28%	30,665	52.32%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

## 9. Downpayment

<i>Downpayment and Purchase Price</i>	<i>All contracts</i>	<i>Contracts with downpayment</i>
Weighted average downpayment	3,634.67	5,074.53
Average purchase price	14,431.58	15,432.80
Minimum Downpayment		100.00
Maximum Downpayment		69,520.00
<b>Downpayment in %</b>	<b>25.19%</b>	<b>32.88%</b>

<i>Down Payment</i>	<i>Original Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>	<i>Downpayment / Purchase price in %</i>
No Down Payment	191,254,892.37	31.88%	16,631	28.37%	0.00%
<= 1.000	20,207,365.02	3.37%	2,694	4.60%	6.63%
1.000,01 - 2.000,00	50,831,025.83	8.47%	5,828	9.94%	12.33%
2.000,01 - 3.000,00	60,727,117.66	10.12%	6,322	10.79%	18.23%
3.000,01 - 4.000,00	52,674,987.04	8.78%	5,284	9.02%	23.51%
4.000,01 - 5.000,00	40,202,630.48	6.70%	4,005	6.83%	28.48%
5.000,01 - 6.000,00	45,545,177.61	7.59%	4,374	7.46%	31.81%
6.000,01 - 7.000,00	29,246,479.47	4.87%	2,834	4.84%	36.15%
7.000,01 - 8.000,00	21,887,381.08	3.65%	2,151	3.67%	39.84%
8.000,01 - 9.000,00	18,677,619.69	3.11%	1,838	3.14%	42.85%
9.000,01 - 10.000,00	11,494,022.02	1.92%	1,114	1.90%	45.30%
10.000,01 - 11.000,00	20,070,494.36	3.35%	1,813	3.09%	45.75%
11.000,01 - 12.000,00	6,597,552.54	1.10%	664	1.13%	51.12%
12.000,01 - 13.000,00	6,640,015.32	1.11%	684	1.17%	53.48%
13.000,01 - 14.000,00	4,622,516.80	0.77%	478	0.82%	55.31%
14.000,01 - 15.000,00	3,541,591.91	0.59%	363	0.62%	57.29%
> 15.000,00	15,779,130.63	2.63%	1,536	2.62%	61.83%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>	<b>25.19%</b>

## 10. Yield

<i>Yield Range</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
2: 2	3,265,413.32	0.54%	260	0.44%
3: 3	51,774,083.71	8.63%	4,115	7.02%
4: 4	166,407,126.33	27.73%	14,282	24.37%
5: 5	178,222,335.66	29.70%	16,290	27.79%
6: 6	117,597,687.35	19.60%	12,604	21.50%
7: 7	51,540,494.20	8.59%	6,173	10.53%
8: 8	20,649,377.25	3.44%	3,051	5.21%
9: 9	9,903,308.28	1.65%	1,758	3.00%
10:10	640,173.73	0.11%	80	0.14%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

**Statistics**                      **in %**  
 WA Interest                      5.93%

## 11. Seasoning

<i>Seasoning in Months</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
0: 2	1,775,189.35	0.30%	134	0.23%
3: 5	155,325,933.75	25.89%	12,960	22.11%
6: 8	166,962,272.75	27.83%	16,208	27.65%
9:11	122,368,936.65	20.39%	12,386	21.13%
12:14	126,408,915.86	21.07%	13,809	23.56%
15:17	27,158,751.47	4.53%	3,116	5.32%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

**Statistics**                      **in months**  
 WA Seasoning                      8.46

## 12. Remaining Term

<i>Remaining Term in Months</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
0: 6	1,142,202.50	0.19%	694	1.18%
7:13	5,811,187.54	0.97%	1,801	3.07%
14:20	11,615,444.60	1.94%	2,617	4.46%
21:27	32,557,111.57	5.43%	5,107	8.71%
28:34	56,982,246.35	9.50%	7,367	12.57%
35:41	73,302,981.93	12.22%	7,659	13.07%
42:48	88,342,428.41	14.72%	8,086	13.80%
49:55	112,013,561.14	18.67%	9,394	16.03%
56:62	77,119,105.11	12.85%	5,974	10.19%
63:69	68,429,759.15	11.40%	5,173	8.83%
70:76	34,633,917.28	5.77%	2,357	4.02%
77:83	38,050,054.25	6.34%	2,384	4.07%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

**Statistics**                      **in months**  
 WA Remaining Term                      50.11

## 13. Original Term

<i>Original Term in Months</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
0:12	1,013,431.74	0.17%	474	0.81%
13:25	18,131,382.31	3.02%	4,697	8.01%
26:38	69,631,278.61	11.61%	9,981	17.03%
39:51	135,636,704.85	22.61%	13,857	23.64%
52:64	197,246,737.09	32.87%	16,489	28.13%
65:77	103,661,273.56	17.28%	8,237	14.05%
78:	74,679,191.67	12.45%	4,878	8.32%
<b>Total</b>	<b>599,999,999.83</b>	<b>100.00%</b>	<b>58,613</b>	<b>100.00%</b>

**Statistics**                      **in months**  
 WA Original Term                      58.56

## 14. Overview on Manufacturers

<i>No</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
1	66,322,892.27	11.05%	7,011	11.96%
2	63,294,773.87	10.55%	5,389	9.19%
3	53,243,674.45	8.87%	5,109	8.72%
4	45,363,022.86	7.56%	4,234	7.22%
5	44,246,733.71	7.37%	3,564	6.08%
6	32,596,893.24	5.43%	2,336	3.99%
7	30,118,733.57	5.02%	3,374	5.76%
8	27,491,393.99	4.58%	1,937	3.30%
9	21,975,667.03	3.66%	1,939	3.31%
10	20,999,988.66	3.50%	2,411	4.11%
11	19,278,908.86	3.21%	1,826	3.12%
12	19,097,969.26	3.18%	1,881	3.21%
13	18,569,943.35	3.09%	2,258	3.85%
14	17,889,147.38	2.98%	1,803	3.08%
15	14,632,166.01	2.44%	1,646	2.81%
	<b>495,121,908.51</b>	<b>82.52%</b>	<b>46,718</b>	<b>79.71%</b>

Included manufacturer brands in TOP 15 in alphabetical order:

Audi, BMW, Citroen, Ford, Honda, Hyundai, Kia, Mazda, Mercedes, Nissan, OPEL, Peugeot, Renault, Suzuki, VW

# Historical Data

## 1. Static Analysis Gross Losses

For a generation of loans (being all loans originated during the same quarter), the cumulative gross (i.e. before recovery proceeds) losses in respect of a month is calculated as the ratio of: (i) the cumulative defaulted principal amount recorded between the month when such loans were originated and the relevant month, to (ii) the initial principal outstanding amount of such loans. In cases where recovery proceeds are based on repossessed and sold vehicles, such proceeds are added to the outstanding amount when such loan receivable becomes a defaulted receivable.

as of 30 June 2011

Quarter New Business	cumulative losses in % / months after origination																							
	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72
Q1 2000	0.03%	0.30%	0.65%	0.91%	1.15%	1.37%	1.55%	1.69%	1.83%	1.94%	2.00%	2.10%	2.19%	2.29%	2.36%	2.43%	2.48%	2.52%	2.56%	2.58%	2.61%	2.63%	2.65%	2.66%
Q2 2000	0.04%	0.34%	0.69%	0.98%	1.20%	1.45%	1.65%	1.77%	1.93%	2.01%	2.11%	2.21%	2.31%	2.41%	2.49%	2.56%	2.61%	2.65%	2.68%	2.71%	2.73%	2.74%	2.76%	2.77%
Q3 2000	0.03%	0.32%	0.70%	1.04%	1.30%	1.53%	1.73%	1.93%	2.03%	2.19%	2.33%	2.40%	2.53%	2.64%	2.71%	2.77%	2.83%	2.87%	2.91%	2.94%	2.98%	3.00%	3.01%	3.02%
Q4 2000	0.07%	0.38%	0.73%	0.97%	1.19%	1.41%	1.65%	1.80%	1.98%	2.10%	2.25%	2.39%	2.51%	2.62%	2.70%	2.78%	2.86%	2.91%	2.95%	2.98%	3.01%	3.02%	3.04%	3.05%
Q1 2001	0.04%	0.44%	0.79%	1.05%	1.28%	1.46%	1.59%	1.82%	1.94%	2.09%	2.26%	2.41%	2.54%	2.69%	2.75%	2.83%	2.91%	2.96%	3.00%	3.02%	3.04%	3.06%	3.08%	3.08%
Q2 2001	0.02%	0.31%	0.65%	0.91%	1.17%	1.28%	1.50%	1.68%	1.84%	2.01%	2.16%	2.31%	2.42%	2.51%	2.61%	2.69%	2.76%	2.80%	2.85%	2.88%	2.90%	2.92%	2.94%	2.95%
Q3 2001	0.05%	0.40%	0.72%	0.99%	1.16%	1.43%	1.66%	1.85%	2.07%	2.27%	2.42%	2.62%	2.75%	2.86%	2.99%	3.07%	3.15%	3.22%	3.27%	3.31%	3.34%	3.37%	3.39%	3.40%
Q4 2001	0.02%	0.30%	0.66%	0.82%	1.12%	1.37%	1.54%	1.73%	2.46%	2.24%	2.48%	2.65%	2.84%	2.96%	3.08%	3.20%	3.27%	3.34%	3.40%	3.48%	3.52%	3.54%	3.56%	3.58%
Q1 2002	0.03%	0.36%	0.58%	0.96%	1.28%	1.49%	1.76%	2.00%	2.29%	2.57%	2.77%	2.95%	3.11%	3.24%	3.35%	3.45%	3.53%	3.60%	3.67%	3.72%	3.74%	3.76%	3.79%	3.80%
Q2 2002	0.01%	0.15%	0.55%	0.83%	0.99%	1.25%	1.50%	1.78%	2.03%	2.28%	2.49%	2.66%	2.95%	3.07%	3.18%	3.26%	3.34%	3.40%	3.44%	3.47%	3.48%	3.50%	3.52%	3.52%
Q3 2002	0.00%	0.22%	0.56%	0.77%	0.98%	1.24%	1.55%	1.81%	2.12%	2.41%	2.64%	2.82%	3.02%	3.18%	3.33%	3.44%	3.55%	3.63%	3.68%	3.72%	3.77%	3.80%	3.83%	3.84%
Q4 2002	0.00%	0.10%	0.26%	0.53%	0.75%	1.06%	1.35%	1.61%	1.87%	2.40%	2.59%	2.81%	2.98%	3.12%	3.24%	3.32%	3.38%	3.44%	3.48%	3.50%	3.54%	3.57%	3.59%	3.59%
Q1 2003	0.00%	0.03%	0.20%	0.36%	0.61%	0.89%	1.12%	1.38%	1.62%	1.85%	2.04%	2.22%	2.35%	2.49%	2.61%	2.69%	2.75%	2.81%	2.86%	2.90%	2.94%	2.97%	2.99%	3.01%
Q2 2003	0.01%	0.08%	0.25%	0.45%	0.67%	0.92%	1.20%	1.46%	1.70%	1.91%	2.11%	2.26%	2.40%	2.53%	2.61%	2.66%	2.72%	2.78%	2.82%	2.86%	2.88%	2.91%	2.93%	2.94%
Q3 2003	0.01%	0.09%	0.30%	0.53%	0.83%	1.06%	1.33%	1.61%	1.84%	2.07%	2.30%	2.46%	2.60%	2.72%	2.80%	2.87%	2.95%	3.02%	3.06%	3.09%	3.14%	3.16%	3.18%	3.21%
Q4 2003	0.01%	0.11%	0.30%	0.53%	0.81%	1.06%	1.27%	1.49%	1.70%	1.87%	2.03%	2.19%	2.33%	2.43%	2.51%	2.58%	2.65%	2.70%	2.74%	2.77%	2.81%	2.83%	2.85%	2.86%
Q1 2004	0.01%	0.08%	0.26%	0.45%	0.68%	0.89%	1.09%	1.31%	1.48%	1.68%	1.89%	2.02%	2.15%	2.18%	2.26%	2.32%	2.39%	2.44%	2.49%	2.52%	2.54%	2.57%	2.59%	2.60%
Q2 2004	0.01%	0.11%	0.29%	0.52%	0.73%	0.93%	1.13%	1.34%	1.52%	1.73%	1.86%	1.97%	2.06%	2.14%	2.22%	2.27%	2.33%	2.39%	2.43%	2.46%	2.49%	2.51%	2.52%	2.53%
Q3 2004	0.01%	0.10%	0.27%	0.50%	0.74%	0.93%	1.16%	1.35%	1.57%	1.78%	1.91%	2.03%	2.15%	2.26%	2.34%	2.40%	2.47%	2.51%	2.54%	2.58%	2.62%	2.64%	2.65%	2.67%
Q4 2004	0.02%	0.13%	0.33%	0.49%	0.72%	0.93%	1.15%	1.37%	1.56%	1.70%	1.83%	1.95%	2.06%	2.18%	2.27%	2.34%	2.40%	2.48%	2.52%	2.54%	2.56%	2.58%	2.60%	2.61%
Q1 2005	0.01%	0.11%	0.26%	0.46%	0.66%	0.86%	1.09%	1.32%	1.46%	1.60%	1.74%	1.88%	2.01%	2.09%	2.18%	2.25%	2.34%	2.41%	2.44%	2.48%	2.51%	2.53%	2.55%	2.56%
Q2 2005	0.01%	0.09%	0.24%	0.40%	0.58%	0.81%	1.00%	1.14%	1.27%	1.42%	1.58%	1.69%	1.80%	1.89%	1.97%	2.04%	2.12%	2.17%	2.21%	2.24%	2.26%	2.29%	2.30%	2.32%
Q3 2005	0.01%	0.09%	0.19%	0.38%	0.60%	0.77%	0.94%	1.09%	1.27%	1.45%	1.58%	1.73%	1.82%	1.92%	2.01%	2.08%	2.13%	2.19%	2.23%	2.26%	2.28%	2.31%	2.33%	2.33%
Q4 2005	0.03%	0.07%	0.20%	0.41%	0.61%	0.79%	0.97%	1.13%	1.33%	1.52%	1.66%	1.79%	1.92%	2.05%	2.16%	2.23%	2.29%	2.36%	2.39%	2.43%	2.45%	2.47%	2.47%	2.47%
Q1 2006	0.01%	0.07%	0.20%	0.35%	0.53%	0.69%	0.88%	1.06%	1.25%	1.42%	1.57%	1.73%	1.85%	1.95%	2.06%	2.14%	2.21%	2.25%	2.29%	2.31%	2.34%	2.34%	2.34%	2.34%
Q2 2006	0.02%	0.08%	0.22%	0.35%	0.56%	0.74%	0.94%	1.13%	1.33%	1.50%	1.68%	1.83%	1.94%	2.10%	2.21%	2.29%	2.36%	2.40%	2.44%	2.47%	2.47%	2.47%	2.47%	2.47%
Q3 2006	0.02%	0.08%	0.21%	0.36%	0.52%	0.71%	0.93%	1.12%	1.32%	1.53%	1.70%	1.85%	1.99%	2.12%	2.19%	2.26%	2.33%	2.38%	2.42%	2.42%	2.42%	2.42%	2.42%	2.42%
Q4 2006	0.01%	0.05%	0.18%	0.33%	0.52%	0.70%	0.92%	1.08%	1.25%	1.48%	1.64%	1.80%	1.96%	2.05%	2.13%	2.18%	2.24%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%
Q1 2007	0.01%	0.09%	0.23%	0.39%	0.58%	0.78%	1.03%	1.19%	1.41%	1.61%	1.79%	1.95%	2.09%	2.22%	2.32%	2.40%	2.47%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Q2 2007	0.01%	0.08%	0.21%	0.43%	0.67%	0.93%	1.18%	1.43%	1.63%	1.83%	2.00%	2.12%	2.26%	2.35%	2.43%	2.49%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%
Q3 2007	0.01%	0.07%	0.22%	0.46%	0.66%	0.86%	1.14%	1.37%	1.56%	1.73%	1.87%	2.00%	2.12%	2.19%	2.27%	2.34%	2.40%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%
Q4 2007	0.02%	0.09%	0.25%	0.48%	0.74%	1.01%	1.26%	1.50%	1.71%	1.86%	2.03%	2.19%	2.30%	2.40%	2.48%	2.54%	2.59%	2.59%	2.59%	2.59%	2.59%	2.59%	2.59%	2.59%
Q1 2008	0.01%	0.10%	0.32%	0.59%	0.91%	1.18%	1.47%	1.73%	1.93%	2.11%	2.30%	2.45%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Q2 2008	0.02%	0.08%	0.32%	0.63%	0.91%	1.17%	1.41%	1.62%	1.81%	2.01%	2.13%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%
Q3 2008	0.02%	0.09%	0.36%	0.71%	0.97%	1.25%	1.49%	1.70%	1.91%	2.11%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%
Q4 2008	0.02%	0.12%	0.34%	0.63%	0.86%	1.10%	1.30%	1.55%	1.75%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%
Q1 2009	0.01%	0.09%	0.25%	0.43%	0.56%	0.73%	0.89%	1.02%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%
Q2 2009	0.02%	0.07%	0.21%	0.37%	0.52%	0.68%	0.80%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%
Q3 2009	0.03%	0.10%	0.24%	0.37%	0.52%	0.65%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%
Q4 2009	0.03%	0.10%	0.23%	0.36%	0.52%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%
Q1 2010	0.04%	0.10%	0.22%	0.36%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%
Q2 2010	0.03%	0.07%	0.19%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Q3 2010	0.01%	0.05%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
Q4 2010	0.01%	0.05%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
Q1 2011	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

## 2. Static Analysis Gross Losses - Used Vehicles

For a generation of loans (being all loans originated during the same quarter) used to finance used vehicles, the cumulative gross (i.e. before recovery proceeds) losses in respect of a month is calculated as the ratio of: (i) the cumulative defaulted principal amount recorded between the month when such loans were originated and the relevant month, to (ii) the initial principal outstanding amount of such loans. In cases where recovery proceeds are based on repossessed and sold vehicles, such proceeds are added to the outstanding amount when such loan receivable becomes a defaulted receivable.

as of 30 June 2011

Quarter New Business	cumulative losses in % / months after origination																							
	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72
Q1 2000	0.02%	0.41%	0.80%	1.19%	1.42%	1.66%	1.84%	2.01%	2.16%	2.31%	2.37%	2.47%	2.58%	2.67%	2.77%	2.85%	2.88%	2.91%	2.96%	2.98%	3.00%	3.02%	3.03%	3.03%
Q2 2000	0.05%	0.46%	0.82%	1.15%	1.44%	1.69%	1.89%	2.03%	2.18%	2.24%	2.34%	2.45%	2.57%	2.70%	2.80%	2.88%	2.92%	2.96%	3.00%	3.02%	3.05%	3.06%	3.07%	3.08%
Q3 2000	0.03%	0.41%	0.86%	1.22%	1.53%	1.78%	1.99%	2.18%	2.28%	2.44%	2.57%	2.64%	2.79%	2.92%	3.00%	3.06%	3.11%	3.15%	3.20%	3.24%	3.27%	3.29%	3.29%	3.30%
Q4 2000	0.10%	0.48%	0.90%	1.12%	1.38%	1.65%	1.87%	1.95%	2.11%	2.26%	2.39%	2.56%	2.78%	2.87%	2.94%	3.00%	3.05%	3.10%	3.13%	3.16%	3.17%	3.19%	3.19%	3.20%
Q1 2001	0.05%	0.54%	0.94%	1.26%	1.54%	1.73%	1.84%	2.08%	2.18%	2.35%	2.60%	2.75%	2.87%	3.00%	3.09%	3.17%	3.27%	3.31%	3.35%	3.37%	3.39%	3.41%	3.42%	3.43%
Q2 2001	0.04%	0.42%	0.83%	1.14%	1.46%	1.57%	1.82%	2.02%	2.19%	2.57%	2.72%	2.84%	2.94%	3.04%	3.13%	3.20%	3.26%	3.31%	3.33%	3.36%	3.38%	3.39%	3.39%	3.39%
Q3 2001	0.04%	0.50%	0.86%	1.18%	1.35%	1.66%	1.92%	2.13%	2.38%	2.58%	2.73%	2.92%	3.18%	3.30%	3.38%	3.47%	3.52%	3.57%	3.61%	3.64%	3.68%	3.70%	3.71%	3.71%
Q4 2001	0.04%	0.38%	0.81%	1.00%	1.37%	1.65%	1.84%	2.12%	2.40%	2.69%	2.92%	3.15%	3.32%	3.47%	3.62%	3.74%	3.82%	3.89%	3.97%	4.03%	4.07%	4.12%	4.14%	4.14%
Q1 2002	0.05%	0.48%	0.74%	1.23%	1.55%	1.80%	2.18%	2.45%	2.73%	3.06%	3.25%	3.44%	3.62%	3.77%	3.90%	4.03%	4.11%	4.19%	4.27%	4.32%	4.36%	4.38%	4.42%	4.44%
Q2 2002	0.00%	0.16%	0.66%	1.04%	1.25%	1.57%	1.92%	2.25%	2.56%	2.86%	3.10%	3.29%	3.49%	3.64%	3.81%	3.93%	4.01%	4.10%	4.17%	4.21%	4.24%	4.26%	4.29%	4.31%
Q3 2002	0.00%	0.29%	0.66%	0.95%	1.26%	1.59%	1.98%	2.28%	2.66%	2.99%	3.29%	3.48%	3.73%	3.93%	4.09%	4.20%	4.30%	4.37%	4.42%	4.46%	4.52%	4.56%	4.59%	4.61%
Q4 2002	0.01%	0.14%	0.33%	0.71%	0.98%	1.37%	1.69%	1.96%	2.31%	2.65%	2.91%	3.12%	3.38%	3.56%	3.73%	3.87%	3.97%	4.04%	4.10%	4.15%	4.17%	4.20%	4.24%	4.26%
Q1 2003	0.00%	0.03%	0.25%	0.46%	0.79%	1.15%	1.43%	1.72%	2.00%	2.30%	2.54%	2.74%	2.92%	3.09%	3.23%	3.34%	3.40%	3.47%	3.54%	3.59%	3.64%	3.68%	3.71%	3.73%
Q2 2003	0.01%	0.12%	0.35%	0.63%	0.94%	1.28%	1.65%	1.96%	2.28%	2.55%	2.81%	2.97%	3.12%	3.26%	3.35%	3.43%	3.50%	3.58%	3.64%	3.69%	3.72%	3.76%	3.79%	3.80%
Q3 2003	0.01%	0.13%	0.39%	0.68%	1.03%	1.32%	1.62%	1.92%	2.18%	2.46%	2.73%	2.91%	3.07%	3.21%	3.31%	3.39%	3.49%	3.56%	3.60%	3.64%	3.69%	3.72%	3.74%	3.77%
Q4 2003	0.02%	0.15%	0.38%	0.70%	1.04%	1.34%	1.62%	1.90%	2.16%	2.38%	2.57%	2.73%	2.89%	3.03%	3.12%	3.21%	3.28%	3.35%	3.39%	3.44%	3.48%	3.51%	3.53%	3.54%
Q1 2004	0.01%	0.10%	0.35%	0.60%	0.89%	1.15%	1.40%	1.69%	1.90%	2.15%	2.36%	2.51%	2.60%	2.70%	2.79%	2.86%	2.93%	2.99%	3.05%	3.08%	3.12%	3.15%	3.17%	3.18%
Q2 2004	0.02%	0.15%	0.39%	0.66%	0.95%	1.21%	1.46%	1.75%	1.96%	2.22%	2.18%	2.63%	2.71%	2.80%	2.88%	2.95%	3.02%	3.07%	3.11%	3.15%	3.17%	3.20%	3.21%	
Q3 2004	0.02%	0.14%	0.35%	0.65%	0.94%	1.17%	1.45%	1.79%	1.92%	2.32%	2.45%	2.57%	2.68%	2.77%	2.85%	2.93%	2.98%	3.02%	3.06%	3.09%	3.12%	3.14%	3.16%	3.16%
Q4 2004	0.02%	0.17%	0.43%	0.65%	0.95%	1.22%	1.50%	1.79%	2.02%	2.18%	2.33%	2.45%	2.58%	2.72%	2.82%	2.90%	2.98%	3.07%	3.13%	3.14%	3.16%	3.19%	3.21%	3.23%
Q1 2005	0.01%	0.13%	0.31%	0.56%	0.77%	1.03%	1.30%	1.55%	1.71%	1.88%	2.05%	2.19%	2.33%	2.43%	2.53%	2.61%	2.70%	2.79%	2.82%	2.86%	2.88%	2.91%	2.93%	2.94%
Q2 2005	0.01%	0.12%	0.30%	0.52%	0.75%	1.04%	1.26%	1.43%	1.58%	1.77%	1.93%	2.07%	2.18%	2.28%	2.38%	2.47%	2.56%	2.62%	2.66%	2.70%	2.73%	2.76%	2.77%	2.77%
Q3 2005	0.02%	0.13%	0.23%	0.45%	0.71%	0.92%	1.14%	1.31%	1.52%	1.70%	1.89%	2.08%	2.20%	2.31%	2.40%	2.48%	2.54%	2.62%	2.66%	2.69%	2.72%	2.75%	2.75%	2.75%
Q4 2005	0.04%	0.10%	0.27%	0.53%	0.77%	0.97%	1.18%	1.33%	1.57%	1.78%	1.95%	2.08%	2.23%	2.38%	2.49%	2.58%	2.64%	2.71%	2.74%	2.78%	2.81%	2.81%	2.81%	2.81%
Q1 2006	0.01%	0.10%	0.25%	0.43%	0.65%	0.82%	1.05%	1.23%	1.44%	1.61%	1.78%	1.96%	2.10%	2.21%	2.25%	2.46%	2.54%	2.58%	2.62%	2.65%	2.65%	2.65%	2.65%	2.65%
Q2 2006	0.02%	0.08%	0.23%	0.37%	0.59%	0.80%	1.03%	1.21%	1.42%	1.58%	1.79%	1.98%	2.09%	2.23%	2.33%	2.40%	2.46%	2.50%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%
Q3 2006	0.03%	0.07%	0.18%	0.32%	0.48%	0.66%	0.90%	1.08%	1.27%	1.51%	1.70%	1.85%	2.00%	2.15%	2.21%	2.28%	2.35%	2.40%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%
Q4 2006	0.01%	0.05%	0.16%	0.30%	0.49%	0.66%	0.90%	1.06%	1.25%	1.46%	1.62%	1.79%	1.98%	2.06%	2.14%	2.20%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%
Q1 2007	0.02%	0.10%	0.24%	0.37%	0.57%	0.76%	1.00%	1.16%	1.38%	1.58%	1.73%	1.89%	2.01%	2.10%	2.21%	2.30%	2.37%	2.44%	2.44%	2.44%	2.44%	2.44%	2.44%	2.44%
Q2 2007	0.02%	0.08%	0.21%	0.41%	0.67%	0.92%	1.19%	1.43%	1.64%	1.83%	1.98%	2.11%	2.22%	2.31%	2.39%	2.46%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%
Q3 2007	0.01%	0.07%	0.21%	0.44%	0.64%	0.84%	1.12%	1.35%	1.54%	1.72%	1.88%	2.01%	2.13%	2.22%	2.29%	2.36%	2.43%	2.43%	2.43%	2.43%	2.43%	2.43%	2.43%	2.43%
Q4 2007	0.01%	0.09%	0.27%	0.54%	0.80%	1.09%	1.37%	1.63%	1.86%	2.03%	2.20%	2.35%	2.45%	2.54%	2.61%	2.68%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Q1 2008	0.01%	0.08%	0.25%	0.50%	0.81%	1.08%	1.39%	1.66%	1.87%	2.05%	2.24%	2.39%	2.54%	2.61%	2.68%	2.75%	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%
Q2 2008	0.02%	0.06%	0.22%	0.49%	0.70%	0.95%	1.18%	1.37%	1.53%	1.72%	1.85%	1.98%	2.11%	2.22%	2.31%	2.39%	2.46%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%
Q3 2008	0.02%	0.09%	0.33%	0.63%	0.87%	1.13%	1.38%	1.58%	1.79%	2.00%	2.15%	2.30%	2.45%	2.54%	2.61%	2.68%	2.75%	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%
Q4 2008	0.03%	0.13%	0.33%	0.57%	0.78%	1.04%	1.25%	1.50%	1.69%	1.89%	2.08%	2.27%	2.46%	2.61%	2.75%	2.89%	3.04%	3.18%	3.32%	3.46%	3.60%	3.74%	3.88%	4.02%
Q1 2009	0.01%	0.13%	0.27%	0.45%	0.69%	0.81%	0.99%	1.13%	1.27%	1.41%	1.55%	1.69%	1.83%	1.97%	2.11%	2.25%	2.39%	2.53%	2.67%	2.81%	2.95%	3.09%	3.23%	3.37%
Q2 2009	0.02%	0.09%	0.20%	0.36%	0.53%	0.69%	0.84%	1.00%	1.16%	1.32%	1.48%	1.64%	1.80%	1.96%	2.12%	2.28%	2.44%	2.60%	2.76%	2.92%	3.08%	3.24%	3.40%	3.56%
Q3 2009	0.04%	0.14%	0.30%	0.42%	0.59%	0.72%	0.84%	1.00%	1.16%	1.32%	1.48%	1.64%	1.80%	1.96%	2.12%	2.28%	2.44%	2.60%	2.76%	2.92%	3.08%	3.24%	3.40%	3.56%
Q4 2009	0.04%	0.09%	0.19%	0.30%	0.47%	0.64%	0.81%	1.00%	1.16%	1.32%	1.48%	1.64%	1.80%	1.96%	2.12%	2.28%	2.44%	2.60%	2.76%	2.92%	3.08%	3.24%	3.40%	3.56%
Q1 2010	0.05%	0.08%	0.15%	0.26%	0.41%	0.56%	0.71%	0.86%	1.01%	1.16%	1.31%	1.46%	1.61%	1.76%	1.91%	2.06%	2.21%	2.36%	2.51%	2.66%	2.81%	2.96%	3.11%	3.26%
Q2 2010	0.04%	0.06%	0.17%	0.28%	0.43%	0.58%	0.73%	0.88%	1.03%	1.18%	1.33%	1.48%	1.63%	1.78%	1.93%	2.08%	2.23%	2.38%	2.53%	2.68%	2.83%	2.98%	3.13%	3.28%
Q3 2010	0.01%	0.05%	0.17%	0.28%	0.43%	0.58%	0.73%	0.88%	1.03%	1.18%	1.33%	1.48%	1.63%	1.78%	1.93%	2.08%	2.23%	2.38%	2.53%	2.68%	2.83%	2.98%	3.13%	3.28%
Q4 2010	0.01%	0.05%	0.17%	0.28%	0.43%	0.58%	0.73%	0.88%	1.03%	1.18%	1.33%	1.48%	1.63%	1.78%	1.93%	2.08%	2.23%	2.38%	2.53%	2.68%	2.83%	2.98%	3.13%	3.28%

### 3. Static Analysis Gross Losses - New Vehicles

For a generation of loans (being all loans originated during the same quarter) used to finance new vehicles, the cumulative gross (i.e. before recovery proceeds) losses in respect of a month is calculated as the ratio of: (i) the cumulative defaulted principal amount recorded between the month when such loans were originated and the relevant month, to (ii) the initial principal outstanding amount of such loans. In cases where recovery proceeds are based on repossessed and sold vehicles, such proceeds are added to the outstanding amount when such loan receivable becomes a defaulted receivable.

as of 30 June 2011

Quarter New Business	cumulative losses in % / months after origination																							
	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72
Q1 2000	0.03%	0.16%	0.40%	0.59%	0.73%	0.90%	1.08%	1.16%	1.26%	1.33%	1.36%	1.45%	1.53%	1.62%	1.65%	1.70%	1.76%	1.81%	1.85%	1.86%	1.89%	1.92%	1.95%	1.97%
Q2 2000	0.03%	0.21%	0.53%	0.75%	0.90%	1.13%	1.30%	1.39%	1.53%	1.61%	1.69%	1.77%	1.86%	1.93%	1.99%	2.05%	2.10%	2.12%	2.14%	2.17%	2.20%	2.21%	2.22%	2.22%
Q3 2000	0.03%	0.19%	0.46%	0.74%	0.92%	1.10%	1.24%	1.44%	1.53%	1.68%	1.82%	1.88%	1.97%	2.05%	2.10%	2.15%	2.21%	2.25%	2.28%	2.30%	2.34%	2.37%	2.39%	2.40%
Q4 2000	0.04%	0.22%	0.47%	0.70%	0.82%	0.93%	1.16%	1.36%	1.56%	1.65%	1.78%	1.90%	1.99%	2.10%	2.18%	2.26%	2.34%	2.38%	2.42%	2.44%	2.48%	2.50%	2.51%	2.51%
Q1 2001	0.03%	0.25%	0.50%	0.64%	0.74%	0.86%	0.96%	1.18%	1.32%	1.39%	1.51%	1.59%	1.71%	1.80%	1.87%	1.95%	2.01%	2.05%	2.08%	2.09%	2.12%	2.14%	2.16%	2.16%
Q2 2001	0.01%	0.17%	0.40%	0.57%	0.77%	0.84%	1.03%	1.16%	1.30%	1.42%	1.54%	1.67%	1.78%	1.85%	1.94%	2.00%	2.05%	2.09%	2.14%	2.16%	2.19%	2.21%	2.22%	2.22%
Q3 2001	0.05%	0.26%	0.51%	0.68%	0.83%	1.02%	1.19%	1.32%	1.50%	1.66%	1.80%	1.99%	2.08%	2.20%	2.32%	2.40%	2.48%	2.54%	2.59%	2.63%	2.65%	2.67%	2.68%	2.70%
Q4 2001	0.01%	0.16%	0.39%	0.49%	0.66%	0.88%	0.98%	1.05%	1.21%	1.40%	1.67%	1.73%	1.95%	2.03%	2.10%	2.22%	2.29%	2.33%	2.38%	2.48%	2.51%	2.53%	2.55%	2.57%
Q1 2002	0.02%	0.19%	0.36%	0.61%	0.92%	1.05%	1.19%	1.39%	1.68%	1.90%	2.10%	2.26%	2.37%	2.49%	2.57%	2.62%	2.69%	2.75%	2.80%	2.84%	2.84%	2.86%	2.88%	2.89%
Q2 2002	0.02%	0.14%	0.42%	0.62%	0.71%	0.89%	1.05%	1.26%	1.45%	1.63%	1.82%	1.97%	2.08%	2.18%	2.25%	2.34%	2.42%	2.48%	2.53%	2.58%	2.60%	2.61%	2.62%	2.62%
Q3 2002	0.00%	0.11%	0.41%	0.49%	0.58%	0.73%	0.93%	1.13%	1.32%	1.53%	1.67%	1.81%	1.95%	2.05%	2.20%	2.30%	2.43%	2.53%	2.59%	2.61%	2.65%	2.67%	2.69%	2.71%
Q4 2002	0.00%	0.04%	0.13%	0.24%	0.37%	0.58%	0.80%	1.03%	1.18%	1.44%	1.60%	1.75%	1.92%	2.07%	2.17%	2.23%	2.29%	2.34%	2.38%	2.43%	2.47%	2.51%	2.53%	2.53%
Q1 2003	0.00%	0.02%	0.11%	0.19%	0.30%	0.47%	0.61%	0.82%	0.99%	1.11%	1.23%	1.38%	1.42%	1.53%	1.62%	1.68%	1.71%	1.73%	1.78%	1.79%	1.80%	1.82%	1.83%	1.84%
Q2 2003	0.01%	0.05%	0.12%	0.20%	0.29%	0.44%	0.59%	0.76%	0.90%	1.03%	1.15%	1.29%	1.40%	1.51%	1.57%	1.60%	1.63%	1.68%	1.68%	1.70%	1.71%	1.72%	1.73%	1.74%
Q3 2003	0.01%	0.04%	0.15%	0.27%	0.48%	0.60%	0.82%	1.08%	1.26%	1.39%	1.57%	1.67%	1.77%	1.86%	1.92%	1.96%	2.01%	2.08%	2.11%	2.15%	2.19%	2.19%	2.21%	2.24%
Q4 2003	0.00%	0.05%	0.18%	0.26%	0.44%	0.61%	0.71%	0.83%	0.96%	1.05%	1.17%	1.33%	1.43%	1.48%	1.54%	1.60%	1.65%	1.68%	1.71%	1.72%	1.75%	1.77%	1.78%	1.79%
Q1 2004	0.00%	0.04%	0.09%	0.19%	0.31%	0.43%	0.54%	0.64%	0.76%	0.88%	1.08%	1.19%	1.24%	1.30%	1.34%	1.40%	1.45%	1.49%	1.52%	1.55%	1.56%	1.57%	1.59%	1.59%
Q2 2004	0.00%	0.04%	0.14%	0.30%	0.41%	0.53%	0.63%	0.72%	0.86%	1.00%	1.10%	1.18%	1.22%	1.31%	1.37%	1.39%	1.47%	1.46%	1.48%	1.50%	1.52%	1.53%	1.53%	1.54%
Q3 2004	0.00%	0.02%	0.11%	0.21%	0.38%	0.51%	0.64%	0.79%	0.94%	1.06%	1.16%	1.25%	1.36%	1.47%	1.53%	1.56%	1.61%	1.64%	1.68%	1.69%	1.73%	1.75%	1.75%	1.76%
Q4 2004	0.02%	0.07%	0.14%	0.22%	0.32%	0.43%	0.56%	0.66%	0.78%	0.89%	1.00%	1.10%	1.20%	1.29%	1.36%	1.41%	1.45%	1.50%	1.53%	1.55%	1.56%	1.57%	1.58%	1.59%
Q1 2005	0.01%	0.08%	0.20%	0.29%	0.45%	0.57%	0.71%	0.92%	1.02%	1.22%	1.33%	1.42%	1.47%	1.54%	1.59%	1.68%	1.73%	1.75%	1.82%	1.84%	1.85%	1.87%	1.87%	1.88%
Q2 2005	0.02%	0.05%	0.13%	0.21%	0.30%	0.44%	0.57%	0.66%	0.77%	0.91%	0.99%	1.05%	1.16%	1.23%	1.28%	1.31%	1.39%	1.42%	1.45%	1.46%	1.47%	1.49%	1.51%	1.51%
Q3 2005	0.00%	0.03%	0.10%	0.22%	0.37%	0.49%	0.59%	0.68%	0.80%	0.91%	1.00%	1.10%	1.16%	1.23%	1.28%	1.31%	1.39%	1.41%	1.43%	1.47%	1.50%	1.52%	1.54%	1.54%
Q4 2005	0.00%	0.01%	0.09%	0.19%	0.33%	0.45%	0.60%	0.74%	0.87%	1.01%	1.12%	1.23%	1.32%	1.41%	1.51%	1.58%	1.61%	1.70%	1.72%	1.74%	1.76%	1.76%	1.76%	1.76%
Q1 2006	0.00%	0.02%	0.09%	0.18%	0.27%	0.41%	0.52%	0.69%	0.85%	0.99%	1.11%	1.23%	1.32%	1.39%	1.44%	1.49%	1.54%	1.57%	1.59%	1.60%	1.60%	1.60%	1.60%	1.60%
Q2 2006	0.01%	0.04%	0.10%	0.14%	0.24%	0.34%	0.43%	0.56%	0.70%	0.83%	0.96%	1.05%	1.12%	1.27%	1.38%	1.49%	1.55%	1.57%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%
Q3 2006	0.02%	0.04%	0.17%	0.28%	0.35%	0.50%	0.68%	0.79%	0.92%	1.04%	1.13%	1.21%	1.31%	1.38%	1.43%	1.50%	1.52%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%
Q4 2006	0.01%	0.03%	0.13%	0.22%	0.33%	0.46%	0.63%	0.67%	0.74%	0.97%	1.10%	1.20%	1.29%	1.37%	1.42%	1.46%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%
Q1 2007	0.00%	0.04%	0.10%	0.18%	0.33%	0.45%	0.70%	0.80%	0.95%	1.08%	1.30%	1.40%	1.61%	1.77%	1.81%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%
Q2 2007	0.00%	0.05%	0.13%	0.31%	0.47%	0.67%	0.83%	1.02%	1.17%	1.38%	1.55%	1.63%	1.80%	1.87%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%
Q3 2007	0.00%	0.05%	0.14%	0.25%	0.38%	0.46%	0.69%	0.84%	0.98%	1.06%	1.14%	1.23%	1.31%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%
Q4 2007	0.02%	0.05%	0.11%	0.21%	0.36%	0.56%	0.71%	0.86%	1.00%	1.11%	1.22%	1.33%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%
Q1 2008	0.00%	0.07%	0.23%	0.36%	0.58%	0.71%	0.88%	1.03%	1.16%	1.26%	1.40%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%
Q2 2008	0.01%	0.08%	0.22%	0.42%	0.66%	0.85%	1.03%	1.22%	1.38%	1.53%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%
Q3 2008	0.01%	0.08%	0.23%	0.44%	0.58%	0.84%	0.94%	1.12%	1.26%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%
Q4 2008	0.01%	0.07%	0.17%	0.30%	0.39%	0.51%	0.61%	0.78%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%
Q1 2009	0.01%	0.04%	0.06%	0.11%	0.15%	0.20%	0.27%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%
Q2 2009	0.01%	0.02%	0.07%	0.14%	0.19%	0.26%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Q3 2009	0.01%	0.02%	0.04%	0.07%	0.12%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%
Q4 2009	0.00%	0.02%	0.05%	0.07%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
Q1 2010	0.00%	0.01%	0.07%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%
Q2 2010	0.01%	0.02%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Q3 2010	0.00%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Q4 2010	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

#### 4. Static Analysis Gross Losses - Balloon Loans

For a generation of loans (being all loans originated during the same quarter) which are balloon loans, the cumulative gross (i.e. before recovery proceeds) losses in respect of a month is calculated as the ratio of: (i) the cumulative defaulted principal amount recorded between the month when such loans were originated and the relevant month, to (ii) the initial principal outstanding amount of such loans. In cases where recovery proceeds are based on repossessed and sold vehicles, such proceeds are added to the outstanding amount when such loan receivable becomes a defaulted receivable.

as of 30 June 2011

Quarter New Business	cumulative losses in % / months after origination																							
	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72
Q1 2000	0.09%	0.39%	0.55%	0.70%	0.85%	1.05%	1.20%	1.28%	1.49%	1.62%	1.66%	1.77%	2.10%	2.32%	2.38%	2.43%	2.52%	2.59%	2.67%	2.70%	2.74%	2.84%	2.91%	2.95%
Q2 2000	0.00%	0.16%	0.65%	0.60%	1.05%	1.53%	1.65%	1.73%	2.06%	2.23%	2.48%	2.63%	2.93%	3.00%	3.11%	3.24%	3.37%	3.44%	3.51%	3.60%	3.72%	3.75%	3.80%	3.81%
Q3 2000	0.00%	0.10%	0.28%	0.53%	0.86%	0.97%	1.12%	1.42%	1.69%	2.00%	2.24%	2.37%	2.48%	2.62%	2.74%	2.75%	2.82%	2.87%	2.95%	2.95%	3.07%	3.20%	3.23%	3.27%
Q4 2000	0.00%	0.26%	0.62%	0.68%	0.83%	1.19%	1.61%	1.68%	1.99%	2.15%	2.28%	2.43%	2.55%	2.72%	2.93%	3.18%	3.22%	3.30%	3.38%	3.38%	3.52%	3.56%	3.59%	3.62%
Q1 2001	0.00%	0.31%	0.45%	0.54%	0.84%	1.06%	1.13%	1.43%	1.71%	1.78%	2.00%	2.15%	2.35%	2.55%	2.69%	2.83%	2.85%	2.89%	2.92%	2.96%	3.04%	3.11%	3.18%	3.18%
Q2 2001	0.00%	0.09%	0.24%	0.39%	0.58%	0.67%	0.96%	1.33%	1.62%	1.81%	2.10%	2.43%	2.73%	2.86%	2.99%	3.04%	3.12%	3.17%	3.31%	3.31%	3.37%	3.39%	3.44%	3.44%
Q3 2001	0.08%	0.30%	0.46%	0.60%	0.74%	1.01%	1.20%	1.45%	1.82%	2.21%	2.40%	2.73%	2.88%	3.07%	3.18%	3.29%	3.50%	3.59%	3.63%	3.65%	3.67%	3.76%	3.79%	3.80%
Q4 2001	0.00%	0.17%	0.17%	0.27%	0.58%	0.80%	1.00%	1.15%	1.51%	1.89%	2.31%	2.46%	2.67%	2.76%	2.87%	2.95%	3.01%	3.08%	3.12%	3.30%	3.33%	3.35%	3.40%	3.41%
Q1 2002	0.01%	0.06%	0.23%	0.50%	0.94%	1.15%	1.34%	1.51%	2.11%	2.60%	2.91%	3.13%	3.23%	3.36%	3.41%	3.46%	3.52%	3.57%	3.58%	3.63%	3.64%	3.68%	3.68%	3.68%
Q2 2002	0.01%	0.11%	0.41%	0.75%	0.92%	1.16%	1.45%	1.68%	1.98%	2.51%	2.96%	3.23%	3.37%	3.48%	3.66%	3.80%	3.89%	3.94%	3.98%	4.03%	4.04%	4.04%	4.07%	4.08%
Q3 2002	0.00%	0.14%	0.57%	0.57%	0.71%	0.88%	1.17%	1.59%	2.18%	2.77%	3.09%	3.19%	3.40%	3.62%	3.86%	4.03%	4.12%	4.21%	4.26%	4.33%	4.39%	4.44%	4.45%	4.46%
Q4 2002	0.02%	0.08%	0.20%	0.46%	0.68%	0.92%	1.20%	1.43%	1.70%	2.28%	2.58%	2.92%	3.20%	3.43%	3.62%	3.65%	3.69%	3.73%	3.83%	3.87%	3.87%	3.89%	3.92%	3.93%
Q1 2003	0.00%	0.06%	0.12%	0.28%	0.55%	0.71%	0.89%	1.22%	1.58%	1.91%	2.15%	2.32%	2.49%	2.71%	2.88%	2.92%	3.03%	3.08%	3.15%	3.20%	3.21%	3.25%	3.25%	3.25%
Q2 2003	0.01%	0.02%	0.12%	0.28%	0.48%	0.81%	1.16%	1.43%	1.73%	2.01%	2.30%	2.54%	2.67%	2.82%	3.03%	3.08%	3.13%	3.22%	3.30%	3.32%	3.34%	3.36%	3.37%	3.38%
Q3 2003	0.00%	0.09%	0.25%	0.59%	0.97%	1.33%	1.66%	1.98%	2.26%	2.59%	2.99%	3.21%	3.43%	3.55%	3.64%	3.70%	3.88%	3.93%	3.97%	4.03%	4.07%	4.09%	4.11%	4.12%
Q4 2003	0.01%	0.03%	0.23%	0.52%	0.77%	1.10%	1.44%	1.65%	1.92%	2.18%	2.36%	2.56%	2.87%	3.04%	3.16%	3.24%	3.32%	3.37%	3.42%	3.43%	3.48%	3.52%	3.54%	3.54%
Q1 2004	0.01%	0.09%	0.22%	0.41%	0.66%	0.86%	1.09%	1.29%	1.50%	1.68%	1.92%	2.06%	2.21%	2.31%	2.40%	2.43%	2.51%	2.56%	2.61%	2.64%	2.65%	2.68%	2.69%	2.69%
Q2 2004	0.04%	0.19%	0.36%	0.58%	0.82%	1.00%	1.20%	1.43%	1.66%	1.96%	2.10%	2.28%	2.37%	2.48%	2.58%	2.64%	2.69%	2.75%	2.79%	2.83%	2.85%	2.87%	2.88%	2.88%
Q3 2004	0.02%	0.13%	0.34%	0.58%	0.82%	1.03%	1.22%	1.44%	1.64%	1.92%	2.10%	2.23%	2.38%	2.51%	2.59%	2.65%	2.71%	2.74%	2.77%	2.79%	2.85%	2.88%	2.88%	2.88%
Q4 2004	0.04%	0.18%	0.35%	0.49%	0.71%	0.90%	1.20%	1.47%	1.65%	1.85%	2.04%	2.16%	2.32%	2.45%	2.54%	2.63%	2.72%	2.86%	2.90%	2.92%	2.94%	2.95%	2.96%	2.96%
Q1 2005	0.03%	0.16%	0.26%	0.53%	0.76%	1.01%	1.18%	1.47%	1.68%	1.92%	2.19%	2.34%	2.49%	2.54%	2.64%	2.73%	2.95%	3.10%	3.13%	3.21%	3.24%	3.27%	3.27%	3.27%
Q2 2005	0.02%	0.09%	0.20%	0.34%	0.53%	0.84%	0.99%	1.15%	1.31%	1.58%	1.76%	1.90%	2.04%	2.16%	2.24%	2.38%	2.48%	2.57%	2.60%	2.63%	2.67%	2.68%	2.69%	2.69%
Q3 2005	0.03%	0.06%	0.16%	0.36%	0.56%	0.75%	0.98%	1.16%	1.41%	1.65%	1.84%	2.00%	2.11%	2.26%	2.38%	2.51%	2.57%	2.66%	2.70%	2.72%	2.74%	2.77%	2.77%	2.77%
Q4 2005	0.03%	0.08%	0.15%	0.37%	0.56%	0.73%	0.95%	1.12%	1.38%	1.65%	1.82%	2.02%	2.23%	2.43%	2.52%	2.67%	2.77%	2.85%	2.87%	2.93%	2.95%	2.95%	2.95%	2.95%
Q1 2006	0.01%	0.08%	0.19%	0.30%	0.54%	0.75%	0.94%	1.17%	1.44%	1.62%	1.87%	2.10%	2.25%	2.44%	2.63%	2.78%	2.89%	2.95%	2.98%	3.01%	3.01%	3.01%	3.01%	3.01%
Q2 2006	0.03%	0.11%	0.23%	0.39%	0.59%	0.81%	1.05%	1.26%	1.50%	1.69%	2.01%	2.24%	2.37%	2.60%	2.78%	2.88%	2.92%	2.95%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
Q3 2006	0.03%	0.06%	0.20%	0.33%	0.47%	0.66%	0.94%	1.10%	1.30%	1.70%	2.03%	2.21%	2.41%	2.62%	2.68%	2.78%	2.85%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%
Q4 2006	0.02%	0.04%	0.17%	0.29%	0.52%	0.68%	0.91%	1.04%	1.23%	1.58%	1.80%	2.01%	2.27%	2.37%	2.48%	2.53%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Q1 2007	0.02%	0.10%	0.25%	0.35%	0.54%	0.74%	0.93%	1.06%	1.29%	1.47%	1.60%	1.76%	1.85%	1.91%	1.99%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%
Q2 2007	0.00%	0.05%	0.20%	0.40%	0.60%	0.87%	1.09%	1.37%	1.59%	1.80%	1.95%	2.06%	2.17%	2.29%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%
Q3 2007	0.01%	0.10%	0.29%	0.50%	0.72%	0.88%	1.15%	1.42%	1.57%	1.77%	1.86%	1.93%	2.04%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
Q4 2007	0.02%	0.09%	0.24%	0.38%	0.50%	0.71%	0.99%	1.19%	1.40%	1.58%	1.72%	1.83%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%
Q1 2008	0.00%	0.13%	0.36%	0.53%	0.87%	1.04%	1.34%	1.57%	1.74%	1.86%	2.02%	2.17%	2.17%	2.17%	2.17%	2.17%	2.17%	2.17%	2.17%	2.17%	2.17%	2.17%	2.17%	2.17%
Q2 2008	0.06%	0.12%	0.51%	0.73%	0.97%	1.24%	1.43%	1.64%	1.81%	1.95%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%
Q3 2008	0.00%	0.10%	0.28%	0.49%	0.64%	0.95%	1.11%	1.18%	1.40%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%
Q4 2008	0.02%	0.13%	0.22%	0.38%	0.49%	0.67%	0.87%	1.07%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%
Q1 2009	0.00%	0.00%	0.04%	0.12%	0.24%	0.33%	0.42%	0.49%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%
Q2 2009	0.00%	0.05%	0.17%	0.34%	0.49%	0.61%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%
Q3 2009	0.00%	0.05%	0.13%	0.23%	0.37%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
Q4 2009	0.00%	0.06%	0.13%	0.19%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%
Q1 2010	0.00%	0.03%	0.09%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%
Q2 2010	0.05%	0.07%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Q3 2010	0.00%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Q4 2010	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%

## 5. Static Analysis Gross Losses - Non-Balloon Loans

For a generation of loans (being all loans originated during the same quarter) which are non-balloon loans, the cumulative gross (i.e. before recovery proceeds) losses in respect of a month is calculated as the ratio of: (i) the cumulative defaulted principal amount recorded between the month when such loans were originated and the relevant month, to (ii) the initial principal outstanding amount of such loans. In cases where recovery proceeds are based on repossessed and sold vehicles, such proceeds are added to the outstanding amount when such loan receivable becomes a defaulted receivable.

as of 30 June 2011

Quarter New Business	cumulative losses in % / months after origination																							
	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72
Q1 2000	0.02%	0.30%	0.65%	0.92%	1.18%	1.40%	1.59%	1.72%	1.86%	1.97%	2.03%	2.12%	2.20%	2.28%	2.36%	2.43%	2.47%	2.51%	2.55%	2.57%	2.60%	2.62%	2.63%	2.63%
Q2 2000	0.04%	0.36%	0.70%	1.00%	1.21%	1.45%	1.65%	1.78%	1.91%	1.99%	2.07%	2.17%	2.25%	2.32%	2.44%	2.50%	2.54%	2.57%	2.60%	2.62%	2.64%	2.65%	2.66%	2.67%
Q3 2000	0.03%	0.34%	0.74%	1.09%	1.34%	1.59%	1.79%	1.98%	2.06%	2.21%	2.34%	2.41%	2.54%	2.64%	2.71%	2.78%	2.83%	2.87%	2.91%	2.94%	2.97%	2.98%	2.99%	3.00%
Q4 2000	0.08%	0.39%	0.74%	1.01%	1.23%	1.43%	1.65%	1.81%	1.98%	2.10%	2.24%	2.39%	2.51%	2.61%	2.68%	2.74%	2.82%	2.87%	2.91%	2.93%	2.96%	2.97%	2.98%	2.99%
Q1 2001	0.04%	0.46%	0.82%	1.11%	1.32%	1.50%	1.63%	1.86%	1.96%	2.12%	2.31%	2.43%	2.56%	2.67%	2.75%	2.83%	2.92%	2.96%	3.00%	3.02%	3.04%	3.06%	3.07%	3.07%
Q2 2001	0.02%	0.34%	0.69%	0.96%	1.24%	1.34%	1.56%	1.71%	1.87%	2.03%	2.17%	2.29%	2.39%	2.48%	2.57%	2.65%	2.72%	2.76%	2.80%	2.83%	2.85%	2.88%	2.89%	2.89%
Q3 2001	0.04%	0.41%	0.76%	1.03%	1.21%	1.48%	1.72%	1.89%	2.10%	2.28%	2.42%	2.60%	2.73%	2.84%	2.96%	3.05%	3.11%	3.17%	3.22%	3.26%	3.30%	3.32%	3.34%	3.35%
Q4 2001	0.03%	0.32%	0.73%	0.89%	1.19%	1.45%	1.61%	1.81%	2.02%	2.28%	2.58%	2.68%	2.99%	3.11%	3.23%	3.31%	3.37%	3.44%	3.50%	3.54%	3.56%	3.58%	3.58%	3.60%
Q1 2002	0.04%	0.40%	0.62%	1.02%	1.32%	1.53%	1.81%	2.06%	2.31%	2.57%	2.75%	2.93%	3.09%	3.23%	3.34%	3.45%	3.53%	3.60%	3.68%	3.73%	3.75%	3.77%	3.80%	3.82%
Q2 2002	0.01%	0.16%	0.56%	0.84%	1.00%	1.26%	1.51%	1.79%	2.04%	2.25%	2.43%	2.59%	2.75%	2.88%	3.00%	3.10%	3.19%	3.26%	3.33%	3.37%	3.40%	3.41%	3.43%	3.45%
Q3 2002	0.00%	0.23%	0.58%	0.79%	1.02%	1.29%	1.61%	1.85%	2.11%	2.35%	2.58%	2.77%	2.97%	3.12%	3.26%	3.35%	3.47%	3.54%	3.60%	3.63%	3.68%	3.71%	3.74%	3.75%
Q4 2002	0.00%	0.10%	0.27%	0.54%	0.78%	1.09%	1.37%	1.63%	1.90%	2.18%	2.37%	2.54%	2.75%	2.91%	3.05%	3.18%	3.26%	3.32%	3.38%	3.42%	3.45%	3.48%	3.52%	3.54%
Q1 2003	0.01%	0.03%	0.21%	0.37%	0.61%	0.92%	1.15%	1.40%	1.63%	1.84%	2.03%	2.20%	2.33%	2.46%	2.58%	2.66%	2.71%	2.77%	2.82%	2.86%	2.90%	2.93%	2.95%	2.97%
Q2 2003	0.01%	0.09%	0.27%	0.47%	0.70%	0.94%	1.21%	1.46%	1.69%	1.90%	2.08%	2.23%	2.36%	2.47%	2.55%	2.61%	2.66%	2.72%	2.76%	2.80%	2.82%	2.85%	2.87%	2.89%
Q3 2003	0.01%	0.09%	0.31%	0.52%	0.81%	1.02%	1.28%	1.56%	1.78%	1.99%	2.20%	2.34%	2.47%	2.59%	2.67%	2.74%	2.81%	2.88%	2.91%	2.95%	3.00%	3.02%	3.04%	3.07%
Q4 2003	0.02%	0.13%	0.31%	0.54%	0.82%	1.05%	1.24%	1.46%	1.66%	1.82%	1.97%	2.13%	2.23%	2.32%	2.39%	2.47%	2.53%	2.58%	2.62%	2.66%	2.69%	2.71%	2.73%	2.74%
Q1 2004	0.01%	0.08%	0.27%	0.46%	0.68%	0.90%	1.09%	1.32%	1.48%	1.69%	1.88%	2.01%	2.08%	2.16%	2.23%	2.29%	2.36%	2.41%	2.46%	2.49%	2.52%	2.55%	2.57%	2.58%
Q2 2004	0.01%	0.09%	0.28%	0.50%	0.71%	0.92%	1.11%	1.32%	1.49%	1.68%	1.80%	1.90%	2.00%	2.07%	2.14%	2.19%	2.26%	2.31%	2.35%	2.38%	2.41%	2.43%	2.45%	2.46%
Q3 2004	0.01%	0.09%	0.25%	0.48%	0.72%	0.91%	1.15%	1.33%	1.56%	1.75%	1.87%	1.99%	2.10%	2.20%	2.29%	2.35%	2.42%	2.46%	2.51%	2.54%	2.57%	2.59%	2.60%	2.62%
Q4 2004	0.01%	0.12%	0.32%	0.49%	0.72%	0.94%	1.14%	1.34%	1.54%	1.66%	1.78%	1.89%	2.00%	2.11%	2.21%	2.27%	2.33%	2.39%	2.43%	2.45%	2.47%	2.49%	2.51%	2.53%
Q1 2005	0.01%	0.10%	0.26%	0.45%	0.63%	0.83%	1.06%	1.28%	1.40%	1.52%	1.63%	1.76%	1.88%	1.97%	2.06%	2.12%	2.18%	2.24%	2.27%	2.30%	2.32%	2.34%	2.37%	2.38%
Q2 2005	0.01%	0.10%	0.24%	0.42%	0.59%	0.81%	1.00%	1.14%	1.26%	1.41%	1.53%	1.63%	1.74%	1.82%	1.89%	1.95%	2.02%	2.07%	2.10%	2.13%	2.16%	2.18%	2.20%	2.20%
Q3 2005	0.01%	0.10%	0.20%	0.38%	0.61%	0.78%	0.93%	1.14%	1.26%	1.41%	1.53%	1.63%	1.74%	1.82%	1.89%	1.95%	2.02%	2.07%	2.10%	2.13%	2.16%	2.18%	2.20%	2.20%
Q4 2005	0.03%	0.07%	0.22%	0.42%	0.63%	0.81%	0.98%	1.13%	1.31%	1.47%	1.61%	1.72%	1.82%	1.93%	2.02%	2.09%	2.13%	2.19%	2.23%	2.26%	2.28%	2.28%	2.28%	2.28%
Q1 2006	0.01%	0.07%	0.20%	0.37%	0.53%	0.67%	0.86%	1.02%	1.19%	1.34%	1.47%	1.60%	1.70%	1.78%	1.87%	1.93%	1.98%	2.02%	2.05%	2.07%	2.07%	2.07%	2.07%	2.07%
Q2 2006	0.01%	0.08%	0.21%	0.35%	0.54%	0.72%	0.91%	1.09%	1.28%	1.44%	1.57%	1.69%	1.81%	1.94%	2.03%	2.11%	2.18%	2.23%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%
Q3 2006	0.02%	0.06%	0.21%	0.37%	0.55%	0.73%	0.93%	1.13%	1.32%	1.47%	1.59%	1.72%	1.85%	1.95%	2.01%	2.08%	2.14%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Q4 2006	0.01%	0.05%	0.18%	0.35%	0.52%	0.71%	0.92%	1.09%	1.26%	1.43%	1.57%	1.71%	1.83%	1.91%	1.98%	2.04%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%
Q1 2007	0.01%	0.08%	0.22%	0.40%	0.59%	0.79%	1.08%	1.25%	1.46%	1.66%	1.87%	2.02%	2.19%	2.35%	2.45%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%
Q2 2007	0.02%	0.09%	0.21%	0.44%	0.69%	0.95%	1.21%	1.45%	1.64%	1.85%	2.03%	2.15%	2.29%	2.38%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%
Q3 2007	0.01%	0.06%	0.20%	0.44%	0.63%	0.85%	1.14%	1.35%	1.56%	1.72%	1.88%	2.02%	2.14%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%
Q4 2007	0.01%	0.08%	0.25%	0.40%	0.81%	1.10%	1.35%	1.60%	1.80%	2.12%	2.29%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Q1 2008	0.01%	0.09%	0.31%	0.60%	0.92%	1.21%	1.50%	1.77%	1.98%	2.18%	2.38%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%
Q2 2008	0.01%	0.06%	0.28%	0.61%	0.90%	1.15%	1.40%	1.62%	1.81%	2.02%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%
Q3 2008	0.02%	0.09%	0.38%	0.76%	1.04%	1.32%	1.58%	1.82%	2.03%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%
Q4 2008	0.03%	0.12%	0.37%	0.70%	0.95%	1.21%	1.41%	1.67%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%
Q1 2009	0.01%	0.11%	0.28%	0.47%	0.63%	0.81%	0.99%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%
Q2 2009	0.02%	0.08%	0.22%	0.37%	0.53%	0.69%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%
Q3 2009	0.03%	0.11%	0.27%	0.41%	0.55%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%
Q4 2009	0.03%	0.10%	0.25%	0.40%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%
Q1 2010	0.05%	0.12%	0.25%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
Q2 2010	0.02%	0.07%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%
Q3 2010	0.01%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%
Q4 2010	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

## 6. Static Analysis Recoveries

For a generation of defaulted loans (being all loans defaulted during the same quarter), the cumulative recovery rate in respect of a month is calculated as the ratio of: (i) the cumulative net present value of recoveries recorded between the month when such loan receivables become defaulted receivables and the relevant month, to (ii) the gross defaulted principal amount of such loans (s. above for cumulative gross losses). Recoveries are based on customer payments, proceeds on car sales and proceeds in cases of selling the loan to a recovery agency.

as of 30 June 2011

Quarter of Termination	cumulative recoveries in % / months after termination									
	6	12	18	24	30	36	42	48	54	60
Q1 2003	23.10%	29.80%	33.66%	35.97%	37.94%	39.42%	40.29%	40.87%	41.30%	41.70%
Q2 2003	22.77%	28.80%	33.01%	35.38%	36.94%	38.28%	39.10%	39.67%	40.10%	40.79%
Q3 2003	15.42%	22.33%	26.58%	30.64%	33.05%	34.22%	35.22%	36.06%	36.61%	37.07%
Q4 2003	14.57%	22.03%	28.35%	31.52%	34.36%	36.10%	37.21%	38.19%	39.02%	39.69%
Q1 2004	18.18%	23.48%	28.50%	31.05%	33.25%	34.63%	35.37%	36.00%	36.51%	36.99%
Q2 2004	23.16%	29.13%	31.84%	33.94%	35.92%	37.02%	37.77%	38.32%	38.73%	39.21%
Q3 2004	24.15%	30.38%	33.59%	36.26%	38.71%	39.87%	40.67%	41.23%	41.79%	42.40%
Q4 2004	23.81%	29.02%	32.85%	35.77%	38.72%	40.01%	40.91%	41.73%	42.28%	42.92%
Q1 2005	25.34%	30.70%	34.47%	36.97%	39.61%	41.16%	42.15%	43.01%	43.64%	44.72%
Q2 2005	26.00%	31.92%	35.45%	38.32%	40.82%	42.12%	43.01%	43.79%	44.38%	45.38%
Q3 2005	23.75%	30.54%	34.43%	37.27%	39.79%	41.51%	42.72%	43.71%	44.46%	45.57%
Q4 2005	26.43%	33.46%	37.28%	40.29%	42.80%	44.46%	45.80%	46.89%	47.73%	49.00%
Q1 2006	26.99%	33.27%	36.92%	39.77%	42.56%	44.27%	45.53%	46.42%	47.11%	48.26%
Q2 2006	31.79%	36.54%	39.60%	41.77%	44.17%	45.34%	46.31%	47.12%	47.71%	48.64%
Q3 2006	26.88%	31.91%	35.27%	37.47%	39.94%	41.36%	42.51%	43.28%	43.97%	
Q4 2006	31.23%	35.86%	38.57%	40.67%	43.03%	44.18%	45.15%	46.01%	46.62%	
Q1 2007	31.21%	35.39%	37.84%	39.92%	42.05%	43.25%	44.28%	45.14%		
Q2 2007	32.44%	36.05%	38.19%	39.89%	41.85%	42.90%	43.72%	44.41%		
Q3 2007	30.92%	34.27%	36.73%	38.55%	40.51%	41.44%	42.25%			
Q4 2007	32.14%	35.27%	37.83%	39.59%	41.41%	42.49%	43.35%			
Q1 2008	31.62%	35.48%	38.01%	40.19%	41.69%	42.90%				
Q2 2008	29.14%	33.00%	35.60%	37.15%	38.89%	39.79%				
Q3 2008	28.56%	32.37%	34.80%	36.65%	38.47%					
Q4 2008	25.00%	29.33%	32.29%	34.58%	36.49%					
Q1 2009	29.16%	32.89%	35.82%	38.22%						
Q2 2009	25.76%	29.54%	32.14%	34.66%						
Q3 2009	28.64%	31.36%	34.22%							
Q4 2009	26.50%	30.72%	34.03%							
Q1 2010	30.81%	34.16%								
Q2 2010	30.25%	32.80%								
Q3 2010	30.43%									
Q4 2010	31.59%									

## 7. Static Analysis Recoveries - Used Vehicles

For a generation of defaulted loans (being all loans defaulted during the same quarter) used to finance used vehicles, the cumulative recovery rate in respect of a month is calculated as the ratio of: (i) the cumulative net present value of recoveries recorded between the month when such loan receivables become defaulted receivables and the relevant month, to (ii) the gross defaulted principal amount of such loans (s. above for cumulative gross losses). Recoveries are based on customer payments, proceeds on car sales and proceeds in cases of selling the loan to a recovery agency.

as of 30 June 2011

cumulative recoveries in % / months after termination

Quarter of Termination	6	12	18	24	30	36	42	48	54	60
Q1 2004	15.52%	21.25%	26.37%	28.98%	31.19%	32.60%	33.35%	34.05%	34.61%	35.17%
Q2 2004	21.52%	27.66%	30.34%	32.68%	34.49%	35.69%	36.56%	37.18%	37.66%	38.16%
Q3 2004	21.22%	27.50%	30.95%	33.84%	36.45%	37.71%	38.68%	39.34%	40.02%	40.71%
Q4 2004	21.53%	26.68%	30.47%	33.56%	36.60%	37.95%	38.87%	39.72%	40.31%	40.97%
Q1 2005	22.40%	27.92%	31.79%	34.41%	36.97%	38.68%	39.78%	40.80%	41.48%	42.63%
Q2 2005	23.28%	29.25%	33.09%	35.93%	38.49%	39.95%	40.92%	41.82%	42.49%	43.61%
Q3 2005	21.89%	28.66%	32.69%	35.60%	38.27%	40.12%	41.48%	42.57%	43.46%	44.70%
Q4 2005	24.81%	31.88%	35.90%	39.14%	41.86%	43.70%	45.18%	46.33%	47.26%	48.61%
Q1 2006	25.22%	31.72%	35.61%	38.40%	41.18%	42.96%	44.23%	45.18%	45.95%	47.20%
Q2 2006	29.90%	34.91%	38.08%	40.39%	42.90%	44.09%	45.05%	45.95%	46.58%	47.57%
Q3 2006	25.41%	30.83%	34.36%	36.66%	39.27%	40.84%	42.02%	42.86%	43.64%	
Q4 2006	29.53%	34.55%	37.40%	39.72%	42.27%	43.56%	44.62%	45.56%	46.20%	
Q1 2007	30.55%	34.90%	37.52%	39.82%	42.08%	43.36%	44.38%	45.28%		
Q2 2007	30.83%	34.37%	36.65%	38.42%	40.45%	41.59%	42.54%	43.36%		
Q3 2007	29.10%	32.56%	35.14%	37.11%	39.08%	40.11%	41.01%			
Q4 2007	31.85%	34.80%	37.15%	39.10%	40.91%	41.91%	42.84%			
Q1 2008	30.60%	34.33%	36.93%	39.29%	40.82%	42.13%				
Q2 2008	28.20%	32.02%	34.76%	36.41%	38.17%	39.25%				
Q3 2008	27.07%	30.86%	33.54%	35.56%	37.53%					
Q4 2008	25.45%	29.61%	32.66%	35.04%	37.03%					
Q1 2009	29.19%	32.93%	35.79%	38.60%						
Q2 2009	25.53%	29.10%	31.67%	34.46%						
Q3 2009	28.62%	31.07%	34.16%							
Q4 2009	26.47%	30.36%	33.66%							
Q1 2010	31.03%	34.42%								
Q2 2010	29.98%	32.80%								
Q3 2010	30.31%									
Q4 2010	30.16%									

## 8. Static Analysis Recoveries - New Vehicles

For a generation of defaulted loans (being all loans defaulted during the same quarter) used to finance new vehicles, the cumulative recovery rate in respect of a month is calculated as the ratio of: (i) the cumulative net present value of recoveries recorded between the month when such loan receivables become defaulted receivables and the relevant month, to (ii) the gross defaulted principal amount of such loans (s. above for cumulative gross losses). Recoveries are based on customer payments, proceeds on car sales and proceeds in cases of selling the loan to a recovery agency.

as of 30 June 2011

cumulative recoveries in % / months after termination

Quarter of Termination	6	12	18	24	30	36	42	48	54	60
Q1 2004	26.85%	31.36%	35.89%	38.24%	40.12%	41.37%	42.09%	42.51%	42.87%	43.18%
Q2 2004	28.53%	33.69%	36.42%	37.92%	40.12%	40.84%	41.25%	41.58%	41.80%	42.18%
Q3 2004	31.97%	38.03%	40.60%	42.73%	44.69%	45.44%	45.82%	46.14%	46.39%	46.80%
Q4 2004	31.41%	36.86%	40.93%	43.22%	45.81%	46.81%	47.60%	48.26%	48.66%	49.19%
Q1 2005	33.87%	38.84%	42.29%	44.42%	47.22%	48.42%	49.15%	49.64%	50.16%	51.05%
Q2 2005	34.12%	39.43%	42.07%	45.01%	47.40%	48.27%	48.94%	49.43%	49.79%	50.43%
Q3 2005	30.04%	37.03%	40.53%	43.07%	45.18%	46.46%	47.23%	47.90%	48.26%	49.01%
Q4 2005	31.85%	38.91%	42.10%	44.41%	46.16%	47.29%	48.29%	49.23%	49.73%	50.76%
Q1 2006	33.72%	39.24%	42.25%	45.10%	47.86%	49.30%	50.52%	51.22%	51.64%	52.44%
Q2 2006	37.83%	41.91%	44.73%	46.39%	48.48%	49.63%	50.59%	51.19%	51.67%	52.33%
Q3 2006	31.60%	35.75%	38.58%	40.45%	42.56%	43.51%	44.44%	44.93%	45.34%	
Q4 2006	37.99%	41.59%	43.67%	45.22%	46.97%	47.72%	48.42%	49.14%	49.68%	
Q1 2007	35.75%	39.47%	41.39%	42.84%	44.69%	45.68%	46.64%	47.40%		
Q2 2007	39.55%	43.25%	45.07%	46.51%	48.25%	49.07%	49.56%	49.87%		
Q3 2007	38.60%	42.08%	44.23%	45.58%	47.57%	48.28%	48.84%			
Q4 2007	35.08%	38.42%	41.94%	43.29%	45.40%	46.63%	47.41%			
Q1 2008	37.07%	41.29%	43.77%	45.79%	47.16%	48.19%				
Q2 2008	35.43%	39.90%	42.53%	43.93%	45.60%	46.10%				
Q3 2008	35.36%	39.36%	41.68%	43.28%	44.84%					
Q4 2008	27.60%	33.48%	36.01%	38.30%	40.09%					
Q1 2009	34.18%	38.28%	40.54%	42.29%						
Q2 2009	30.89%	35.45%	38.39%	40.68%						
Q3 2009	33.75%	37.56%	40.48%							
Q4 2009	30.65%	35.48%	38.60%							
Q1 2010	36.84%	40.63%								
Q2 2010	36.05%	37.95%								
Q3 2010	38.01%									
Q4 2010	42.60%									

## 9. Static Analysis Recoveries - Balloon Loans

For a generation of defaulted loans (being all loans defaulted during the same quarter) which are balloon loans, the cumulative recovery rate in respect of a month is calculated as the ratio of: (i) the cumulative net present value of recoveries recorded between the month when such loan receivables become defaulted receivables and the relevant month, to (ii) the gross defaulted principal amount of such loans (s. above for cumulative gross losses). Recoveries are based on customer payments, proceeds on car sales and proceeds in cases of selling the loan to a recovery agency.

as of 30 June 2011

cumulative recoveries in % / months after termination

Quarter of Termination	6	12	18	24	30	36	42	48	54	60
Q1 2004	24.97%	28.87%	32.70%	34.75%	37.35%	38.74%	39.42%	39.95%	40.52%	41.07%
Q2 2004	29.88%	34.71%	36.68%	38.35%	39.24%	39.75%	40.07%	40.39%	40.61%	40.98%
Q3 2004	25.20%	29.78%	31.96%	33.83%	36.07%	36.69%	37.18%	37.65%	38.10%	38.59%
Q4 2004	28.26%	31.46%	34.37%	35.94%	39.01%	39.79%	40.45%	41.02%	41.41%	41.91%
Q1 2005	28.74%	32.78%	34.80%	36.32%	39.17%	40.17%	40.62%	41.02%	41.36%	42.37%
Q2 2005	31.30%	34.98%	37.38%	39.99%	42.23%	42.86%	43.41%	43.79%	44.15%	44.91%
Q3 2005	26.96%	32.43%	35.31%	38.44%	40.80%	42.81%	43.99%	44.78%	45.29%	46.36%
Q4 2005	29.73%	36.01%	37.64%	39.80%	41.97%	43.10%	44.02%	44.84%	45.54%	46.97%
Q1 2006	28.64%	32.70%	35.00%	37.53%	40.27%	41.49%	42.65%	43.27%	43.77%	44.78%
Q2 2006	33.74%	36.82%	39.45%	40.85%	43.74%	44.82%	45.52%	46.05%	46.55%	47.28%
Q3 2006	30.02%	33.23%	35.92%	37.99%	40.72%	41.56%	42.46%	42.84%	43.36%	
Q4 2006	35.77%	38.61%	41.00%	42.73%	44.90%	45.61%	46.34%	47.08%	47.65%	
Q1 2007	31.41%	35.76%	38.11%	40.76%	42.96%	44.10%	45.04%	46.05%		
Q2 2007	34.86%	39.07%	40.57%	41.90%	43.87%	44.80%	45.37%	45.90%		
Q3 2007	33.65%	37.09%	38.98%	40.21%	42.11%	42.78%	43.27%			
Q4 2007	34.82%	37.91%	40.57%	42.00%	43.99%	44.89%	45.64%			
Q1 2008	31.48%	35.26%	38.00%	40.24%	41.78%	42.92%				
Q2 2008	33.54%	37.77%	40.07%	41.37%	43.08%	43.82%				
Q3 2008	33.13%	36.80%	38.73%	40.51%	42.14%					
Q4 2008	28.05%	33.71%	36.40%	38.57%	40.32%					
Q1 2009	28.98%	33.09%	37.13%	40.86%						
Q2 2009	28.11%	32.81%	35.79%	40.23%						
Q3 2009	31.61%	34.53%	38.71%							
Q4 2009	31.22%	35.79%	39.89%							
Q1 2010	35.88%	40.77%								
Q2 2010	37.67%	40.36%								
Q3 2010	37.70%									
Q4 2010	38.23%									

## 10. Static Analysis Recoveries - Non-Balloon-Loans

For a generation of defaulted loans (being all loans defaulted during the same quarter) which are amortising loans, the cumulative recovery rate in respect of a month is calculated as the ratio of: (i) the cumulative net present value of recoveries recorded between the month when such loan receivables become defaulted receivables and the relevant month, to (ii) the gross defaulted principal amount of such loans (s. above for cumulative gross losses). Recoveries are based on customer payments, proceeds on car sales and proceeds in cases of selling the loan to a recovery agency.

as of 30 June 2011

cumulative recoveries in % / months after termination

Quarter of Termination	6	12	18	24	30	36	42	48	54	60
Q1 2004	17.25%	22.74%	27.95%	30.56%	32.73%	34.10%	34.85%	35.50%	35.99%	36.47%
Q2 2004	22.11%	28.22%	31.06%	33.24%	35.39%	36.57%	37.38%	37.96%	38.40%	38.89%
Q3 2004	24.01%	30.58%	34.02%	36.86%	39.40%	40.67%	41.54%	42.13%	42.72%	43.35%
Q4 2004	22.94%	28.58%	32.62%	35.81%	38.77%	40.16%	41.12%	41.99%	42.58%	43.25%
Q1 2005	24.66%	30.27%	34.39%	37.09%	39.72%	41.39%	42.48%	43.43%	44.12%	45.18%
Q2 2005	24.92%	31.30%	35.05%	37.97%	40.57%	42.00%	42.95%	43.81%	44.44%	45.46%
Q3 2005	23.14%	30.16%	34.26%	37.03%	39.61%	41.28%	42.49%	43.52%	44.31%	45.42%
Q4 2005	25.79%	32.94%	37.21%	40.39%	42.97%	44.74%	46.17%	47.32%	48.17%	49.40%
Q1 2006	26.64%	33.41%	37.38%	40.29%	43.10%	44.92%	46.20%	47.15%	47.88%	49.05%
Q2 2006	31.31%	36.45%	39.63%	41.98%	44.29%	45.48%	46.52%	47.39%	48.00%	48.96%
Q3 2006	26.09%	31.57%	35.10%	37.33%	39.79%	41.36%	42.56%	43.42%	44.16%	
Q4 2006	30.10%	35.18%	37.97%	40.16%	42.59%	43.85%	44.87%	45.75%	46.36%	
Q1 2007	31.15%	35.28%	37.77%	39.70%	41.84%	43.05%	44.11%	44.91%		
Q2 2007	31.66%	35.09%	37.42%	39.24%	41.25%	42.33%	43.24%	43.98%		
Q3 2007	30.04%	33.36%	36.03%	38.06%	40.04%	41.07%	41.99%			
Q4 2007	31.13%	34.27%	36.76%	38.64%	40.40%	41.54%	42.45%			
Q1 2008	31.66%	35.55%	37.99%	40.16%	41.65%	42.91%				
Q2 2008	27.71%	31.42%	34.12%	35.73%	37.51%	38.46%				
Q3 2008	26.92%	30.77%	33.37%	35.24%	37.14%					
Q4 2008	23.98%	27.87%	30.90%	33.25%	35.22%					
Q1 2009	29.30%	32.84%	35.26%	37.09%						
Q2 2009	24.74%	28.16%	30.60%	32.36%						
Q3 2009	27.66%	30.29%	32.78%							
Q4 2009	24.55%	28.52%	31.26%							
Q1 2010	29.37%	32.27%								
Q2 2010	28.62%	31.14%								
Q3 2010	28.71%									
Q4 2010	30.12%									

## 11. Delinquencies 31-60 Days, 61-90 Days and 91-120 Days Past Due in % Total Portfolio

At a given month, the delinquency rate is calculated as the ratio of: (i) the outstanding principal balance of all delinquent loans in the respective overdue bucket, to (ii) the outstanding principal balance of all loans (defaulted loans excluded) at the end of the same month.

as of 30 June 2011

Year	2003			2004			2005			2006			2007			
	days past due	31-60	61-90	91-120	31-60	61-90	91-120	31-60	61-90	91-120	31-60	61-90	91-120	31-60	61-90	91-120
January		0.82%	0.33%	0.44%	0.89%	0.35%	0.42%	0.87%	0.32%	0.27%	0.76%	0.28%	0.37%	0.65%	0.28%	0.13%
February		0.92%	0.32%	0.43%	0.91%	0.33%	0.43%	1.00%	0.31%	0.28%	0.78%	0.30%	0.35%	0.71%	0.30%	0.15%
March		0.83%	0.31%	0.44%	0.79%	0.26%	0.35%	0.82%	0.30%	0.25%	0.67%	0.26%	0.31%	0.66%	0.29%	0.15%
April		0.85%	0.31%	0.45%	0.86%	0.30%	0.31%	0.89%	0.28%	0.23%	0.77%	0.31%	0.37%	0.67%	0.31%	0.16%
May		0.84%	0.31%	0.53%	0.99%	0.32%	0.31%	0.88%	0.31%	0.22%	0.70%	0.30%	0.37%	0.67%	0.35%	0.18%
June		0.83%	0.31%	0.62%	0.87%	0.32%	0.29%	0.83%	0.30%	0.24%	0.70%	0.29%	0.41%	0.66%	0.37%	0.20%
July		0.74%	0.26%	0.63%	0.87%	0.33%	0.28%	0.85%	0.31%	0.27%	0.72%	0.29%	0.42%	0.63%	0.36%	0.19%
August		0.82%	0.26%	0.61%	0.92%	0.32%	0.28%	0.81%	0.29%	0.28%	0.65%	0.29%	0.41%	0.61%	0.33%	0.19%
September		0.78%	0.27%	0.56%	0.87%	0.32%	0.28%	0.81%	0.29%	0.28%	0.71%	0.29%	0.43%	0.64%	0.36%	0.19%
October		0.81%	0.27%	0.48%	0.91%	0.32%	0.29%	0.84%	0.30%	0.31%	0.69%	0.31%	0.42%	0.59%	0.35%	0.18%
November		0.87%	0.31%	0.45%	0.89%	0.31%	0.28%	0.81%	0.30%	0.33%	0.67%	0.30%	0.42%	0.61%	0.35%	0.19%
December		0.90%	0.31%	0.43%	0.83%	0.31%	0.29%	0.74%	0.29%	0.36%	0.68%	0.28%	0.42%	0.67%	0.36%	0.19%

Year	2008			2009			2010			2011			
	days past due	31-60	61-90	91-120	31-60	61-90	91-120	31-60	61-90	91-120	31-60	61-90	91-120
January		0.62%	0.35%	0.19%	0.57%	0.35%	0.19%	0.51%	0.28%	0.15%	0.45%	0.28%	0.15%
February		0.62%	0.35%	0.21%	0.63%	0.35%	0.20%	0.53%	0.29%	0.15%	0.49%	0.27%	0.16%
March		0.63%	0.35%	0.20%	0.60%	0.31%	0.18%	0.46%	0.26%	0.14%	0.43%	0.27%	0.15%
April		0.61%	0.33%	0.20%	0.54%	0.35%	0.20%	0.45%	0.27%	0.15%	0.44%	0.27%	0.16%
May		0.61%	0.36%	0.20%	0.62%	0.32%	0.20%	0.44%	0.25%	0.15%	0.43%	0.25%	0.14%
June		0.62%	0.35%	0.22%	0.54%	0.32%	0.19%	0.42%	0.24%	0.13%	0.43%	0.25%	0.14%
July		0.58%	0.35%	0.20%	0.52%	0.29%	0.18%	0.45%	0.25%	0.14%	0.43%	0.24%	0.13%
August		0.61%	0.34%	0.21%	0.54%	0.30%	0.17%	0.42%	0.22%	0.12%			
September		0.59%	0.34%	0.19%	0.54%	0.30%	0.17%	0.45%	0.23%	0.13%			
October		0.56%	0.32%	0.19%	0.55%	0.31%	0.17%	0.48%	0.27%	0.14%			
November		0.64%	0.36%	0.19%	0.52%	0.30%	0.17%	0.46%	0.28%	0.16%			
December		0.59%	0.33%	0.19%	0.50%	0.27%	0.15%	0.42%	0.26%	0.16%			

## 12. Annualised Prepayments

At a given month, the annualised prepayment rate is calculated by multiplying the monthly prepayment rate by 12. The monthly prepayment rate is calculated as the ratio of: (i) the outstanding principal balance of all loans prepaid during the month, to (ii) the outstanding principal balance of all loans (defaulted loans excluded) at the end of the previous month.

as of 30 June 2011

<b>Prepayments in % of Total Outstanding Loan Balance</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>January</b>	12.1%	12.8%	12.6%	12.6%	10.8%	9.6%	11.4%
<b>February</b>	12.2%	12.7%	12.5%	12.7%	10.7%	9.4%	11.3%
<b>March</b>	12.9%	13.9%	13.6%	13.7%	11.4%	10.3%	12.6%
<b>April</b>	13.8%	14.0%	13.9%	14.4%	11.6%	11.2%	13.1%
<b>May</b>	14.2%	14.7%	14.5%	14.3%	11.4%	11.6%	
<b>June</b>	14.3%	14.1%	14.3%	14.6%	11.0%	11.4%	
<b>July</b>	14.1%	14.3%	14.8%	14.2%	11.3%	11.6%	
<b>August</b>	14.4%	14.1%	14.8%	13.6%	11.3%	12.1%	
<b>September</b>	13.9%	13.8%	14.4%	12.9%	11.2%	12.3%	
<b>October</b>	13.3%	13.6%	13.9%	12.5%	10.7%	12.1%	
<b>November</b>	13.0%	13.1%	13.6%	12.2%	10.6%	12.1%	
<b>December</b>	12.7%	12.7%	12.8%	11.5%	10.1%	11.6%	

## Assumed Amortisation of the Purchased Receivables and of the Notes

### Assumed Amortisation of the Purchased Receivables if clean-up call option is not exercised

This amortisation scenario is based on the assumption that 0 % prepayments and 0 % losses occur and on the assumptions listed under (b) to (f) (inclusive) under "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS". It should be noted that the actual amortisation of the Purchased Receivables may differ substantially from the amortisation scenario indicated below.

IN EUROs		
Payment Date falling in	Amortisation Profile of the Purchased Receivables	Scheduled Amortisation of the Purchased Receivables
Sep-11	600,000,000	
Oct-11	590,194,867	9,805,133
Nov-11	580,414,331	9,780,536
Dec-11	570,593,314	9,821,017
Jan-12	560,707,822	9,885,493
Feb-12	550,844,308	9,863,513
Mar-12	540,954,477	9,889,831
Apr-12	531,008,847	9,945,631
May-12	521,075,768	9,933,079
Jun-12	511,122,154	9,953,613
Jul-12	501,009,928	10,112,226
Aug-12	490,739,670	10,270,259
Sep-12	480,599,565	10,140,105
Oct-12	470,382,742	10,216,822
Nov-12	460,237,037	10,145,705
Dec-12	450,074,794	10,162,243
Jan-13	439,962,370	10,112,423
Feb-13	429,855,346	10,107,024
Mar-13	419,769,929	10,085,417
Apr-13	409,412,679	10,357,250
May-13	399,334,392	10,078,287
Jun-13	389,332,931	10,001,461
Jul-13	378,909,033	10,423,899
Aug-13	367,730,781	11,178,252
Sep-13	356,943,694	10,787,087
Oct-13	346,178,533	10,765,161
Nov-13	335,679,897	10,498,637
Dec-13	324,915,562	10,764,335
Jan-14	314,217,301	10,698,261
Feb-14	304,050,615	10,166,685
Mar-14	293,859,975	10,190,640
Apr-14	283,080,797	10,779,178
May-14	272,488,484	10,592,313
Jun-14	262,224,891	10,263,593
Jul-14	250,947,708	11,277,183
Aug-14	239,419,506	11,528,202
Sep-14	228,340,023	11,079,493
Oct-14	217,586,567	10,753,456
Nov-14	207,355,162	10,231,404
Dec-14	196,957,605	10,397,558
Jan-15	186,898,346	10,059,258
Feb-15	177,687,925	9,210,421
Mar-15	167,692,743	9,995,182
Apr-15	157,145,481	10,547,262
May-15	147,580,174	9,565,307
Jun-15	138,422,290	9,157,884
Jul-15	128,966,226	9,456,064
Aug-15	120,757,678	8,208,549
Sep-15	112,264,169	8,493,489
Oct-15	104,212,006	8,052,183
Nov-15	96,494,265	7,717,740
Dec-15	88,729,734	7,764,531
Jan-16	81,339,275	7,390,460
Feb-16	74,808,827	6,530,448
Mar-16	67,452,219	7,356,608
Apr-16	59,514,820	7,937,399
May-16	50,467,846	9,046,974
Jun-16	42,570,299	7,897,548
Jul-16	34,660,821	7,909,478
Aug-16	31,728,749	2,932,072
Sep-16	28,967,221	2,761,526
Oct-16	26,335,321	2,631,900
Nov-16	23,843,328	2,491,983
Dec-16	21,458,450	2,384,878
Jan-17	19,187,744	2,270,705
Feb-17	17,038,242	2,149,503
Mar-17	14,996,060	2,042,182
Apr-17	13,080,586	1,915,474
May-17	11,331,015	1,749,571
Jun-17	9,782,062	1,548,954
Jul-17	8,424,984	1,357,078
Aug-17	7,251,687	1,173,297
Sep-17	6,192,647	1,059,040
Oct-17	5,214,147	978,500
Nov-17	4,311,574	902,573
Dec-17	3,477,286	834,288
Jan-18	2,728,477	748,809
Feb-18	2,060,815	667,661
Mar-18	1,464,965	595,851
Apr-18	944,391	520,574
May-18	531,302	413,089
Jun-18	238,793	292,509
Jul-18	68,068	170,726
Aug-18	2,114	65,954
Sep-18	634	1,479
Oct-18		634

#### Assumptions

- (a) The Purchased Receivables are subject to a constant rate of prepayment of 0.0%;
- (b) No Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy;
- (c) The Notes are issued on the Note Issuance Date of 23 September 2011;
- (d) No Purchased Receivables become delinquent;
- (e) The cumulative gross loss is assumed to be 0.0%;
- (f) The sum of (i) the weighted interest margin of the Notes, (ii) the swap fixed rate and (iii) senior expenses amount to 3.2%.

## Assumed Amortisation of the Purchased Receivables if clean-up option is exercised

This amortisation scenario is based on the assumption that 12 % prepayments occur, and on the assumptions listed under (b) to (h) (inclusive) under "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS". It should be noted that the actual amortisation of the Purchased Receivables may differ substantially from the amortisation scenario indicated below.

IN EUROS		
Payment Date falling in	Amortisation Profile of the Purchased Receivables	Scheduled Amortisation of the Purchased Receivables
Sep-11	600,000,000	
Oct-11	584,179,451	15,820,549
Nov-11	568,629,375	15,550,076
Dec-11	553,256,677	15,372,697
Jan-12	537,964,719	15,291,958
Feb-12	522,855,929	15,108,791
Mar-12	507,905,907	14,950,021
Apr-12	493,118,174	14,787,733
May-12	478,534,402	14,583,771
Jun-12	464,177,076	14,357,326
Jul-12	449,922,834	14,254,242
Aug-12	435,768,434	14,154,400
Sep-12	421,991,035	13,777,398
Oct-12	408,387,603	13,603,432
Nov-12	395,063,152	13,324,452
Dec-12	381,957,010	13,106,142
Jan-13	369,136,521	12,820,489
Feb-13	356,546,927	12,589,594
Mar-13	344,203,784	12,343,143
Apr-13	331,838,975	12,364,809
May-13	319,921,299	11,917,676
Jun-13	308,308,233	11,613,066
Jul-13	296,567,338	11,740,895
Aug-13	284,466,568	12,100,771
Sep-13	272,912,999	11,553,568
Oct-13	261,578,432	11,334,567
Nov-13	250,659,099	10,919,333
Dec-13	239,740,641	10,918,458
Jan-14	229,101,063	10,639,578
Feb-14	219,016,102	10,084,961
Mar-14	209,129,771	9,886,331
Apr-14	199,032,368	10,097,403
May-14	189,289,765	9,742,603
Jun-14	179,963,010	9,326,755
Jul-14	170,137,971	9,825,040
Aug-14	160,360,621	9,777,350
Sep-14	151,074,921	9,285,700
Oct-14	142,194,503	8,880,418
Nov-14	133,836,072	8,358,430
Dec-14	125,554,479	8,281,593
Jan-15	117,673,426	7,881,053
Feb-15	110,485,747	7,187,679
Mar-15	102,956,029	7,529,718
Apr-15	95,268,147	7,687,882
May-15	88,323,643	6,944,505
Jun-15	81,796,104	6,527,539
Jul-15	75,241,505	6,554,599
Aug-15	69,544,962	5,696,543
Sep-15	63,829,722	5,715,240
Oct-15	58,486,439	5,343,283
Nov-15	-	58,486,439
Dec-15	-	-
Jan-16	-	-
Feb-16	-	-
Mar-16	-	-
Apr-16	-	-
May-16	-	-
Jun-16	-	-
Jul-16	-	-
Aug-16	-	-
Sep-16	-	-
Oct-16	-	-
Nov-16	-	-
Dec-16	-	-
Jan-17	-	-
Feb-17	-	-
Mar-17	-	-
Apr-17	-	-
May-17	-	-
Jun-17	-	-
Jul-17	-	-
Aug-17	-	-
Sep-17	-	-
Oct-17	-	-
Nov-17	-	-
Dec-17	-	-
Jan-18	-	-
Feb-18	-	-
Mar-18	-	-
Apr-18	-	-
May-18	-	-
Jun-18	-	-
Jul-18	-	-
Aug-18	-	-
Sep-18	-	-
Oct-18	-	-

### Assumptions

- (a) The Purchased Receivables are subject to a constant rate of prepayment of 12.0%;
- (b) No Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy;
- (c) The Notes are issued on the Note Issuance Date of 23 September 2011;
- (d) The clean-up option is exercised in accordance with the Receivables Purchase Agreement and Condition 7.4 (Early Redemption) of the Terms and Conditions;
- (e) No Purchased Receivables become delinquent;
- (f) The cumulative gross loss is assumed to be 2.7%;
- (g) Recoveries are assumed to be 40% with a recovery timing of 0 months; and
- (h) The sum of (i) the weighted interest margin of the Notes, (ii) the swap fixed rate and (iii) senior expenses amount to 3.2%.

## Assumed Amortisation of the Notes if clean-up call option is exercised

This amortisation scenario is based on the assumption that 0 % prepayments occur, and on the assumptions listed under (b) to (h) (inclusive) under "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS". It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

IN EUROS				
Payment Date falling in	Principal Amount Outstanding Class A Notes	Principal Amount Outstanding Class B Notes	Amortisation of Class A Notes	Amortisation of Class B Notes
Sep-11	573,000,000	27,000,000		
Oct-11	563,179,451	27,000,000	9,820,549	-
Nov-11	553,371,739	27,000,000	9,807,712	-
Dec-11	543,486,646	27,000,000	9,885,093	-
Jan-12	533,428,747	27,000,000	10,057,900	-
Feb-12	523,304,435	27,000,000	10,124,312	-
Mar-12	513,090,164	27,000,000	10,214,271	-
Apr-12	502,789,771	27,000,000	10,300,393	-
May-12	492,451,200	27,000,000	10,338,570	-
Jun-12	482,097,623	27,000,000	10,353,577	-
Jul-12	471,596,427	27,000,000	10,501,196	-
Aug-12	460,943,490	27,000,000	10,652,937	-
Sep-12	450,445,688	27,000,000	10,497,802	-
Oct-12	439,883,284	27,000,000	10,562,404	-
Nov-12	429,381,013	27,000,000	10,502,271	-
Dec-12	418,871,576	27,000,000	10,509,437	-
Jan-13	408,434,605	27,000,000	10,436,972	-
Feb-13	398,013,345	27,000,000	10,421,260	-
Mar-13	387,629,288	27,000,000	10,384,057	-
Apr-13	376,968,864	27,000,000	10,660,424	-
May-13	366,593,995	27,000,000	10,374,868	-
Jun-13	356,334,986	27,000,000	10,259,009	-
Jul-13	345,668,427	27,000,000	10,666,559	-
Aug-13	334,288,260	27,000,000	11,380,167	-
Sep-13	323,325,855	27,000,000	10,962,405	-
Oct-13	312,385,703	27,000,000	10,940,152	-
Nov-13	301,722,475	27,000,000	10,663,228	-
Dec-13	290,807,329	27,000,000	10,915,146	-
Jan-14	279,994,712	27,000,000	10,812,617	-
Feb-14	269,680,467	27,000,000	10,314,245	-
Mar-14	259,381,277	27,000,000	10,299,189	-
Apr-14	248,541,483	27,000,000	10,839,794	-
May-14	237,926,387	27,000,000	10,615,096	-
Jun-14	227,643,589	27,000,000	10,282,798	-
Jul-14	216,406,484	27,000,000	11,237,105	-
Aug-14	204,964,656	27,000,000	11,441,828	-
Sep-14	193,968,982	27,000,000	10,995,674	-
Oct-14	183,307,719	27,000,000	10,661,263	-
Nov-14	173,168,399	27,000,000	10,139,320	-
Dec-14	162,899,018	27,000,000	10,269,381	-
Jan-15	152,987,227	27,000,000	9,911,791	-
Feb-15	143,905,434	27,000,000	9,081,792	-
Mar-15	134,081,886	27,000,000	9,823,548	-
Apr-15	123,767,660	27,000,000	10,314,226	-
May-15	114,397,630	27,000,000	9,370,030	-
Jun-15	105,459,895	27,000,000	8,937,735	-
Jul-15	96,262,253	27,000,000	9,197,642	-
Aug-15	88,261,661	27,000,000	8,000,592	-
Sep-15	80,026,387	27,000,000	8,235,274	-
Oct-15	72,223,108	27,000,000	7,803,279	-
Nov-15	64,745,752	27,000,000	7,477,356	-
Dec-15	57,238,396	27,000,000	7,507,357	-
Jan-16	50,117,702	27,000,000	7,120,694	-
Feb-16	43,828,096	27,000,000	6,289,605	-
Mar-16	36,759,674	27,000,000	7,068,422	-
Apr-16	29,168,529	27,000,000	7,591,145	-
May-16			29,168,529	27,000,000
Jun-16			-	-
Jul-16			-	-
Aug-16			-	-
Sep-16			-	-
Oct-16			-	-
Nov-16			-	-
Dec-16			-	-
Jan-17			-	-
Feb-17			-	-
Mar-17			-	-
Apr-17			-	-
May-17			-	-
Jun-17			-	-
Jul-17			-	-

### Assumptions

- (a) The Purchased Receivables are subject to a constant rate of prepayment of 0%;
- (b) No Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy;
- (c) The Notes are issued on the Note Issuance Date of 23 September 2011;
- (d) No Purchased Receivables become delinquent;
- (e) The clean-up option is exercised in accordance with the Receivables Purchase Agreement and Condition 7.4 (*Early Redemption*) of the Terms and Conditions;
- (f) The cumulative gross loss is assumed to be 2.7%;
- (g) Recoveries are assumed to be 40% with a recovery timing of 0 months; and
- (h) The sum of (i) the weighted interest margin of the Notes, (ii) the swap fixed rate and (iii) senior expenses amount to 3.2%.

This amortisation scenario is based on the assumption that 7 % prepayments occur, and on the assumptions listed under (b) to (h) (inclusive) under "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS". It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

IN EUROS				
Payment Date falling in	Principal Amount Outstanding Class A Notes	Principal Amount Outstanding Class B Notes	Amortisation of Class A Notes	Amortisation of Class B Notes
Sep-11	573,000,000	27,000,000		
Oct-11	559,679,451	27,000,000	13,320,549	-
Nov-11	546,507,443	27,000,000	13,172,008	-
Dec-11	533,393,039	27,000,000	13,114,404	-
Jan-12	520,241,051	27,000,000	13,151,988	-
Feb-12	507,156,487	27,000,000	13,084,565	-
Mar-12	494,116,222	27,000,000	13,040,264	-
Apr-12	481,124,827	27,000,000	12,991,395	-
May-12	468,227,461	27,000,000	12,897,366	-
Jun-12	455,447,780	27,000,000	12,779,681	-
Jul-12	442,659,555	27,000,000	12,788,225	-
Aug-12	429,860,118	27,000,000	12,799,438	-
Sep-12	417,339,571	27,000,000	12,520,547	-
Oct-12	404,888,973	27,000,000	12,450,599	-
Nov-12	392,622,142	27,000,000	12,266,830	-
Dec-12	380,476,563	27,000,000	12,145,580	-
Jan-13	368,525,316	27,000,000	11,951,247	-
Feb-13	356,713,640	27,000,000	11,811,676	-
Mar-13	345,060,242	27,000,000	11,653,398	-
Apr-13	333,279,799	27,000,000	11,780,443	-
May-13	321,878,769	27,000,000	11,401,031	-
Jun-13	310,704,540	27,000,000	11,174,228	-
Jul-13	299,289,736	27,000,000	11,414,805	-
Aug-13	287,374,437	27,000,000	11,915,299	-
Sep-13	275,954,360	27,000,000	11,420,077	-
Oct-13	264,675,664	27,000,000	11,278,696	-
Nov-13	253,757,908	27,000,000	10,917,756	-
Dec-13	242,743,100	27,000,000	11,014,808	-
Jan-14	231,939,557	27,000,000	10,803,543	-
Feb-14	221,669,685	27,000,000	10,269,873	-
Mar-14	211,529,064	27,000,000	10,140,621	-
Apr-14	201,053,133	27,000,000	10,475,931	-
May-14	190,884,646	27,000,000	10,168,488	-
Jun-14	181,102,736	27,000,000	9,781,910	-
Jul-14	170,653,223	27,000,000	10,449,513	-
Aug-14	160,160,262	27,000,000	10,492,961	-
Sep-14	150,146,208	27,000,000	10,014,054	-
Oct-14	140,515,384	27,000,000	9,630,624	-
Nov-14	131,411,081	27,000,000	9,104,302	-
Dec-14	122,311,502	27,000,000	9,099,579	-
Jan-15	113,601,662	27,000,000	8,709,840	-
Feb-15	105,640,629	27,000,000	7,961,033	-
Mar-15	97,195,790	27,000,000	8,444,839	-
Apr-15	88,477,089	27,000,000	8,718,701	-
May-15	80,581,549	27,000,000	7,895,540	-
Jun-15	73,114,665	27,000,000	7,466,884	-
Jul-15	65,542,626	27,000,000	7,572,039	-
Aug-15	58,957,470	27,000,000	6,585,156	-
Sep-15	52,281,888	27,000,000	6,675,583	-
Oct-15	46,006,113	27,000,000	6,275,774	-
Nov-15	40,044,469	27,000,000	5,961,644	-
Dec-15	34,133,639	27,000,000	5,910,830	-
Jan-16	28,580,769	27,000,000	5,552,870	-
Feb-16	-	-	28,580,769	27,000,000
Mar-16	-	-	-	-
Apr-16	-	-	-	-
May-16	-	-	-	-
Jun-16	-	-	-	-
Jul-16	-	-	-	-
Aug-16	-	-	-	-
Sep-16	-	-	-	-
Oct-16	-	-	-	-
Nov-16	-	-	-	-
Dec-16	-	-	-	-
Jan-17	-	-	-	-
Feb-17	-	-	-	-
Mar-17	-	-	-	-
Apr-17	-	-	-	-
May-17	-	-	-	-
Jun-17	-	-	-	-
Jul-17	-	-	-	-

#### Assumptions

- (a) The Purchased Receivables are subject to a constant rate of prepayment of 7%;
- (b) No Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy;
- (c) The Notes are issued on the Note Issuance Date of 23 September 2011;
- (d) No Purchased Receivables become delinquent;
- (e) The clean-up option is exercised in accordance with the Receivables Purchase Agreement and Condition 7.4 (Early Redemption) of the Terms and Conditions;
- (f) The cumulative gross loss is assumed to be 2.7%;
- (g) Recoveries are assumed to be 40% with a recovery timing of 0 months; and
- (h) The sum of (i) the weighted interest margin of the Notes, (ii) the swap fixed rate and (iii) senior expenses amount to 3.2%.

This amortisation scenario is based on the assumption that 12 % prepayments occur, and on the assumptions listed under (b) to (h) (inclusive) under "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS". It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

IN EUROS				
Payment Date falling in	Principal Amount Outstanding Class A Notes	Principal Amount Outstanding Class B Notes	Amortisation of Class A Notes	Amortisation of Class B Notes
Sep-11	573,000,000	27,000,000		
Oct-11	557,179,451	27,000,000	15,820,549	-
Nov-11	541,629,375	27,000,000	15,550,076	-
Dec-11	526,256,677	27,000,000	15,372,697	-
Jan-12	510,964,719	27,000,000	15,291,958	-
Feb-12	495,855,929	27,000,000	15,108,791	-
Mar-12	480,905,907	27,000,000	14,950,021	-
Apr-12	466,118,174	27,000,000	14,787,733	-
May-12	451,534,402	27,000,000	14,583,771	-
Jun-12	437,177,076	27,000,000	14,357,326	-
Jul-12	422,922,834	27,000,000	14,254,242	-
Aug-12	408,768,434	27,000,000	14,154,400	-
Sep-12	394,991,035	27,000,000	13,777,398	-
Oct-12	381,387,603	27,000,000	13,603,432	-
Nov-12	368,063,152	27,000,000	13,324,452	-
Dec-12	354,957,010	27,000,000	13,106,142	-
Jan-13	342,136,521	27,000,000	12,820,489	-
Feb-13	329,546,927	27,000,000	12,589,594	-
Mar-13	317,203,784	27,000,000	12,343,143	-
Apr-13	304,838,975	27,000,000	12,364,809	-
May-13	292,921,299	27,000,000	11,917,676	-
Jun-13	281,308,233	27,000,000	11,613,066	-
Jul-13	269,567,338	27,000,000	11,740,895	-
Aug-13	257,466,568	27,000,000	12,100,771	-
Sep-13	245,912,999	27,000,000	11,553,568	-
Oct-13	234,578,432	27,000,000	11,334,567	-
Nov-13	223,659,099	27,000,000	10,919,333	-
Dec-13	212,740,641	27,000,000	10,918,458	-
Jan-14	202,101,063	27,000,000	10,639,578	-
Feb-14	192,016,102	27,000,000	10,084,961	-
Mar-14	182,129,771	27,000,000	9,886,331	-
Apr-14	172,032,368	27,000,000	10,097,403	-
May-14	162,289,765	27,000,000	9,742,603	-
Jun-14	152,963,010	27,000,000	9,326,755	-
Jul-14	143,137,971	27,000,000	9,825,040	-
Aug-14	133,360,621	27,000,000	9,777,350	-
Sep-14	124,074,921	27,000,000	9,285,700	-
Oct-14	115,194,503	27,000,000	8,880,418	-
Nov-14	106,836,072	27,000,000	8,358,430	-
Dec-14	98,554,479	27,000,000	8,281,593	-
Jan-15	90,673,426	27,000,000	7,881,053	-
Feb-15	83,485,747	27,000,000	7,187,679	-
Mar-15	75,956,029	27,000,000	7,529,718	-
Apr-15	68,268,147	27,000,000	7,687,882	-
May-15	61,323,643	27,000,000	6,944,505	-
Jun-15	54,796,104	27,000,000	6,527,539	-
Jul-15	48,241,505	27,000,000	6,554,599	-
Aug-15	42,544,962	27,000,000	5,696,543	-
Sep-15	36,829,722	27,000,000	5,715,240	-
Oct-15	31,486,439	27,000,000	5,343,283	-
Nov-15	-	-	31,486,439	27,000,000
Dec-15	-	-	-	-
Jan-16	-	-	-	-
Feb-16	-	-	-	-
Mar-16	-	-	-	-
Apr-16	-	-	-	-
May-16	-	-	-	-
Jun-16	-	-	-	-
Jul-16	-	-	-	-
Aug-16	-	-	-	-
Sep-16	-	-	-	-
Oct-16	-	-	-	-
Nov-16	-	-	-	-
Dec-16	-	-	-	-
Jan-17	-	-	-	-
Feb-17	-	-	-	-
Mar-17	-	-	-	-
Apr-17	-	-	-	-
May-17	-	-	-	-
Jun-17	-	-	-	-
Jul-17	-	-	-	-

#### Assumptions

- (a) The Purchased Receivables are subject to a constant rate of prepayment of 12%;
- (b) No Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy;
- (c) The Notes are issued on the Note Issuance Date of 23 September 2011;
- (d) No Purchased Receivables become delinquent;
- (e) The clean-up option is exercised in accordance with the Receivables Purchase Agreement and Condition 7.4 (Early Redemption) of the Terms and Conditions;
- (f) The cumulative gross loss is assumed to be 2.7%;
- (g) Recoveries are assumed to be 40% with a recovery timing of 0 months; and
- (h) The sum of (i) the weighted interest margin of the Notes, (ii) the swap fixed rate and (iii) senior expenses amount to 3.2%.

This amortisation scenario is based on the assumption that 17 % prepayments occur, and on the assumptions listed under (b) to (h) (inclusive) under "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS". It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

IN EUROS				
Payment Date falling in	Principal Amount Outstanding Class A Notes	Principal Amount Outstanding Class B Notes	Amortisation of Class A Notes	Amortisation of Class B Notes
Sep-11	573,000,000	27,000,000		
Oct-11	554,679,451	27,000,000	18,320,549	-
Nov-11	536,772,139	27,000,000	17,907,311	-
Dec-11	519,181,152	27,000,000	17,590,988	-
Jan-12	501,806,777	27,000,000	17,374,375	-
Feb-12	484,747,303	27,000,000	17,059,474	-
Mar-12	467,975,532	27,000,000	16,771,772	-
Apr-12	451,492,433	27,000,000	16,483,098	-
May-12	435,334,791	27,000,000	16,157,643	-
Jun-12	419,522,511	27,000,000	15,812,279	-
Jul-12	403,933,588	27,000,000	15,588,923	-
Aug-12	388,562,787	27,000,000	15,370,801	-
Sep-12	373,673,441	27,000,000	14,889,346	-
Oct-12	359,066,892	27,000,000	14,606,549	-
Nov-12	344,838,472	27,000,000	14,228,420	-
Dec-12	330,928,061	27,000,000	13,910,410	-
Jan-13	317,396,385	27,000,000	13,531,676	-
Feb-13	304,187,549	27,000,000	13,208,836	-
Mar-13	291,313,043	27,000,000	12,874,507	-
Apr-13	278,519,655	27,000,000	12,793,387	-
May-13	266,240,062	27,000,000	12,279,593	-
Jun-13	254,340,216	27,000,000	11,899,847	-
Jul-13	242,418,785	27,000,000	11,921,431	-
Aug-13	230,267,835	27,000,000	12,150,950	-
Sep-13	218,712,157	27,000,000	11,555,677	-
Oct-13	207,446,156	27,000,000	11,266,002	-
Nov-13	196,644,133	27,000,000	10,802,022	-
Dec-13	185,930,270	27,000,000	10,713,863	-
Jan-14	175,554,352	27,000,000	10,375,918	-
Feb-14	165,749,817	27,000,000	9,804,536	-
Mar-14	156,203,372	27,000,000	9,546,445	-
Apr-14	146,552,900	27,000,000	9,650,472	-
May-14	137,295,345	27,000,000	9,257,555	-
Jun-14	128,475,414	27,000,000	8,819,931	-
Jul-14	119,300,544	27,000,000	9,174,870	-
Aug-14	110,247,043	27,000,000	9,053,502	-
Sep-14	101,690,230	27,000,000	8,556,813	-
Oct-14	93,551,635	27,000,000	8,138,595	-
Nov-14	85,925,031	27,000,000	7,626,604	-
Dec-14	78,430,585	27,000,000	7,494,446	-
Jan-15	71,339,268	27,000,000	7,091,316	-
Feb-15	64,887,978	27,000,000	6,451,290	-
Mar-15	58,207,521	27,000,000	6,680,458	-
Apr-15	51,458,409	27,000,000	6,749,112	-
May-15	45,378,286	27,000,000	6,080,123	-
Jun-15	39,698,091	27,000,000	5,680,194	-
Jul-15	34,047,957	27,000,000	5,650,135	-
Aug-15	29,142,385	27,000,000	4,905,571	-
Sep-15			29,142,385	27,000,000
Oct-15			-	-
Nov-15			-	-
Dec-15			-	-
Jan-16			-	-
Feb-16			-	-
Mar-16			-	-
Apr-16			-	-
May-16			-	-
Jun-16			-	-
Jul-16			-	-
Aug-16			-	-
Sep-16			-	-
Oct-16			-	-
Nov-16			-	-
Dec-16			-	-
Jan-17			-	-
Feb-17			-	-
Mar-17			-	-
Apr-17			-	-
May-17			-	-
Jun-17			-	-
Jul-17			-	-

#### Assumptions

- (a) The Purchased Receivables are subject to a constant rate of prepayment of 17%;
- (b) No Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy;
- (c) The Notes are issued on the Note Issuance Date of 23 September 2011;
- (d) No Purchased Receivables become delinquent;
- (e) The clean-up option is exercised in accordance with the Receivables Purchase Agreement and Condition 7.4 (Early Redemption) of the Terms and Conditions;
- (f) The cumulative gross loss is assumed to be 2.7%;
- (g) Recoveries are assumed to be 40% with a recovery timing of 0 months; and
- (h) The sum of (i) the weighted interest margin of the Notes, (ii) the swap fixed rate and (iii) senior expenses amount to 3.2%.

## Credit and Collection Policy

The following is a description of the credit and collection principles (such description, the "**Credit and Collection Policy**") which must be complied with in respect of origination and servicing of the Purchased Receivables. The Credit and Collection Policy is set out in Appendix D to the Terms and Conditions of the Notes and forms an integral part of the Terms and Conditions of the Notes.

### I. Credit Policies

The decision on granting a loan is based on the applicant's credit worthiness. Due to the business process this decision is made in two steps: a) based on the information received from the car dealer via the Point-of-Sale-Systems that are b) verified before booking when the mandatory documents (salary slips, car registration documents, etc.) are on hand. If the applicant fails to satisfy the credit policies in one of these two steps, the application is generally rejected.

In both process steps the applicant's credit worthiness is assessed by primarily five components that are embedded in the automatic decision system: (i) scoring module, (ii) credit bureau information, (iii) household budget calculation, (iv) vehicle assessment and (v) other credit and competence guidelines.

#### *(i) Scoring module*

For the purpose of evaluating a customer's credit standing, Santander Consumer Bank uses a scoring module. The segmentation of the scorecards as well as their development is subject to statistical methods and is based on historical application and performance data of the Santander Consumer Bank.

Depending on the respective information which applies to each variable the applicant receives a certain amount of points per variable. All results are added and the sum gives Santander Consumer Bank an assessment as to the risk of granting a loan to the respective applicant.

This scoring process is treated strictly confidential both internally and externally. No information regarding the weighting or values of single criteria are communicated externally to car dealers or customers or internally to employees of the credit department.

#### *(ii) Credit bureau information*

SCHUFA Holding AG (*Schutzgemeinschaft für allgemeine Kreditsicherung*) is the main central database for creditor information used when assessing the credit history of private customers. SCHUFA provides Santander Consumer Bank with information concerning, *inter alia*, existing loan and leasing agreements, existence of bank accounts, previous defaults with respect to financial obligations, existence of insolvency proceedings, declarations of insolvency. SCHUFA provides the necessary information electronically.

#### *(iii) Household Budget Calculation*

The household budget calculation is based on information received by way of self-disclosure (*Selbstauskunft*) of the respective customer, his salary slips and information regarding running contracts coming from the SCHUFA. These components are used for estimating the current household expenditure structure as well as monthly rates of already existing loans or leasing contracts.

#### *(iv) Vehicle assessment*

The so called Schwacke list released by EurotaxSchwacke GmbH, Maintal, Germany, is the main central register used in Germany which specifies the value of used vehicles depending on age, brand, mileage etc. If a loan shall be granted for the purpose of financing the purchase of a used vehicle the residual value of such vehicle will be assessed pursuant to the Schwacke list. In case of a considerable difference between the value determined by the Schwacke list and the price of the used vehicle to be financed as requested by the dealer further investigations are conducted to determine if the difference is justifiable.

*(v) Other Credit and Competence Guidelines*

Legal requirements and Santander Consumer Bank's internal competence guidelines for employees have to be fulfilled before granting a loan.

The necessary competence level for granting a loan is evaluated and checked automatically for the vast majority of cases. Lending decisions for private customers applying for a loan are generally made by using computer based systems (exceptions are mentioned below) that evaluate the scoring module and other information as described above.

The results of the foregoing assessments will be evaluated according to certain guidelines. Based on such evaluation, credit decisions in the categories "red", "yellow" and "green" are made. If loan applications are given a "green" as a result of such computer based evaluation process, the loan will be granted subject to the verification of the applicant's documents (signed loan agreements and other documents requested by Santander Consumer Bank) returned by the car dealer with respect to completeness, legal effect and conformity with the information received by way of self-disclosure. The decision is transmitted either electronically or by facsimile to the car dealer. After the verification of the received documents the loan will be finally granted or the loan will be refused or further documents or collateral will be requested.

If the result of this evaluation process is a "red" or a "yellow", the responsible employee of the loan decision department pursuant to the competence guidelines of Santander Consumer Bank will review the lending decision process and make a final decision according to a set of predefined, written rules. In case of a loan commitment the decision is subject to the above described verification of the documents returned by the applicant. When making their decisions, the loan decision department is required to record the reason underlying any such decision in each individual case.

Once a final and positive decision loan has been reached, the loan amount will be paid out to the respective car dealer.

All credit decision and delegation competences of employees are defined in Santander Consumer Bank's credit manual.

## **II. Collection Policy**

Once a loan agreement has been entered into, it will be transferred to Santander Consumer Bank's Customer Service department. This department monitors the performance under the relevant loan agreement. For that purpose it uses highly automated and computerised systems. More than 95 % of the payments are made by direct debit (*Lastschrift*).

If any payments or other proceeds are received by Santander Consumer Bank in respect of any loan receivable (other than a Purchased Receivable) owed by a Debtor (unless the Debtor has indicated with respect to a payment to which receivable such payment should be allocated), such payments or proceeds will be allocated to the receivables outstanding under all loans made by Santander Consumer Bank to such Debtor in accordance with Section 366(2) of the German Civil Code.

### *Payment characteristics of vehicle loans*

The payment schedules of the vehicle loans offered by Santander Consumer Bank to its customers require, (i) in the case of annuity loans, equal monthly instalments and (ii) in the case of balloon loans, instalments where the final payment amount due is higher than the amount payable by the relevant debtor in its previous loan instalments, comprised, in both cases of an interest and a principal component. The interest component is calculated by application of the interest rate in the applicable contract to the sum of loan amount and administration fee. Over the term of the loan, the composition of the equal instalments change with the interest portion is decreasing and the principal portion is increasing towards the end of the loan term.

### *Reminders*

Subject to rare exceptions, the reminder guidelines of Santander Consumer Bank are the following. If Santander Consumer Bank does not receive a due payment, the debtor will be notified in writing by a computer-generated reminder letter of such delay (1<sup>st</sup> notice of past due). The relevant due payment is charged once again through a

"special direct debit" one week later. Should the debtor fail to pay this instalment, a further computer-generated reminder letter (2<sup>nd</sup> notice of past due) is sent to the debtor and the instalment will be drawn at the next due date.

If the debtor also fails to pay these two monthly instalments at the next due date, a first warning letter (1st reminder) will be sent to the debtor 14 days later. If the debtor fails to pay upon receiving this first warning letter, two further reminder letters will be sent to the debtor, one after 14 further calendar days (2nd reminder) and the second one 14 calendar days later (3rd reminder). Two final computer-generated reminder letters will be sent to the debtor in case that the debtor's lapse to pay continues. In the first letter the debtor will be advised of the consequences of his failure to pay, i.e. termination of the loan, enforcement with resale of the financed vehicle will be advised to the debtor.

This letter is followed by the termination menace. Every 4th and 19th of each month the systems will compile a list of all terminable loan agreements. A computer-generated notice of the forthcoming termination of the relevant loan will be sent to the debtor. If 21 calendar days after the notification have elapsed, but in principle between 120 and 180 calendar days after the due date the debtor still fails to pay, the relevant loan will be terminated, provided that the requirements under the German Civil Code concerning consumer loans have been satisfied.

#### *Collection Activities*

With the first day in arrears the customer is transferred to the Collection Business Unit department. The Collection Business Unit in general is the owner of all delinquent customers from day 1 past due. Within this department, in addition to the above mentioned reminder letters, the customer will be tackled by the responsible business line (Call Center, Field Service, Refinancing Department and Collection Center (former SC Debit)), depending on different criteria (e.g. outstanding amount, days in arrears). The objective of these business lines is to get in touch with the customer and find solutions to enter into payment arrangements. Any arrangements are finally decided within the Collection Business Unit (Refinancing Department or Collection Center).

#### *Sustainable cure of delinquent customers*

At any time during the above mentioned collection procedure the employees of Santander Consumer Bank will use best efforts to achieve a payment arrangement with the debtor in accordance to the Refinancing Policy, i.e. adjustments of the loan terms including deferral or reduction of the instalments or debt restructuring including waiver of principal. The Refinancing Policy is an organizational framework which describes the usage of the different refinancing products (e.g. deferrals, instalment reductions) and includes the competence matrix. A customer's payment schedule therefore may be changed if he asks for the due date of instalments to be altered (e.g. from the 1st to the 15th day of each month), if he prepays the amount (in which case either his monthly instalments or the term of the loan may be reduced) or if he applies for an extension of the due date of a balloon loan or if the loan is restructured.

The period of a loan may be extended only by a limited number of months and only in accordance to the Refinancing Policy. A loan extension means that an instalment is postponed to a new date outside the original loan schedule, resulting in extra interest being payable. If the debtor is unable to repay, the loan and the loan agreement has not been terminated and no payment arrangement has been entered into with the debtor, Santander Consumer Bank will sell the financed vehicle (with the consent of the debtor) and apply the proceeds from such sale to repay the loan.

#### *Enforcement*

Not later than upon termination of a loan agreement due to the debtor's default the enforcement department of Santander Consumer Bank sells the financed vehicle through different car-auction platforms located throughout Germany. Access to these auctions is granted to dealers. The starting prices are set through independent motor vehicle experts who check each car after entering the location. Santander Consumer Bank may, however, agree with the debtor to reschedule or restructure the loan. Any payment rescheduling or debt restructuring may only be entered into with a debtor in accordance with the internal rules of Santander Consumer Bank's Refinancing Policy. In particular, payment rescheduling and debt restructuring will only be pursued if Santander Consumer Bank is convinced, in its reasonable judgment, that the aggregate amount of collections on such receivable through such payment rescheduling or debt restructuring will be higher than the aggregate amount it would collect thereon had it not agreed to such payment rescheduling or debt restructuring and if the interests of the Issuer are adequately safeguarded at all times.

Following the termination of the relevant loan, Santander Consumer Bank will initiate judicial procedures in co-operation with an external law firm for the enforcement of the loan receivable. If the debtor still fails to pay after generally 12 to 24 months have elapsed and the respective receivable has been written-off by Santander Consumer Bank, Santander Consumer Bank might mandate external collection agencies with the collection of the outstanding receivables or enter into a due diligence for, and effect, the sale of receivables on behalf of the Issuer. If the debtor is deceased and the assets of its estate prove insufficient to repay the loan, the receivables under the loan will be waived to extent unpaid after enforcement of all collateral.

## The Issuer

### Establishment and Registered Office

The Issuer was incorporated in Germany on 7 June 2011 and registered with the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under registration number HRB 91156 as an entrepreneurial company with limited liability (*Unternehmergeellschaft (haftungsbeschränkt)*) under the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) under the name of SC Germany Auto 2011-1 UG (*haftungsbeschränkt*). The Issuer has been incorporated for an indefinite length of life. The Issuer's registered office and principal place of business is located at c/o Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Germany. (telephone no. +49 69 2992 5385), the location at which the Issuer's register of shareholders is kept. The founding shareholder of the Issuer was TSI Services GmbH, Mainzer Landstrasse 51, 60329 Frankfurt am Main, Germany which held three fully paid-in shares of EUR 2,500 each.

The Issuer has no subsidiaries.

### Corporate Purpose and Business of the Issuer

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset-backed securities. The principal objects of the Issuer are more specifically described in Clause 2 of its articles of association (*Gesellschaftsvertrag*) and include, *inter alia*, the issuance of the Notes and the entry into all financial arrangements in connection therewith. The articles of association of the Issuer may be inspected at the registered office of the Issuer.

Under its articles of association, the Issuer will not perform any active management of the acquired assets from a profit perspective. Under its articles of association, the Issuer will not engage in business requiring a licence under the German Banking Act (*Gesetz über das Kreditwesen*).

Notwithstanding the foregoing, the powers of the managing directors are not limited thereby and the Issuer has unrestricted corporate capacity as a matter of law.

The Issuer will covenant to observe certain restrictions on its activities which are set out in the Transaction Security Agreement. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT".

Since its incorporation on 7 June 2011, the Issuer has not engaged in any activities other than those incidental to its incorporation under the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*), the authorisation and issuance of the Notes and the authorisation and execution of the Transaction Documents and such other documents referred to or contemplated in this Prospectus to which it is or will be a party and the execution of matters which are incidental or ancillary to the foregoing. So long as any of the Transaction Secured Obligations of the Issuer remain outstanding, the Issuer will not, *inter alia*, (a) enter into any business whatsoever, other than acquiring the Purchased Receivables, issuing Notes or creating other Transaction Secured Obligations or entering into a similar limited recourse transaction, entering into related agreements and transactions and performing any act incidental to or in connection with the foregoing, (b) have any subsidiaries, (c) have any employees or (d) dispose of any Purchased Receivables or any interest therein or create any mortgage, charge or security interest or right of recourse in respect thereof in favour of any person (other than contemplated by this Prospectus).

The Issuer has not commenced operations since the date of its incorporation as of the date of this Prospectus.

### Managing Directors

In accordance with Clause 8 of the articles of association (*Gesellschaftsvertrag*) of the Issuer, the Issuer is managed by at least two (2) managing directors (*Geschäftsführer*) and no more than three (3) managing directors. The managing directors are appointed by the shareholder's meeting of the Issuer. The Issuer is represented by two managing directors jointly.

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

<b><u>Name</u></b>	<b><u>Business Address</u></b>	<b><u>Other Principal Activities</u></b>
Stephanie Gaubatz	Steinweg 3-5 60313 Frankfurt am Main Germany	Executive Director ( <i>Prokurist</i> ) of Wilmington Trust SP Services (Frankfurt) GmbH
Werner Niemeyer	Steinweg 3-5 60313 Frankfurt am Main Germany	Executive Director ( <i>Prokurist</i> ) of Wilmington Trust SP Services (Frankfurt) GmbH
Florian Schlüter	Steinweg 3-5 60313 Frankfurt am Main Germany	Managing Director ( <i>Geschäftsführer</i> ) of Wilmington Trust SP Services (Frankfurt) GmbH

### **Management and Principal Activities**

The activities of the Issuer will principally be the issue of the Notes, entering into all documents relating to such issue to which the Issuer is expressed to be a party, the acquisition of the Purchased Receivables, the Related Collateral and the exercise of related rights and powers and other activities reasonably incidental thereto.

### **Capitalisation**

The following shows the capitalisation of the Issuer as of 23 September 2011, adjusted for the issue of the Notes:

#### **Share Capital**

The registered share capital of the Issuer is EUR 7,500. The founding shareholder of the Issuer was TSI Services GmbH, Mainzer Landstrasse 51, 60329 Frankfurt am Main, Germany, which held three fully paid-in shares (*Geschäftsanteil*) of EUR 2,500 each.

The founding shareholder of the Issuer donated these three fully paid-in shares (*Geschäftsanteile*) of EUR 2,500 each to three charitable foundations (*Stiftungen*) which have been established under the laws of Germany. Each of the following charitable foundations now holds one share (*Geschäftsanteil*) of EUR 2,500 in the Issuer:

- (a) Stiftung Kapitalmarktrecht für den Finanzstandort Deutschland, Frankfurt am Main;
- (b) Stiftung Kapitalmarktforschung für den Finanzstandort Deutschland, Frankfurt am Main;
- (c) Stiftung Unternehmensfinanzierung und Kapitalmärkte für den Finanzstandort Deutschland, Frankfurt am Main.

#### **Loan Capital**

EUR 600,000,000 Notes due September 2021

EUR 30,000,000 of outstanding advances under the Subordinated Loan

EUR 1,050,000 of outstanding advances under the Funding Loan

#### **Employees**

The Issuer will have no employees.

**Property**

The Issuer will not own any real property.

**Litigation**

The Issuer has not been engaged in any governmental, litigation or arbitration proceedings which may have a significant effect on its financial position since its incorporation, nor, as far as the Issuer is aware, are any such governmental, litigation or arbitration proceedings pending or threatened.

**Material Adverse Change**

Since its incorporation on 7 June 2011, there has been no material adverse change in the financial or trading position or the prospects of the Issuer.

**Fiscal Year**

The fiscal year of the Issuer is the calendar year and each calendar year ends on 31 December.

**Interim Reports**

The Issuer does not publish interim reports.

**Distribution of Profits**

The distribution of profits is governed by Clause 15 of the articles of association and Section 29 of the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) (subject, in particular, to the restrictions pursuant to Section 5a (3) of such Act so long as the registered share capital of the Issuer is lower than EUR 25,000).

**Financial Statements**

At the beginning of its commercial business and in respect of the end of each fiscal year, the Issuer is obliged to prepare a statement reflecting its assets and its liabilities (opening balance sheet and annual balance sheet). In addition, an analysis of the expenditure and revenues for the end of each fiscal year (profit-and-loss account) is required. The annual balance sheet and the profit-and-loss account, supplemented by the so-called 'appendix', form the annual statement (*Jahresabschluss*) of the Issuer. Furthermore, an annual management report (*Lagebericht*) may be required. The annual statements and, if required, the management report must be prepared in accordance with German GAAP (*Generally Accepted Accounting Principles*) and IFRS (*International Financial Reporting Standards*), respectively. The annual statement must be adopted, as well as the appropriation of profits, by the annual shareholders' meeting. German GAAP consists of, *inter alia*, requirements set out in the German Commercial Code (*HGB*) and the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*).

Since the incorporation of the Issuer on 7 June 2011, the Issuer has not prepared any financial statements and has not declared or paid any dividends as of the date of this Prospectus.

**Auditors and Auditor's Reports**

The auditors of the Issuer for the business year 2011 are Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft. Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Schwannstrasse 6, 40476 Düsseldorf, Germany is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*) and of the Public Company Accounting Oversight Board. Audits occur according to generally accepted auditing standards in Germany.

No auditors' report in respect of the Issuer has been prepared or distributed.

## The Seller

### *Incorporation and Ownership*

The Seller, Santander Consumer Bank AG ("**Santander Consumer Bank**"), is a stock corporation (*Aktiengesellschaft*) based in Mönchengladbach, Germany. It was established in Mönchengladbach first under the name Curt Briechle KG and was registered in the commercial register of the local court (*Amtsgericht*) in Mönchengladbach on 12 November 1981 under the name Bankhaus Centrale Credit Aktiengesellschaft and renamed in CC-Bank Aktiengesellschaft on 29 May 1987 and then renamed in Santander Consumer Bank Aktiengesellschaft on 31 August 2006.

Santander Consumer Bank's entire share capital of EUR 30,001,000 is held by Santander Consumer Holding GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) based in Mönchengladbach. Santander Consumer Holding GmbH is a subsidiary of Santander Consumer Finance, S.A. (a subsidiary of Banco Santander, S.A.) that holds an interest of 100 % in Santander Consumer Holding GmbH. At the beginning of 2002, Banco Santander, S.A. acquired all shares in AKB Privat- und Handelsbank AG. AKB Bank AG merged with Santander Consumer Bank in October 2002. In September 2003 a merger with Santander Direkt Bank, Frankfurt took place. End of the year 2008, RBS (RD Europe) GmbH merged with Santander Consumer Bank. In the middle of 2009, GE Money Bank GmbH merged with Santander Consumer Bank. Beginning of the year 2011, Santander Consumer Bank acquired Enskilda Banken's German retail business. This business continues with its own branches under the branding of Santander Bank – Zweigniederlassung der Santander Consumer Bank AG ("**Santander Bank**") and is a legal part of Santander Consumer Bank AG, while Santander Consumer Bank branches continue to be operated under the brand of Santander Consumer Bank.

Santander Consumer Bank's network consists of 173 branches in Germany and also 173 branches of Santander Bank as of 31 May 2011, Santander Consumer Bank employed in total 3.819 people (incl. Santander Bank).

Santander Consumer Bank has a full banking license since 30 October 1967 and conducts banking business subject to the supervision of the German Federal Financial Services Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) in co-operation with the German central bank (*Deutsche Bundesbank*) in accordance with the German Banking Act (*Gesetz über das Kreditwesen*).

### *Business Activities*

Santander Bank (mainly mortgages, not included in the securitized Portfolio) represents 29 % of the total credit business, whereas Santander Consumer Bank holds a share of 71 % of the total credit business.

Santander Consumer Bank offers its customers several types of financial services.

Santander Consumer Bank's main line of business consists of (i) instalment loans (*Ratenkredite*) which it extends to retail customers ("**Retail Customers**") for vehicle financing (the "**Retail Loans**") and (ii) financing of the car stock of the car dealers (the "**Car Dealer Loans**"). "Retail Customers" are private consumers and include salaried employees.

Approximately 39 % of Santander Consumer Bank's total operative credit volume is attributable to its Retail Loan business for vehicle financing (the "**Retail Loans**" for vehicle financing) and approximately 4 % to its Car Dealer Loan business. Car Dealer Loans will not be included in the Portfolio.

"**Retail Customers**" are private consumers and include salaried employees as well as self-employed persons. Retail Loans are obtained by Retail Customers for the purpose of financing the purchase of vehicles (including caravans), motorcycles and boats (cars and motorcycles collectively, the "**Vehicles**"). The Vehicles include new and used Vehicles. Retail Loans for the purpose of financing the purchase of boats are not included in the Portfolio.

A further line of Retail Customers business of Santander Consumer Bank includes loans which are not related to vehicle financing but to financing of consumer goods such as consumer electronics, computers and furniture (durable goods). At the dealers' POS approximately 7 % of Santander Consumer Bank's Retail Loans are loans for the purpose of financing the purchase of consumer goods. These loans are also not included in the Portfolio.

A further line of Retail Customers business of Santander Bank includes mortgage loans with approximately 24 %. These loans are also not included in the Portfolio.

Apart from the indirect retail loans through car and durable goods dealers Santander Consumer Bank's "Direct financing" business line accounts for the remaining approximately 19 % of the loan business. Indirect customers generated by car and durable goods dealers are converted to direct customers by mailing campaigns and allocating them to the branch network and selling further products, especially instalment loans.

As an ancillary business to its loan business, Santander Consumer Bank's Direct business covers all banking services for the private customer (such as: credit/debit cards, salary account, deposits, investment funds, insurances – the two latter services on a commission basis). Retail Loans from its Direct Business are also not included in the portfolio.

#### *Origination*

Santander Consumer Bank originates its Retail Loan business through car dealers acting as intermediaries and through its internet website. Santander Consumer Bank's Retail Loans related to cars are generated through approximately 21,000 car dealers located in Germany (equivalent to approx. 50 % of all German car dealers) which cooperate with Santander Consumer Bank.

#### *General Characteristics of Retail Loans*

##### *Retail Loan Amount*

The amount of the Retail Loan is generally smaller than the purchase price of the Financed Vehicle since roughly 66 % of the Retail Customers make a down-payment, which in average amounts to 30 % of the purchase price. The entire amount of the Retail Loan is paid out in Euro at the beginning of the term of the Retail Loan.

##### *Instalments*

Retail Loans offered by Santander Consumer Bank are, in general, offered for a maximum period of 120 months. In general, the term of Retail Loans varies from 12 to 96 months. Retail Loans are repayable in equal monthly instalments due at the first or fifteenth of the calendar month, in the vast majority of cases per direct debit (*Lastschriftinzug*). Only Retail Loans with a minimum remaining term of 1 month will be included in the Portfolio.

##### *Interest Rates*

The interest rates for the Retail Loans are fixed for the lifetime of the Loans. Santander Consumer Bank determines the interest rates on the basis of general agreement with the car dealers. The average interest rate that Santander Consumer Bank offers to the Retail Loans is approximately 7 %. However, the car dealers have the possibility to offer an interest rate up to 14.48 % to their Retail Customers. The difference between the interest rate offered by Santander Consumer Bank and the interest rate offered by the car dealer is either in favour or at the expense of the respective car dealer.

##### *Insurance*

Santander Consumer Bank offers to its Retail Customers an Instalment Protection Insurance (*Ratenschutzversicherung*) with the Retail Loan as a package deal on a non-compulsory basis. An Instalment Protection Insurance will cover the still outstanding loan payments in the case of the death of the Debtor or in case of a temporary disability of the Debtor. In addition, Santander Consumer Bank offers Santander Safe Insurance (*Santander Safe Versicherung*) which covers under certain conditions the difference between purchase price and current market value.

##### *Systems*

99 % of the car dealers cooperating with Santander Consumer Bank use an online electronic calculation system which is capable of interfacing with the loan decision system of Santander Consumer Bank; the remaining 1 % transmit the relevant data per fax. The car dealers enter the relevant personal data of their customers (including age, actual salary, number of children, nationality, employer) and their requests (including vehicle model, loan

term, amount of monthly payments) into its dealer calculation system which submits them electronically to the system of Santander Consumer Bank. Alternatively, the car dealer can transmit the relevant information to Santander Consumer Bank by telefax and employees of Santander Consumer Bank will feed the data in the system. Santander Consumer Bank's system will review the calculations on the basis of the Santander Consumer Bank's lending criteria. If Santander Consumer Bank's system comes to the result that Santander Consumer Bank's lending criteria are not met the request will be subject to a (final) manual credit check. The final result as to whether or not a loan will be granted is transmitted to the car dealers by fax. It enables the car dealers to provide their customers with binding offers of Santander Consumer Bank within a short period of time from the loan application.

#### *Prepayments*

Under Santander Consumer Bank's loan contracts, prepayments are generally permissible with the consent of Santander Consumer Bank or in accordance with the applicable Section 489 paragraph 1 No. 2 of the German Civil Code.

#### *Collateral*

The Retail Loans are generally secured by the transfer of title of the Financed Vehicle to Santander Consumer Bank by way of security and by the security assignment of wage claims of the Retail Customer to Santander Consumer Bank.

## **The Principal Paying Agent, the Calculation Agent, the Cash Administrator and the Data Trustee**

The Principal Paying Agent, the Calculation Agent and the Cash Administrator is The Bank of New York Mellon (formerly The Bank of New York), acting through its London Branch, One Canada Square, London E14 5AL, United Kingdom. The Data Trustee is The Bank of New York Mellon, acting through its Frankfurt Branch, Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Germany.

The Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England and Wales with FC No 005522 and BRNo 000818 with its principal office in the United Kingdom situated at One Canada Square, London E14 5AL.

The Bank of New York Mellon's corporate trust business services \$12 trillion in outstanding debt from 55 locations around the world. It services all major debt categories, including corporate and municipal debt, mortgage-backed and asset-backed securities, collateralized debt obligations, derivative securities and international debt offerings. The Bank of New York Mellon's corporate trust and agency services are delivered through The Bank of New York Mellon and The Bank of New York Mellon Trust Company, N.A.

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 34 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has more than \$23 trillion in assets under custody and administration and more than \$1.1 trillion in assets under management.

Additional information is available at [bnymellon.com](http://bnymellon.com).

The foregoing information regarding The Bank of New York Mellon, acting through its London Branch and The Bank of New York Mellon, acting through its Frankfurt Branch under the heading "THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH ADMINISTRATOR AND THE DATA TRUSTEE" has been provided by The Bank of New York Mellon, acting through its London Branch and The Bank of New York Mellon, acting through its Frankfurt Branch, respectively, and the Issuer assumes no responsibility therefor.

## **The Corporate Administrator and the EURIBOR Determination Agent**

Pursuant to the Corporate Administration Agreement, Wilmington Trust SP Services (Frankfurt) GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the German Act on Companies with Limited Liability (*GmbH-Gesetz*) registered with the commercial register at the local court (*Amtsgericht*) in Frankfurt am Main under registration number 76380 and with its registered office at Steinweg 3-5, 60313 Frankfurt am Main, Germany will act as corporate administrator in respect of the Issuer in accordance with the terms of the Corporate Administration Agreement.

Pursuant to the Agency Agreement, Wilmington Trust SP Services (Frankfurt) GmbH has been appointed to determine the rate of Euribor with respect to each Payment Date so that interest payments on the Notes can be effected on such Payment Date.

Wilmington Trust SP Services (Frankfurt) GmbH provides a wide range of corporate and trust services in capital market transactions. Since its opening in 2006 Wilmington Trust SP Services (Frankfurt) GmbH acts as corporate administrator in about 55 German special purpose vehicles as corporate administrator, holds in numerous transactions the function of a security trustee and provides loan administration services for structured/syndicated loan transactions. Wilmington Trust SP Services (Frankfurt) GmbH is ultimately held by M&T Bank Corp., Buffalo/New York, USA, a NYSE listed bank ("MTB") in the United States of America.

The foregoing information regarding the Corporate Administrator and the EURIBOR Determination Agent under the heading "THE CORPORATE ADMINISTRATOR AND THE EURIBOR DETERMINATION AGENT" has been provided by Wilmington Trust SP Services (Frankfurt) GmbH and the Issuer assumes no responsibility therefor.

## **The Interest Rate Swap Counterparty**

Pursuant to the Interest Rate Swap, Banco Santander, S.A, in its capacity as Interest Rate Swap Counterparty will pay certain floating rate amounts to the Issuer in exchange for certain fixed rate amounts payable by the Issuer to the Interest Rate Swap Counterparty for the purpose of hedging the Issuer's interest rate risk. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Interest Rate Swap".

Banco Santander, S.A. is the parent bank of Grupo Santander. It was established on 21 March 1857 and incorporated in its present form by a public deed executed in Santander, Spain, on 14 January 1875.

Grupo Santander is a financial group operating principally in Spain, the United Kingdom and other European countries, Brazil and other Latin American countries and the United States, offering a wide range of financial products.

On 31 December 2010 Grupo Santander was the 12th largest banking group in the world by market capitalisation and the largest banking group in the euro zone with a stock market capitalisation at that date of EUR 66,033 million. Santander had 3,202,324 shareholders at the close of 2010. It has approximately 14,100 branches, 97,2 million customers and over 178,000 employees, making Santander the international financial group with the most shareholders and the largest branch network.

Santander UK plc, a wholly owned subsidiary of Banco Santander, S.A., is a significant financial services provider in the United Kingdom, following the addition of Alliance & Leicester plc and Bradford and Bingley plc's retail deposits, branch network and its related employees in 2008. It also provides a wide range of retail savings accounts, and operates across the full range of personal financial services.

On 31 December 2010 Grupo Santander had a majority shareholding in banks based in Argentina, Brazil, Chile, Colombia, Mexico, Puerto Rico and Uruguay. Grupo Santander's significant position in Latin America is attributable to its financial strength, high degree of diversification (by countries, businesses, products, etc.), breadth and depth of its franchise.

The foregoing information regarding the Interest Rate Swap Counterparty under the heading "THE INTEREST RATE SWAP COUNTERPARTY" has been provided by Banco Santander, S.A. and the Issuer assumes no responsibility therefor.

## **The Transaction Security Trustee**

Pursuant to the Transaction Security Agreement, the Transaction Security Trustee has agreed to serve in a fiduciary capacity to protect the interests of the Noteholders. In Clause 4.2 of the Transaction Security Agreement, the Issuer will grant to the Transaction Security Trustee the Transaction Security Trustee Claim, a separate claim against the Issuer, allowing it to demand that the Issuer fulfils all obligations under the Transaction Documents. To secure such Transaction Security Trustee Claim as well as the Transaction Secured Obligations, the Issuer has agreed to assign, transfer or pledge the Collateral to the Transaction Security Trustee under the Transaction Security Agreement and to grant a first priority security interest in respect of its rights pursuant to the Interest Rate Swap to the Transaction Security Trustee in accordance the English Security Deed, respectively. The Transaction Security Trustee will hold the Note Collateral for the benefit of the Beneficiaries, including the Noteholders. Pursuant to the Transaction Security Agreement, the Transaction Security Trustee has the right and duty, to the extent necessary, to hold, administer or realise the Note Collateral for the benefit of the Beneficiaries.

However, until revocation by the Transaction Security Trustee and provided that the Issuer fulfils its obligations under the Notes, the management of the Purchased Receivables and the Related Collateral remains vested in the Servicer. The Transaction Security Trustee is not obligated to monitor the fulfilment of the duties of the Issuer under the Notes, the Terms and Conditions or any other contracts to which the Issuer is a party. Subject to Clause 3.2 of the Transaction Security Agreement, the Noteholders are entitled to demand from the Transaction Security Trustee the fulfilment of its duties as specified under the Terms and Conditions. Notwithstanding the provisions of the Transaction Security Documents, all rights of the Noteholders shall remain at all times and under all circumstances vested in the Noteholders. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT".

Wilmington Trust (London) Limited, a limited liability company incorporated in London and having its registered address at Third Floor, 1 King's Arms Yard, London EC2R 7AF and acting through its directors Sunil Masson and John Traynor (the "**Transaction Security Trustee**") will provide the trustee services to the Noteholders pursuant the Transaction Security Agreement. Wilmington Trust (London) Limited is ultimately held by M&T Bank, Corp., Buffalo/New York, USA, a NYSE listed bank (trading symbol: "MTB") in the United States of America. Wilmington Trust (London) Limited is mandated in over 3,000 mortgage and asset-backed securitisations representing nearly 200 issuers and a wide variety of asset classes. Wilmington Trust (London) Limited is an independent and neutral partner with no lending or securities underwriting conflicts. The information in the foregoing regarding the Transaction Security Trustee in this paragraph has been provided by Wilmington Trust (London) Limited and the Issuer assumes no responsibility therefor.

## The Accounts

The Issuer will maintain the Transaction Account in connection with the Transaction Documents for the receipt of amounts relating to the Purchased Receivables and the Related Collateral (other than any Commingling Reserve Amount) and for the completion of its related payment obligations. The Issuer will maintain the Commingling Reserve Account (together with the Transaction Account, the "**Accounts**" and each, an "**Account**") to which the Seller will transfer the Commingling Reserve Amount following the occurrence of a Commingling Reserve Trigger Event. Each Account will be kept as a current account at the Account Bank, Banco Santander, S.A., Frankfurt Branch, in accordance with the Accounts Agreement, the Corporate Administration Agreement and the Transaction Security Agreement, or any other person appointed as Account Bank.

The Corporate Administrator will make payments from any Account without having to execute an affidavit or fulfil any formalities other than comply with tax, currency exchange or other regulations of the country where the payment takes place.

All payments to be made by or to the Issuer in connection with the Notes and the other Transaction Documents, as well as the processing of proceeds from the Purchased Receivables and the Related Collateral, are undertaken through the Transaction Account and, if applicable, the Commingling Reserve Account. Neither the balance on the Transaction Account nor the balance on the Commingling Reserve Account nor any balance on any other Account may be utilised for any type of investments other than term deposits and demand deposits in accordance with the Accounts Agreement and all Accounts are solely cash accounts.

Pursuant to the Transaction Security Agreement, all claims of the Issuer in respect of each Account are assigned for security purposes to the Transaction Security Trustee. Under the Transaction Security Agreement, the Transaction Security Trustee has authorised the Issuer to administer each Account to the extent that all obligations of the Issuer are fulfilled in accordance with the Pre-Enforcement Priority of Payments, Condition 7.6 (*Pre-Enforcement Priority of Payments*) of the Terms and Conditions and the requirements of the Transaction Security Agreement. The Transaction Security Trustee may revoke the authority granted to the Issuer and take any necessary action with respect to any Account if, in the opinion of the Transaction Security Trustee, this is necessary to protect the collateral rights under the Transaction Security Agreement, including funds credited to such Account.

In addition, the Transaction Security Trustee will have the right to receive periodic account statements of each Account and may intervene in such instructions in certain circumstances as provided for in the Transaction Security Agreement. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT".

Upon the occurrence of an Issuer Event of Default, each Account will be directly administered solely by the Transaction Security Trustee.

### Accounts Agreement

Pursuant to the Accounts Agreement entered into between the Issuer, the Transaction Security Trustee, the Account Bank and the Corporate Administrator in relation to the Transaction Account, each of the Transaction Account and the Commingling Reserve Account has been opened with the Account Bank on or prior to the Purchase Date. The Account Bank will comply with any written direction of the Corporate Administrator to effect a payment by debit from the Transaction Account or the Commingling Reserve Account, as applicable, if such direction is in writing and complies with the relevant account arrangements between the Issuer and the Account Bank and is permitted under the Accounts Agreement.

Any amounts standing to the credit of the Accounts will bear interest as agreed between the Issuer and the Account Bank from time to time, always in accordance with the applicable provisions (if any) of the relevant account arrangements, such interest to be calculated and credited to the respective Account in accordance with the Account Bank's usual procedure for crediting interest to such accounts. The interest earned on the amounts credited to the Transaction Account (other than interest earned in respect of any Swap Collateral credited to the Interest Rate Swap Ledger) is part of the Available Distribution Amount or the Credit, as applicable. The interest earned on the amounts credited to the Commingling Reserve Account is neither part of the Available Distribution Amount nor the Credit, as applicable, but will be transferred to an account specified by the Seller on

each Payment Date, it being understood that such payment will not be subject to either the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, respectively.

Under the Accounts Agreement, the Account Bank waives any first priority pledge or other lien, including its standard contract terms pledge (*AGB-Pfandrecht*), it may have with respect to the Transaction Account and the Commingling Reserve Account, respectively, and further waives any right it has or may acquire to combine, consolidate or merge the Transaction Account or the Commingling Reserve Account, respectively, with each other or any other account of the Issuer, or any other person or set-off any liabilities of the Issuer or any other person to the Account Bank and agrees that it shall not set-off or transfer any sum standing to the credit of or to be credited to the Transaction Account or the Commingling Reserve Account, respectively, in or towards satisfaction of any liabilities to the Account Bank of the Issuer, as the case may be, or any other person.

The Issuer, the Corporate Administrator and the Transaction Security Trustee will together terminate the account relationship with the Account Bank within thirty (30) calendar days after (i) the rating of the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank by Moody's has fallen below P-1 (or its replacement) by Moody's or has been withdrawn, or (ii) (y) the rating of the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank by Fitch has fallen below F1 (or its replacement) by Fitch or the rating of the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank by Fitch has fallen below A (or its replacement) by Fitch or any of such rating has been withdrawn or (z) where the Account Bank has only the minimum of the rating thresholds referred to in (ii) (y) above, such rating has been placed on rating watch negative by Fitch, or (iii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of less than AA (or its replacement) by S&P or any such rating has been withdrawn or (iv) such debt obligations of the Account Bank are no longer rated by any of the Rating Agencies. The short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are currently rated F1+ (or its replacement) by Fitch, P-1 (or its replacement) by Moody's and A-1+ (or its replacement) by S&P. The long-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are currently rated AA (or its replacement) by Fitch and AA (or its replacement) by S&P.

## Certification by True Sale International GmbH

True Sale International GmbH ("TSI") has granted to the Issuer a certificate entitled "CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD", which the Issuer may use as a quality label for the Notes.

The certification label has been officially registered as a trademark and is usually licensed to the Issuer of Notes, if the Notes meet, *inter alia*, the following conditions:

- creation of a special purpose vehicle in accordance with a certain documentation standard;
- transfer of the shares to non-profit foundations (*Stiftungen*), also in accordance with a certain documentation standard;
- use of the TSI-securitisation platform, i.e. use of a German special purpose vehicle structure for the securitisation;
- the Issuer and/or Seller must agree to the general certification conditions; including the annexes, and must pay a certification fee;
- the Issuer must accept the disclosure and reporting standards of TSI, as defined as of the Note Issuance Date, including the publication of the investor reports, prospectus and the originator's or issuer's declaration of undertaking on the website of TSI ([www.true-sale-international.de](http://www.true-sale-international.de));
- the Issuer and/or Seller must confirm that the main quality criteria of the label "CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD", particularly with regard to lending and servicing standards, as defined as of the Note Issuance Date, are maintained throughout the duration of the transaction.

Certification by TSI is not a recommendation to buy, sell or hold any Notes. TSI's certification label is issued on the basis of declarations of undertaking given to TSI by the Issuer and/or the Seller as of the date of this Prospectus that the Issuer and/or the Seller (as applicable):

- (a) will comply with the reporting and disclosure requirements, as defined as of the Note Issuance Date, of TSI, and
- (b) will comply with the main quality criteria of the label "CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD", in particular regarding the loan and servicing standards, as defined as of the Note Issuance Date.

TSI has relied on such declarations of undertaking given by the Issuer and/or the Seller and has not made any investigation or examination in respect of such declarations of undertaking, any party to the Transaction Documents, or any Notes and disclaims any responsibility for monitoring continuing compliance with these standards by the parties concerned or any other aspect of their activities or operations.

## Taxation in Germany

The following is a general discussion of certain German tax consequences of the acquisition, ownership and disposition of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be or will become relevant in the context of the acquisition of Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Prospectus. These laws might be subject to change, possibly also with retroactive or retrospective effect.

This section should be read in conjunction with "**RISK FACTORS—Taxation in the Federal Republic of Germany**" above.

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES AND THE RECEIPT OF INTEREST THEREON, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS OR CITIZENS.

### Income Taxation

#### *Tax Residents*

Payments of interest on the Notes to persons or entities who are tax residents in Germany (*i.e.*, persons or entities whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) are subject to German personal income tax (*Einkommensteuer*) at the applicable personal income tax rate (plus solidarity surcharge at a rate of 5.5 % thereon) or corporate income tax at a tax rate of 15 % (plus solidarity surcharge at a rate of 5.5 % thereon). Such interest payments may also be subject to trade tax if the Notes form part of the property of a German trade or business. Similarly, if interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the disposition are subject to income tax, solidarity surcharge and possibly also trade tax. The same applies to proceeds from the redemption of interest claims if the Note is disposed of separately.

If the Notes are disposed or redeemed, any capital gains arising from the disposition or redemption will also be subject to (corporate) income tax, solidarity surcharge and, provided that the Notes form part of a business property, to trade tax. Such capital gains are subject to tax irrespective of any holding period and whether or not the Notes are disposed of (or redeemed) with interest claims.

The taxable interest income and income from a disposition or redemption of interest claims as well as any capital gains from a disposition or redemption of the Notes will qualify as income from private (*i.e.* non-business) investments and capital gains ("**Private Investment Income**") if the Notes do not form part of a business property. Private Investment Income is generally subject to a flat taxation (*Abgeltungssteuer*) at a rate of 25 % plus solidarity surcharge at a rate of 5.5 % thereon. The tax basis of such income will be the relevant gross income. Expenses related to Private Investment Income such as financing or administration costs actually incurred in relation with the acquisition or ownership of the Notes will not be deductible. Instead, the total amount of any Private Investment Income of the Noteholder will be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly). If the Notes form part of a business property, taxable interest income and income from a disposition or redemption of interest claims as well as any capital gains from a disposition or redemption of the Notes will qualify as business income. Such business income will either be taxed at the applicable income tax rate of the individual taxpayer or at the uniform 15 % corporate income tax rate if the Note is held by a corporation, in each case plus solidarity surcharge at a rate of 5.5 % thereon and possibly also trade tax. The basis of such taxation will generally be the relevant net income. A lump sum deduction will not be available.

The tax will be levied by way of withholding at a rate of 25 % (plus solidarity surcharge) if the Notes are held in a custodial account which the Noteholder maintains with a German branch of a German or non-German bank or financial services institution, a security trading enterprise (*Wertpapierhandelsunternehmen*) or a German security trading bank (*Wertpapierhandelsbank*) (the "**Disbursing Agent**"). If the Notes are kept in a custodial account which the Noteholder maintains with a Disbursing Agent but have not been kept in such an account since their acquisition and the relevant acquisition data (*Anschaffungsdaten*) has not been evidenced to the

satisfaction of the Disbursing Agent, the Disbursing Agent will generally have to withhold tax at the 25 % rate (plus solidarity surcharge) on a lump-sum basis of 30 % of the proceeds from the disposition, assignment or redemption of the Notes. If the Notes are not held in a custodial account with a Disbursing Agent at the time the interest is received or at the time of the relevant disposition or redemption, no tax will be withheld but the Noteholder will have to include its income on the Notes in its tax return and the tax will be collected by way of assessment (for the applicable tax rates see above).

No withholding tax will in general be levied if the Noteholder is an individual (i) who has filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent and (ii) whose Note neither forms part of the property of a trade or business nor gives rise to income from the letting and leasing of property. However, this is the case only to the extent the interest income derived from the Note together with other Private Investment Income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

Payment of the withholding tax with respect to Private Investment Income (such as interest income from the Notes, income from a separate disposition or redemption of interest claims as well as any capital gains from a disposition or redemption of the Notes) will satisfy the income tax liability of the Noteholder in respect of the relevant income (*Abgeltungssteuer*). However, Noteholders may apply for a tax assessment on the basis of general rules applicable to them (in lieu of the flat taxation) if the resulting income tax burden (excluding the solidarity surcharge) is lower than 25 %. Where, however, the relevant income qualifies as business income, the withholding tax and the solidarity surcharge thereon are credited as prepayments against the German individual or corporate income tax and the solidarity surcharge liability of the Noteholder. Amounts overwithheld will entitle the Noteholder to a refund, based on an assessment to tax.

No withholding tax and solidarity surcharge thereon has to be withheld by the Issuer on payments of interest under the Notes in light of a recent decision of the *Bundesfinanzhof* (decision dated 22 June 2010, I R 78/09). This has been confirmed by an advance ruling issued by the competent tax office.

#### *Non-Residents*

Interest income from the Notes, income from a separate disposition or redemption of interest claims as well as any capital gains from a disposition or redemption of the Notes derived by persons not resident in Germany are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder or (ii) the interest income otherwise constitutes German source income (such as income from the letting and leasing of certain German-*situs* property). In the case of (i) the applicable tax regime is similar to the regime explained in the preceding sub-section "— *Tax Residents*" with regard to business income.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax is levied as explained above in the preceding sub-section "— *Tax Residents*".

The withholding tax may be refunded based upon an applicable tax treaty.

#### ***Inheritance and Gift Tax***

Inheritance tax (*Erbschaftsteuer*) or gift tax (*Schenkungsteuer*) with respect to the Notes will not arise under the laws of Germany, if, in the case of inheritance tax, neither the descendant nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates, i.e. citizens who maintained a relevant residence in Germany.

#### ***Other Taxes***

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in the Germany.

### ***EU Savings Tax Directive***

Under the EU Council Directive 2003/48/EC dated 3 June 2003 on the taxation of savings income in the form of interest payments (the "**EU Savings Tax Directive**"), which is applicable as from 1 July 2005, each EU Member State must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent (within the meaning of the EU Savings Tax Directive) is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident (the "**Disclosure of Information Method**").

For a transitional period, Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the EU Savings Tax Directive at a rate of 20 % from 1 July 2008, and of 35 % from 1 July 2011. In Belgium, the transitional period ended on 31 December 2009. This means that interest on the Notes paid by a Belgian paying agent and falling under the scope of application of the EU Savings Directive will be subject to the Disclosure of Information Method as from 1 January 2010. In conformity with the prerequisites for the application of the EU Savings Tax Directive, a number of non-EU countries and territories, including Switzerland, have agreed to apply measures equivalent to those in the directive (a withholding system in the case of Switzerland).

In Germany, provisions for implementing the EU Savings Tax Directive have been enacted by legislative regulations of the German Federal Government. These provisions apply since 1 July 2005.

## Subscription and Sale

### Subscription of the Notes

Pursuant to the Subscription Agreement, each Manager has agreed, subject to certain conditions, to subscribe, or to procure subscriptions, for the Notes. The Issuer has agreed to pay each Manager a combined management, underwriting and placement commission on the Class A Notes and the Class B Notes, as agreed between the parties to the Subscription Agreement. The Issuer has further agreed to reimburse each Manager for certain of its expenses in connection with the issue of the Notes. The Issuer will draw an advance under the Funding Loan to pay, *inter alia*, any selling concessions, transaction structuring fees and underwriting and placement commissions and expenses of the Managers.

In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

The Subscription Agreement entitles each Manager to terminate its obligations thereunder in certain circumstances prior to payment of the purchase price of the Notes. The Issuer has agreed to indemnify each Manager against certain liabilities in connection with the offer and sale of the Notes.

### Selling Restrictions

#### *United States of America and its Territories*

- (1) The Notes have not been and will not be registered under the Securities Act and may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. Each Manager has represented and agreed that it has not offered and sold the Notes, and will not offer and sell the Notes (i) as part of its distribution at any time and (ii) otherwise until 40 calendar days after the completion of the distribution of all Notes only in accordance with Rule 903 of the Regulation S promulgated under the Securities Act. Neither any Manager, its respective affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the restricted period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903 (b)(2) (iii) (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of Securities as determined and certified by the Managers, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."

Terms used in this clause have the meaning given to them by Regulation S under the Securities Act.

- (2) Further, each Manager has represented and agreed that:
  - (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5 (c)(2)(i)(D) (the "**TEFRA D Rules**"), (x) it has not offered or sold, and during the restricted period will not offer or sell, directly or indirectly, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (y) it has not delivered and will not deliver, directly or indirectly, within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
  - (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

- (c) if it was considered a United States person, that it is acquiring the Notes for purposes of resale in connection with their original issuance and agrees that if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.63-5 (c)(2)(i)(D)(6); and
- (d) with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period that it will either (i) repeat and confirm the representations and agreements contained in sub-clauses (a), (b) and (c); or (ii) obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (a), (b) and (c).

Terms used in this clause (2) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

#### *United Kingdom*

Each Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

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

#### *France*

Each Manager has represented, warranted and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and that, it has not distributed and will not distribute or cause to be distributed to the public in France this Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (A) providers of investment services relating to portfolio management for the account of third parties, and/or (B) qualified investors (*investisseurs qualifiés*) as defined in and in accordance with articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Monetary and Financial Code (*Code Monétaire et Financier*).

#### *General*

All applicable laws and regulations must be observed in any jurisdiction in which Notes may be offered, sold or delivered. Each Manager has agreed that it will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will to the best knowledge and belief of such Manager result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on the Issuer except as set out in the Subscription Agreement.

## **Use of Proceeds**

The aggregate net proceeds from the issue of the Notes will amount to EUR 600,000,000.00. The net proceeds are equal to the gross proceeds and will be used by the Issuer to finance the purchase price for the acquisition of the Receivables and Related Collateral from the Seller on the Note Issuance Date. Concurrently with the Notes, the Issuer will be granted the Funding Loan and will use the proceeds from the Funding Loan to pay certain amounts payable on the Note Issuance Date under the Transaction Documents (including, without limitation, any fees, costs and expenses payable on the Note Issuance Date to the Managers and to other third parties in connection with the offer and sale of the Notes) and certain other costs. To the extent that the net proceeds from the issue of the Notes exceed the purchase price for the acquisition of the Receivables, such difference will be credited to the Reserve Fund and will be part of the Available Distribution Amount as of the following Payment Date.

## **General Information**

### **Subject of this Prospectus**

This Prospectus relates to EUR 600,000,000 aggregate principal amount of the Notes issued by SC Germany Auto 2011-1 UG (haftungsbeschränkt), Frankfurt am Main, Germany.

### **Authorisation**

The issue of the Notes was authorised by a resolution of the managing directors of the Issuer passed on 6 July 2011.

### **Litigation**

Neither the Issuer is, or has been since its incorporation, nor the Seller is, or has during its last two fiscal years been, engaged in any governmental, litigation or arbitration proceedings which may have or have had during such period a significant effect on their respective financial position, and, as far as the Issuer and the Seller are aware, no such governmental, litigation or arbitration proceedings are pending or threatened, respectively.

### **Payment Information**

For as long as the Notes are listed on the official list of the Luxembourg Stock Exchange, the Issuer will inform the Luxembourg Stock Exchange of the Interest Amounts, the Interest Periods and the Interest Rates and, if relevant, the payments of principal on each Class of Notes, in each case in the manner described in the Terms and Conditions.

Payments and transfers of the Notes will be settled through Clearstream Luxembourg and Euroclear, as described herein. The Notes have been accepted for clearing by Clearstream Luxembourg and Euroclear.

All notices regarding the Notes will be either (i) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Noteholders or (ii) made available for a period of not less than 30 calendar days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange on the following website: [www.bourse.lu](http://www.bourse.lu).

### **Material Change**

Save as disclosed in this Prospectus, there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation.

### **Miscellaneous**

No statutory or non-statutory accounts in respect of any fiscal year of the Issuer have been prepared other than as contained in this Prospectus. The Issuer will not publish interim accounts. The fiscal year in respect of the Issuer is the calendar year.

### **Luxembourg Listing**

Application has been made to Luxembourg Stock Exchange for the Notes to be listed on the official list of the Luxembourg Stock Exchange. The Issuer has appointed The Bank of New York Mellon (Luxembourg) S.A., 2-4 rue Eugene Ruppert, Vertigo Building – Polaris, L-2453 Luxembourg, Luxembourg, as the initial listing agent for the Luxembourg Stock Exchange and as the initial Luxembourg intermediary. The Luxembourg Intermediary will act as intermediary between the Issuer and the holders of the Notes listed on the official list of the Luxembourg Stock Exchange. For as long as any of the Notes are listed on the official list of the Luxembourg Stock Exchange, the Issuer will maintain a Luxembourg intermediary.

### **Publication of Documents**

This Prospectus will be made available to the public by publication in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of True Sale International GmbH ([www.true-sale-international.de](http://www.true-sale-international.de)).

### **Availability of Documents**

Prior to the listing of the Notes on the Luxembourg Stock Exchange, the constitutional documents of the Issuer will be registered with the Luxembourg Intermediary where such documents are available for inspection and copies of these documents may be obtained, free of charge, upon request.

Upon listing of the Notes on the Luxembourg Stock Exchange, copies of such documents may also be obtained free of charge during customary business hours at the specified offices of the Principal Paying Agent and at the registered office of the Issuer and, as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, at the specified offices of the Luxembourg Intermediary. The following documents will also be available at the offices of the Principal Paying Agent and of the Issuer:

- (a) the articles of association (*Gesellschaftsvertrag*) of the Issuer;
- (b) the resolution of the managing directors of the Issuer approving the issue of the Notes and the transaction envisaged by the Transaction Documents;
- (c) the future annual financial statements of the Issuer (interim financial statements will not be prepared);
- (d) all notices given to the Noteholders pursuant to the Terms and Conditions;
- (e) this Prospectus and all Transaction Documents referred to in this Prospectus;
- (f) annual financial statements of the Seller for the years ended 31 December 2009 and 2010.

### **Post-issuance Reporting**

Following the Note Issuance Date, the Principal Paying Agent will provide the Issuer, the Corporate Administrator, the Transaction Security Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 13 (*Form of Notices*) of the Terms and Conditions of the Notes, the Noteholders, and so long as any of the Notes are listed on the official list of the Luxembourg Stock Exchange, and admitted to trading on the regulated market of the Luxembourg Stock Exchange, with the following information, all in accordance with the Agency Agreement and the Terms and Conditions of the Notes:

- (i) with respect to each Payment Date, the Interest Amount pursuant to Condition 6.1 (*Interest Calculation*) of the Terms and Conditions of the Notes;
- (ii) with respect to each Payment Date, the amount of Interest Shortfall pursuant to Condition 6.5 (*Interest Shortfall*) of the Terms and Conditions of the Notes, if any;
- (iii) with respect to each Payment Date the amount of principal on each Class A Note and each Class B Note pursuant to Condition 7 (*Redemption*) of the Terms and Conditions of the Notes to be paid on such Payment Date;
- (iv) with respect to each Payment Date the Note Principal Amount of each Class A Note and each Class B Note and the Class A Principal Amount and the Class B Principal Amount as from such Payment Date; and
- (v) in the event the payments to be made on a Payment Date constitute the final payment with respect to the Notes pursuant to Condition 7.3 (*Legal Maturity Date*) of the Terms and Conditions of the Notes, the fact that such is the final payment.

In each case, such notification shall be made by the Principal Paying Agent on the EURIBOR Determination Date preceding the relevant Payment Date.

Additionally, the Issuer has undertaken towards True Sale International GmbH to arrange for the Detailed Investor Reports which contain the post-issuance transaction information regarding the performance of the Purchased Receivables and the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange to be submitted for publication on True Sale International GmbH's website ([www.true-sale-](http://www.true-sale-)

international.de). True Sale International GmbH has no obligation *vis-a-vis* the Noteholders to update or verify any information or publish it on its website.

**Clearing Codes**

*Class A Notes*

WKN: A1KRAP  
ISIN: XS0642101819  
Common Code: 064210181

*Class B Notes*

WKN: A1KRAQ  
ISIN: XS0642102205  
Common Code: 064210220

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**ISSUER**

**SC Germany Auto 2011-1 UG (haftungsbeschränkt)**  
c/o Wilmington Trust SP Services (Frankfurt) GmbH  
Steinweg 3-5  
60313 Frankfurt am Main  
Germany

**CORPORATE ADMINISTRATOR OF THE ISSUER AND  
EURIBOR DETERMINATION AGENT**

**Wilmington Trust SP Services (Frankfurt) GmbH**  
Steinweg 3-5  
60313 Frankfurt am Main  
Germany

**TRANSACTION SECURITY TRUSTEE**

**Wilmington Trust (London) Limited**  
Third Floor, 1 King's Arms Yard  
London EC2R 7AF  
United Kingdom

**PRINCIPAL PAYING AGENT, CALCULATION AGENT AND CASH ADMINISTRATOR**

**The Bank of New York Mellon,**  
**acting through its London Branch**  
One Canada Square  
London E14 5AL  
United Kingdom

**DATA TRUSTEE**

**The Bank of New York Mellon, acting through its Frankfurt Branch**  
Bockenheimer Landstraße 24  
60323 Frankfurt am Main  
Germany

**LUXEMBOURG LISTING AGENT  
AND LUXEMBOURG INTERMEDIARY**  
**The Bank of New York Mellon (Luxembourg) S.A.**  
2-4 rue Eugene Ruppert  
Vertigo Building – Polaris  
L-2453 Luxembourg  
Luxembourg

**AUDITORS OF THE ISSUER**

**Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft**  
Schwannstrasse 6  
40476 Düsseldorf  
Germany