

PROSPECTUS

SC Germany Auto 2016-2 UG (haftungsbeschränkt)

(incorporated with limited liability in the Federal Republic of Germany)

€1,440,000,000 Class A 1.072% Fixed Rate Notes due July 2032 Issue Price: 100%

€60,000,000 Class B 2.277% Fixed Rate Notes due July 2032 Issue Price: 100%

The €1,440,000,000 Class A 1.072% Fixed Rate Notes (the "**Class A Notes**") and the €60,000,000 Class B 2.277% Fixed Rate Notes (the "**Class B Notes**") and each such class, a "**Class**" and all Classes collectively, the "**Notes**") of SC Germany Auto 2016-2 UG (haftungsbeschränkt) (the "**Issuer**") are backed by a portfolio of loan claims (excluding loan claims relating to online business) (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 SFM Trustees Limited (the "**Transaction Security Trustee**") acting in a fiduciary capacity for the holders of the Notes pursuant to a transaction security agreement dated on or about 26 July 2016 (the "**Transaction Security Agreement**"). 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. The Issuer will, subject to certain requirements, on each Payment Date during a period of forty-eight (48) months following the Note Issuance Date, purchase and acquire from the Seller further Receivables and Related Collateral offered by the Seller from time to time. 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 28 July 2016 (the "**Note Issuance Date**").

This Prospectus constitutes a prospectus for the purpose of Article 5.3 of Directive 2003/71/EC (as amended) (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. By approving this prospectus the Commission de Surveillance du Secteur Financier assumes no responsibility as to the economic or financial soundness of this transaction or the quality and solvency of the Issuer. 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.

Raiffeisen Bank International AG ("**RBI AG**" or "**Manager**") will purchase the Notes from the Issuer and will offer the Class A Notes, from time to time, in negotiated transactions or otherwise, at varying prices to be determined at the time of the sale. The Class B Notes will be purchased by the Seller. 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 Manager.

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 and Manager

Raiffeisen Bank International AG

The date of this Prospectus is 28 July 2016.

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 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 means that the Class A Notes are intended upon issue to be deposited with one of the Clearing Systems as Class A Notes 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 THE MANAGER, THE ARRANGER, THE SELLER, THE SERVICER (IF DIFFERENT), THE TRANSACTION SECURITY TRUSTEE, THE DATA TRUSTEE, THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH ADMINISTRATOR, THE ACCOUNT BANK, THE LUXEMBOURG LISTING AGENT, ANY COMMON SAFEKEEPER, THE SUBORDINATED LOAN PROVIDER, THE FUNDING LOAN PROVIDER 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 THE MANAGER, THE ARRANGER, THE SELLER, THE SERVICER (IF DIFFERENT), THE TRANSACTION SECURITY TRUSTEE, THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH ADMINISTRATOR, THE ACCOUNT BANK, THE LUXEMBOURG LISTING AGENT, ANY COMMON SAFEKEEPER, THE SUBORDINATED LOAN PROVIDER, THE FUNDING LOAN PROVIDER 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 (S&P / DBRS)	Legal Maturity Date	ISIN
A	EUR 1,440,000,000	1.072%	100%	A(sf) / A(sf)	Payment Date falling in July 2032	XS1446535053
B	EUR 60,000,000	2.277%	100%	N/R	Payment Date falling in July 2032	XS1446535301

Interest on the Class A Notes will accrue on the outstanding principal amount of each Class A Note at a per annum rate equal to 1.072%. Interest on the Class B Notes will accrue on the outstanding principal amount of each Class B Note at a per annum rate equal to 2.277%. Interest will be payable in euro by reference to successive interest accrual periods (each, an "**Interest Period**") monthly in arrears on the thirteenth (13th) day of each calendar month, unless such date is not a Business Day, in which case the Payment Date shall be the next succeeding Business Day, unless such date would thereby fall into the next calendar month, in which case the payment will be made on the immediately preceding Business Day (each, a "**Payment Date**"). The first Payment Date will be the Payment Date falling in August 2016. "**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, 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".

Unless an Early Amortisation Event (as defined below, see "TERMS AND CONDITIONS OF THE NOTES – Certain Definitions") occurs, amortisation of the Notes will commence on the first Payment Date falling after the expiration of the Replenishment Period (as defined below, see "TERMS AND CONDITIONS OF THE NOTES – Certain Definitions") which period starts on the Note Issuance Date and, subject to certain restrictions, ends on (and includes) the Payment Date falling in the forty-eighth (48th) month after the Note Issuance Date. During the Replenishment Period, the Seller may, at its option, replenish the Portfolio underlying the Notes by offering to sell to the Issuer, on any Payment Date from time to time, additional Receivables. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".

The Notes will mature on the Payment Date falling in July 2032 (the "**Legal Maturity Date**"), unless previously redeemed in full. The Notes are expected to be redeemed on the Payment Date falling in March 2024 (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 DBRS Rating Limited ("**DBRS**") and Standard & Poor's Credit Market Services Europe Limited ("**S&P**" and together with DBRS, the "**Rating Agencies**"). It is a condition of the issue of the Class A Notes that they are assigned the ratings indicated in the above table. The Issuer has not requested a rating of the Class B Notes.

Each rating of the Class A Notes by the Rating Agencies addresses the likelihood that the holders of the Class A Notes (together with the holders of the Class B Notes, the "**Noteholders**" and each, a "**Noteholder**") will receive all payments to which they are entitled, as described herein.

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

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

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

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

Regulatory Disclosure

Under Article 405 of Regulation 2013/575/EU (the "**CRR**"), an institution (i.e. a credit institution or an investment firm), other than when acting as an originator, a sponsor or original lender, may hold 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 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 securitised exposures. Pursuant to Article 405 paragraph (1)(d) of the CRR, a net economic interest may be retained, *inter alia*, by way of retention of a first loss tranche and, if necessary, of other tranches having the same or a more severe risk profile than the tranches sold or transferred to investors and not maturing any earlier than the tranches sold or transferred to the investors, so that the retention equals in total no less than 5 per cent. of the aggregate nominal amount of the securitised exposures. With a view to supporting compliance with the requirements of Article 405 paragraph (1)(d) of the CRR, the Seller will do each of the following: first, the Seller will retain, in its capacity as originator within the meaning of Article 405 of the CRR, 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 15,000,000 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 1 per cent. of the Aggregate Outstanding Note 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 be equal to at least 1 per cent. of the Aggregate Outstanding Note 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. Second, the Seller will retain, on an ongoing basis until the earlier of (i) the redemption of the Class A Notes in full and (ii) the Legal Maturity Date, the Class B Notes in an aggregate principal amount equal to at least 4 per cent. of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date (the "**Retained Class B Notes**"). Pursuant to the Subscription Agreement, the Seller undertakes to purchase and retain the Retained Class B Notes and not to sell and/or transfer them (whether in full or in part) to any third party until the earlier of (i) the redemption of the Class A Notes in full and (ii) the Legal Maturity Date.

Article 409 of the CRR requires, *inter alia*, that prospective investors have readily available access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting the securitisation exposure as well as such information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures. For that purpose,

materially relevant data shall be determined pursuant to Article 409 as at the date of the securitisation and where appropriate due to the nature of the securitisation thereafter. With a view to support compliance with Article 409 of the CRR, the Seller in its capacity as Servicer will, on a monthly basis after the Note Issuance Date, provide certain 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 by posting it on Bloomberg.

In addition, investors and Noteholders should be aware of Article 17 of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers ("**AIFMD**") and Article 51 (1) of Chapter III, Section 5 of the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012 ("**AIFMR**") which introduced risk retention and due diligence requirements in respect of alternative investment fund managers that are required to become authorised under AIFM, and of Article 135 of the Directive (2009/138/EC) ("**Solvency II**") and Articles 254 et seq. of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Solvency II ("**Solvency II Delegated Regulation**"), which impose risk retention and due diligence requirements and provide for proportionate increases of the solvency capital requirements, should the risk retention rule not be complied with in respect of any relevant investment of an insurance or reinsurance undertaking.

Each prospective investor and Noteholder is required to independently assess and determine the sufficiency of the information described in the preceding paragraphs for the purposes of complying with Article 405 *et seqq.* of the CRR and similar requirements under AIFMD, AIFMR, Solvency II and the Solvency II Delegated Regulation, and none of the Issuer, the Seller (in its capacity as the Seller and the Servicer), the Arranger nor the Manager gives any representation or assurance that such information is sufficient for such purposes. In addition, if and to the extent Articles 405 *et seqq.* of the CRR or any similar requirements are relevant to any prospective investor and Noteholder, such investor and Noteholder should ensure that it complies with Articles 405 *et seqq.* of the CRR or such other applicable requirements (as relevant). 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.

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.

Any websites referred to in this Prospectus are for information purposes only and do not form part of this Prospectus.

Responsibility for the Contents of this Prospectus

The Issuer assumes responsibility for the information contained in this Prospectus 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 21, "**OUTLINE OF THE TRANSACTION - Servicing of the Portfolio**" on page 21, "**RISK FACTORS - Reliance on Administration and Collection Procedures**" on page 64, "**CREDIT STRUCTURE - Vehicle Loan Interest Rates**" on page 68, "**CREDIT STRUCTURE - Cash Collection Arrangements**" on page 68, "**EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS**" on page 171, "**DESCRIPTION OF THE PORTFOLIO**" on pages 172 (except for the information under "**DESCRIPTION OF THE PORTFOLIO - Eligibility Criteria**"), "**CREDIT AND COLLECTION POLICY**" on pages 207 to 210, and "**THE SELLER**" on pages 215 to 218;

(ii) each of the Calculation Agent, the Cash Administrator and the Principal Paying Agent only is responsible for the information under "THE CALCULATION AGENT, THE CASH ADMINISTRATOR AND THE PRINCIPAL PAYING AGENT" on page 219 and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Agency Agreement" on pages 166;

(iii) the Transaction Security Trustee only is responsible for the information under "THE TRANSACTION SECURITY TRUSTEE" on page 221;

(iv) the Account Bank only is responsible for the information under "THE ACCOUNTS - Accounts Agreement" on pages 91 and 224;

(v) the Corporate Administrator only is responsible for the information under "THE CORPORATE ADMINISTRATOR" on page 220 and, together with the Principal Paying Agent, the Calculation Agent and the Cash Administrator, for the information under "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Agency Agreement" on pages 166 and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Corporate Administration Agreement" on pages 166 to 170;

(vi) the Data Trustee only is responsible for the information under "THE DATA TRUSTEE" on page 96 and for the information under "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Data Trust Agreement" on pages 222; and

(vii) the Luxembourg Listing Agent only is responsible for the information "THE LUXEMBOURG LISTING AGENT" on pages 223,

provided that, with respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms and assumes responsibility that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof (for the avoidance of doubt, except for its responsibility for the correct reproduction thereof).

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.

Each of the Calculation Agent, the Cash Administrator and the Principal Paying 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 each of the Calculation Agent, the Cash Administrator and the Principal Paying Agent 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.

The Corporate 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 the Corporate Administrator 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.

The Luxembourg Listing 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 Luxembourg Listing Agent 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, the Manager or the 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 the Manager nor the 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 the Manager nor the 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 Manager or the Arranger.*

NO ACTION HAS BEEN TAKEN BY THE ISSUER OR THE MANAGER OR THE 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 MANAGER 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 Manager 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 OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF US PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE MANAGER HAS REPRESENTED AND AGREED THAT IT HAS NOT OFFERED AND SOLD, AND WILL NOT OFFER AND SELL, ANY NOTE CONSTITUTING PART OF ITS ALLOTMENT WITHIN THE UNITED STATES EXCEPT IN ACCORDANCE WITH RULE 903 UNDER REGULATION S UNDER THE SECURITIES ACT. ACCORDINGLY, THE MANAGER HAS FURTHER REPRESENTED AND AGREED THAT NEITHER IT, 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 ANY NOTE.

IN ADDITION, BEFORE FORTY (40) CALENDAR DAYS AFTER COMMENCEMENT OF THE OFFERING, AN OFFER OR SALE OF NOTES WITHIN THE UNITED STATES BY A DEALER OR OTHER PERSON THAT IS NOT PARTICIPATING IN THE OFFERING MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE MANAGER HAS (I) ACKNOWLEDGED THAT 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 IN CERTAIN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; (II) REPRESENTED AND AGREED THAT IT HAS NOT OFFERED, SOLD OR DELIVERED ANY NOTES, AND WILL NOT OFFER, SELL OR DELIVER ANY NOTES, (X) AS PART OF ITS DISTRIBUTION AT ANY TIME OR (Y) OTHERWISE BEFORE FORTY (40) CALENDAR DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE ISSUE DATE, EXCEPT IN ACCORDANCE WITH RULE 903 UNDER REGULATION S UNDER THE SECURITIES ACT; AND ACCORDINGLY, (III) FURTHER REPRESENTED AND AGREED THAT NEITHER IT, ITS AFFILIATES NOR ANY PERSONS ACTING ON ITS OR THEIR BEHALF HAVE ENGAGED OR WILL ENGAGE IN ANY DIRECTED SELLING EFFORTS WITH RESPECT TO ANY NOTE, AND THEY HAVE COMPLIED AND WILL COMPLY WITH THE OFFERING RESTRICTIONS REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT, AND (IV) ALSO AGREED THAT, AT OR PRIOR TO CONFIRMATION OF ANY 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 DISTRIBUTION COMPLIANCE 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 LATER OF THE COMMENCEMENT OF THE OFFERING AND THE ISSUE DATE, EXCEPT IN EITHER CASE IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. TERMS USED ABOVE HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

TERMS USED IN THE FOREGOING PARAGRAPH HAVE THE MEANING GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

NOTES WILL BE ISSUED IN ACCORDANCE WITH THE PROVISIONS OF UNITED STATES TREASURY REGULATION SECTION 1.163-5(C)(2)(I)(D) (OR SUCCESSOR RULES IN SUBSTANTIALLY THE SAME FORM) (THE "**TEFRA D RULES**").

FURTHER, THE MANAGER HAS REPRESENTED AND AGREED THAT:

- (A) EXCEPT TO THE EXTENT PERMITTED UNDER 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 IS 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 UNITED STATES TREASURY REGULATION SECTION 1.163-5(C)(2)(I)(D)(6) (OR SUCCESSOR RULES IN SUBSTANTIALLY THE SAME FORM);
- (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) ON SUCH AFFILIATE'S BEHALF; OR (II) OBTAIN FROM SUCH AFFILIATE FOR THE BENEFIT OF THE PURCHASER OF THE NOTES AND THE ISSUER THE REPRESENTATIONS AND AGREEMENTS CONTAINED IN SUB-CLAUSES (A), (B) AND (C) ABOVE; AND
- (E) IT WILL OBTAIN FOR THE BENEFIT OF THE ISSUER THE REPRESENTATIONS AND AGREEMENTS CONTAINED IN SUB-CLAUSES (A), (B), (C) AND (D) ABOVE FROM ANY PERSON OTHER THAN ITS AFFILIATE WITH WHOM IT ENTERS INTO A WRITTEN CONTRACT, AS DEFINED IN UNITED STATES TREASURY REGULATION SECTION 1.163-5(C)(2)(I)(D)(4) (OR SUCCESSOR RULES IN SUBSTANTIALLY THE SAME FORM), FOR THE OFFER AND SALE DURING THE RESTRICTED PERIOD OF NOTES.

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.

THE MANAGER HAS REPRESENTED AND AGREED THAT IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A "**RELEVANT MEMBER STATE**") AND WITH EFFECT FROM AND INCLUDING THE DATE ON WHICH THE PROSPECTUS DIRECTIVE IS IMPLEMENTED IN THAT MEMBER STATE (THE "**RELEVANT IMPLEMENTATION DATE**") IT HAS NOT MADE AND WILL NOT MAKE AN OFFER OF NOTES TO THE PUBLIC IN THAT RELEVANT MEMBER STATE PRIOR TO THE PUBLICATION OF A PROSPECTUS IN RELATION TO THE NOTES WHICH HAS BEEN APPROVED BY THE COMPETENT AUTHORITY IN THAT RELEVANT MEMBER STATE IN ACCORDANCE WITH THE

PROSPECTUS DIRECTIVE OR, WHERE APPROPRIATE, PUBLISHED IN ANOTHER RELEVANT MEMBER STATE AND NOTIFIED TO THE COMPETENT AUTHORITY IN THAT RELEVANT MEMBER STATE IN ACCORDANCE WITH ARTICLE 18 OF THE PROSPECTUS DIRECTIVE, EXCEPT THAT IT MAY, WITH EFFECT FROM AND INCLUDING THE RELEVANT IMPLEMENTATION DATE, MAKE AN OFFER OF THE NOTES TO THE PUBLIC IN THE RELEVANT MEMBER STATE AT ANY TIME:

- (A) TO ANY LEGAL ENTITY WHICH IS A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS DIRECTIVE;
- (B) TO FEWER THAN 100 OR, IF THE RELEVANT MEMBER STATE HAS IMPLEMENTED THE RELEVANT PROVISION OF THE 2010 PD AMENDING DIRECTIVE, 150 NATURAL OR LEGAL PERSONS (OTHER THAN QUALIFIED INVESTORS AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS PERMITTED UNDER THE PROSPECTUS DIRECTIVE; OR IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE,

PROVIDED THAT NO SUCH OFFER OF THE NOTES SHALL REQUIRE THE ISSUER OR THE MANAGER TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE OR SUPPLEMENT A PROSPECTUS PURSUANT TO ARTICLE 16 OF THE PROSPECTUS DIRECTIVE.

IN THE FOREGOING SENTENCE, THE EXPRESSION AN "**OFFER OF NOTES TO THE PUBLIC**" IN RELATION TO ANY NOTES IN ANY RELEVANT MEMBER STATE MEANS THE COMMUNICATION IN ANY FORM BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE NOTES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE THE NOTES, AS THE SAME MAY BE VARIED IN THAT MEMBER STATE BY ANY MEASURE IMPLEMENTING THE PROSPECTUS DIRECTIVE IN THAT MEMBER STATE, AND THE EXPRESSION "**PROSPECTUS DIRECTIVE**" MEANS DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING THE 2010 PD AMENDING DIRECTIVE, TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE AND THE EXPRESSION "**2010 PD AMENDING DIRECTIVE**" MEANS DIRECTIVE 2010/73/EU.

THE 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.

THE 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 WITHIN THE MEANING OF ARTICLE L.411-1 OF THE FRENCH MONETARY AND FINANCIAL CODE (CODE MONÉTAIRE ET FINANCIER), 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 (PERSONNES FOURNISSANT LE SERVICE D'INVESTISSEMENT DE GESTION DE PORTEFEUILLE POUR COMPTE DE TIERS), AND/OR (B) QUALIFIED INVESTORS (INVESTISSEURS QUALIFIÉS) INVESTING FOR THEIR OWN ACCOUNT AND/OR (C) A RESTRICTED CIRCLE OF INVESTORS (CERCLE RESTREINT D'INVESTISSEURS) INVESTING FOR THEIR OWN ACCOUNT, AS DEFINED IN AND IN ACCORDANCE WITH ARTICLES L.411-1, L.411-2 AND D.411-1 TO D.411-4 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 Manager 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.

TABLE OF CONTENTS

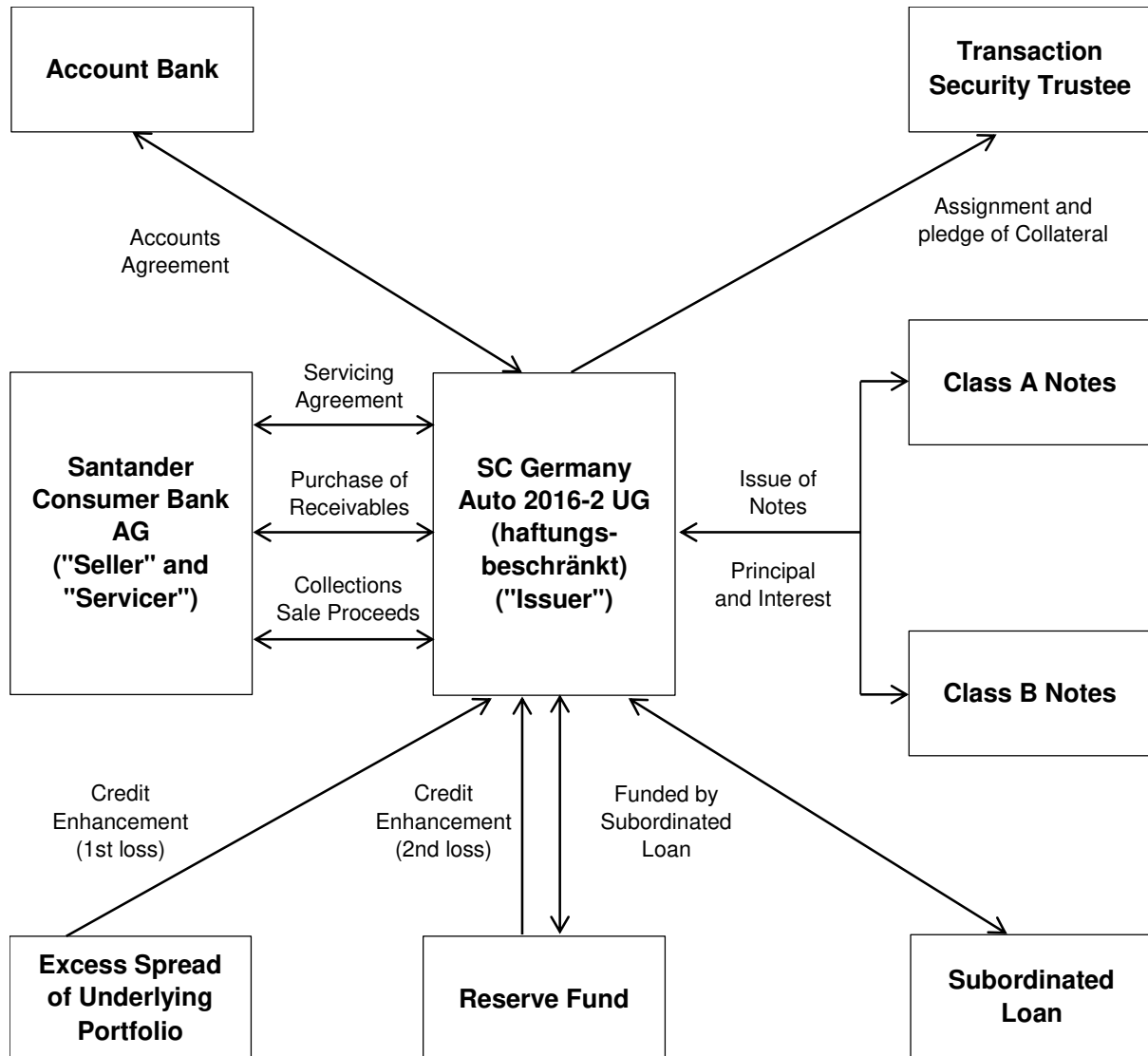
CLAUSE	PAGE
TRANSACTION STRUCTURE	14
OUTLINE OF THE TRANSACTION	15
RISK FACTORS	36
CREDIT STRUCTURE	68
TERMS AND CONDITIONS OF THE NOTES	74
CERTAIN DEFINITIONS	91
OVERVIEW OF RULES REGARDING RESOLUTIONS OF NOTEHOLDERS	107
THE TRANSACTION SECURITY AGREEMENT – AN OVERVIEW	109
THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT	110
OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS	142
EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS	170
DESCRIPTION OF THE PORTFOLIO	171
ELIGIBILITY CRITERIA	172
INFORMATION TABLES REGARDING THE PORTFOLIO	176
HISTORICAL DATA	185
CREDIT AND COLLECTION POLICY	206
THE ISSUER	210
THE SELLER	214
THE CASH ADMINISTRATOR, THE CALCULATION AGENT AND THE PRINCIPAL PAYING AGENT	218
THE CORPORATE ADMINISTRATOR	219
THE TRANSACTION SECURITY TRUSTEE	220
THE DATA TRUSTEE	221
THE LUXEMBOURG LISTING AGENT	222
THE ACCOUNTS	223
TAXATION IN GERMANY	225
SUBSCRIPTION AND SALE	228
USE OF PROCEEDS	231
GENERAL INFORMATION	232
INDEX OF DEFINED TERMS	235

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

Issuer		SC Germany Auto 2016-2 UG (haftungsbeschränkt), a special purpose company incorporated with limited liability (<i>Unternehmergesellschaft (haftungsbeschränkt)</i>) under the laws of the Federal Republic of Germany (" Germany ") and which has its registered office at c/o SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany. See "THE ISSUER".
Corporate Administrator		SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Corporate Administration Agreement" and "THE CORPORATE ADMINISTRATOR".
Seller		Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany. See "THE SELLER".
Servicer		The Loan Contracts will be serviced by the Seller (in this capacity, the "Servicer"). See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement".
Transaction Trustee	Security	SFM Trustees Limited, 35 Great St. Helen's, London EC3A 6AP, United Kingdom. See "THE TRANSACTION SECURITY TRUSTEE".
Data Trustee		SFM Trustees GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Data Trust Agreement" and "THE DATA TRUSTEE".
Subordinated Provider	Loan	Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement".
Funding Loan Provider		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".
Account Bank		Banco Santander, S.A., Filiale Frankfurt, Bockenheimer Landstraße 39, 60325 Frankfurt am Main, Germany. See "THE ACCOUNTS".
Arranger		Raiffeisen Bank International AG, Am Stadtpark 9, 1030 Vienna, Austria.
Manager		Raiffeisen Bank International AG, Am Stadtpark 9, 1030 Vienna, Austria. See "SUBSCRIPTION AND SALE".
Calculation Agent, Cash Administrator and Principal Paying Agent		The Bank of New York Mellon, London Branch, One Canada Square, London, E14 5 AL, United Kingdom. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Agency Agreement" and "THE CASH ADMINISTRATOR, THE CALCULATION AGENT

AND THE PRINCIPAL PAYING AGENT".

Luxembourg Agent	Listing	The Bank of New York Mellon (Luxembourg) S.A., Vertigo Building-Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg. See "THE LUXEMBOURG LISTING AGENT".
Rating Agencies		DBRS Ratings Limited and Standard & Poor's Credit Market Services Europe Limited.

THE NOTES

The Transaction		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 on or about 26 July 2016 and entered into between the Issuer and the Seller (the " Receivables Purchase Agreement "). During the Replenishment Period the Seller may, subject to certain requirements, at its option, sell and assign Additional Receivables to the Issuer pursuant to the Receivables Purchase Agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".
Classes of Notes		The EUR 1,440,000,000 Class A 1.072% Fixed Rate Notes due on the Payment Date falling in July 2032 (the " Class A Notes ") and the EUR 60,000,000 Class B Fixed Rate 2.277% Notes due on the Payment Date falling in July 2032 (the " Class B Notes "), will be backed by the Portfolio. See "TERMS AND CONDITIONS OF THE NOTES".
Note Issuance Date		28 July 2016.
Funding Loan		Santander Consumer Finance, S.A. (the " Funding Loan Provider ") will make available to the Issuer an interest-bearing amortising funding loan (the " Funding Loan ") 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 Manager 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 " 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 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 in bearer form, 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".

Replenishment

During the Replenishment Period, the Seller may, at its option, effect a replenishment of the Portfolio underlying the Notes by offering to sell additional Receivables to the Issuer pursuant to the Receivables Purchase Agreement. Pursuant to the Receivables Purchase Agreement and subject to certain requirements, the Issuer is obliged to purchase such additional Receivables from the Seller. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".

Replenishment Period

The Replenishment Period will start on the Note Issuance Date and will end on the Payment Date falling in the forty-eighth 48th month after the Note Issuance Date (inclusive) or, if earlier, on the date on which an Early Amortisation Event occurs (exclusive). See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".

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".

Payment Dates	During the Replenishment Period, payments of interest, and following the expiration of the Replenishment Period, payments of principal and interest will be made to the Noteholders on the thirteenth (13 th) 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 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. The first Payment Date will be the Payment Date falling on 16 August 2016.
Legal Maturity Date	Unless previously redeemed as described herein, each Class of Notes will be redeemed on the Payment Date falling in July 2032, subject to the limitations set forth in Condition 3.2 (Limited Recourse) 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".
Scheduled Maturity Date	The Payment Date falling in March 2024. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Scheduled Maturity Date".
Amortisation	The amortisation of the Notes will only commence after the expiration of the Replenishment Period. On each Payment Date following the expiration of the Replenishment Period, 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".
Early Amortisation	The Notes will be subject to redemption in part prior to the expiration of the Replenishment Period if an Early Amortisation Event occurs. See "CERTAIN DEFINITIONS – Early Amortisation Event".
Clean-up Call	On any Payment Date on which the Aggregate Outstanding Principal Amount has been reduced to less than 10% of the Aggregate Outstanding 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 outstanding Note Principal Amounts of the Class A Notes plus accrued but unpaid 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".
Optional Redemption for	In the event that the Issuer is required by law to deduct or withhold

Taxation Reasons	<p>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".</p>
Taxation	<p>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".</p>
Resolutions of Noteholders	<p>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".</p>
Collateral	<p>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; and (ii) the Issuer's claims under certain Transaction Documents and the rights of the Issuer under the Accounts, all of which have been assigned, transferred and pledged by way of security to the Transaction Security Trustee pursuant to the Transaction Security Agreement (collectively, the "Collateral").</p> <p>Upon the occurrence of an Issuer Event of Default, the Transaction Security Trustee will enforce or will arrange for the enforcement of the Collateral and any credit in the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account (excluding certain amounts stated in clause 23.1 of the Transaction Security Agreement) and any proceeds obtained from the enforcement of the 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".</p>

The Portfolio: Purchased Receivables and Related Collateral	<p>The Portfolio underlying the Notes consists of passenger car, motor cycle and trailer loan receivables (but excluding any loan receivables relating to online business) originated by the Seller in its ordinary course of business. The Aggregate Outstanding Principal Amount as of the close of business (in <i>Mönchengladbach</i>) on 30 June 2016 was EUR 1,499,999,950.68. 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 and as of any Payment Date during the Replenishment Period pursuant to the Receivables Purchase Agreement. The Related Collateral includes, <i>inter alia</i>, 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".</p>
Servicing of the Portfolio	<p>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 (as amended or amended and restated from time to time, the "Servicing Agreement") dated on or about 26 July 2016, 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".</p>
Collections	<p>Subject to the Pre-Enforcement Priority of Payments, the Collections received on the Portfolio will, during the Replenishment Period, be available for the payment of interest on the Notes and the replenishment of the Portfolio and, after the expiration of the Replenishment Period, for the payment of interest and principal on the Notes. The Collections will include, <i>inter alia</i>, 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. See "CERTAIN DEFINITIONS — Deemed Collection".</p>
Reserve Fund	<p>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</p>

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 the Required 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. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and 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 (a) EUR 15,000,000 or (b) zero if the Aggregate Outstanding Note Principal Amount is zero. See "CERTAIN DEFINITIONS — Required Reserve Amount".

Subordinated Loan

Santander Consumer Bank AG (the "**Subordinated Loan Provider**") will make available to the Issuer an interest-bearing subordinated loan facility (the "**Subordinated Loan**") in the principal amount of EUR 15,000,000 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 junior 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 outstanding principal amount of the Subordinated Loan will be repaid by the Issuer from reductions of the Required Reserve Amount in accordance with the Pre-Enforcement Priority of Payments. See "CREDIT STRUCTURE — Subordinated Loan" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement".

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 forty (40) 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 shall transfer an amount equal to such shortfall as determined as of such Cut-Off Date on the immediately following Payment 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 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 or 46b of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer. 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 7 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 Santander Consumer Bank AG, or (iii) S&P notifies any of Santander Consumer Bank AG, the Issuer or the Transaction Security Trustee in writing that Santander Consumer Bank AG is no longer deemed eligible under the then current applicable rating criteria of S&P, unless in each case of (i) and (ii), Santander Consumer Bank AG 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, 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 A-2 (or

its replacement) by S&P and 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 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 (ii) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (low) (or its replacement) by DBRS or DBRS Critical Obligations Rating of such entity are assigned a rating of at least BBB (or its replacement) by DBRS, and in each case, any such rating has not been withdrawn.

"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 thirty (30) calendar days, to transfer the Set-Off Reserve Amount to an account of the Issuer held with the Account Bank (the **"Set-Off Reserve Account"**). If the balance credited to the Set-Off Reserve Account as of any Cut-Off Date following the occurrence of a Set-Off Reserve 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 Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Seller shall transfer an amount equal to such shortfall as determined as of such Cut-Off Date on the immediately following Payment Date to the Set-Off Reserve Account. The amounts, if any, standing to the credit of the Set-Off 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 (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 Account 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 8 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 or (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of

Santander Consumer Bank AG or (iii) S&P notifies each of Santander Consumer Bank AG, the Issuer, the Transaction Security Trustee in writing that Santander Consumer Bank AG is no longer deemed eligible under the then current applicable rating criteria of S&P, unless in each case of (i) and (ii), Santander Consumer Bank AG has at least the Set-Off Required Rating.

"Set-Off Required Rating" shall mean

(i) with respect to component (X) of Set-Off Reserve Amount and with respect to any entity, that the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least A-3 (or its replacement) by S&P and 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 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;

(ii) with respect to component (Y) of Set-Off Reserve Amount and with respect to any entity, that (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least A-3 (or its replacement) by S&P and 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 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 (b) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (low) (or its replacement) by DBRS or DBRS Critical Obligations Rating of such entity are assigned a rating of at least BBB (or its replacement) by DBRS, and in each case, any such rating has not been withdrawn.

"Set-Off Reserve Amount" shall mean the sum of (X) and (Y), where:

(X) means, (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, an amount sufficient to capture the set-off risk related to the aggregate outstanding Capitalised Service Fees for all outstanding Purchased Receivables of the Issuer as at such Cut-Off Date, as determined by the Servicer and set forth in the Detailed Investor Report in respect of such Cut-Off Date, provided that (X) shall be reduced to a lower amount or zero if (i) the Issuer determines that such lower amount will be sufficient, or (in case of a reduction to zero) an additional amount will no longer be required, to avoid a downgrading of the ratings assigned to the Class A Notes and (ii) the Issuer has notified the Rating Agencies and the Seller of such reduction; and (b) if as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero;

(Y) means, (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 Seller Deposits 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 Seller Deposits, and are in each case equal to the lower of (i) the amount of Seller Deposits which, as of the relevant Cut-Off Date, are held 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 following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero.

"Capitalised Service Fee" shall mean, in respect of any Purchased Receivable, the total amount of the outstanding balance of the relevant Loan Contract which relates to the fees or premiums charged for the related Payment Protection Insurance (*Ratenschutzversicherung*), (ii) the related Gap Insurance (*Gap-Versicherung*) and/or (iii) the related Repair Cost Insurance (*Reparaturkostenversicherung*).

"Seller Deposits" means, with respect to any Debtor, the actual aggregate amount held by such Debtor in the form of money market accounts (*Tagesgeldkonten*), savings certificates (*Sparbriefe*), savings accounts (*Sparkonten*), current accounts (*Girokonten*) and/or credit cards (*Kreditkarten*) with the Seller at the relevant time.

Issuer's Income	Sources of	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 of interest earned on the euro denominated interest-bearing transaction account of the Issuer (the "Transaction Account"), (iii) all amounts standing to the credit of the Transaction Account which represent the credit standing to the Reserve Fund, (iv) all amounts standing to the credit of the Commingling Reserve Account (except interest earned on such amounts), (v) all amounts standing to the credit of the Set-Off Reserve Account (except interest earned on such amounts), (vi) all amounts standing to the credit of the Purchase Shortfall Account (including interest earned on such amounts), (vii) all amounts paid by any third party as purchase price for Defaulted Receivables, (viii) the Transaction Cost Fee and (ix) all other amounts which constitute the Available Distribution Amount and which have not been mentioned in (i) to (viii) 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.
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Available Amount	Distribution	"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 fourth (4 th) 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
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as long as the Cash Administrator and the Calculation 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 fourth (4th) 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, *provided that* during the Replenishment Period, such amounts shall only be applied on any Payment Date towards items *first to seventh* (both inclusive) of the Pre-Enforcement Priority of Payments;
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. (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;
4. (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;
5. 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;

6. any interest earned (if any) on any balance credited to the Transaction Account during such Collection Period;
7. 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 *fourteenth* (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 (x) during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding the relevant Payment Date, (y) during, or with respect to, previous Collection Periods for which the relevant amounts have not been included in the Available Distribution Amount previously or (z) if 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 or 46b of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer;
8. the amounts (if any) standing to the credit of the Set-Off Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Set-Off 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 *fourteenth* (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, or with respect to previous Collection Periods for which the relevant amounts have not been included in the Available Distribution Amount previously, were not received by the Issuer 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;
9. the amounts (if any) standing to the credit of the Purchase

Shortfall Account (including interest earned (if any) thereon);

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 (10) above) (if any)) paid to the Issuer by any other party to any Transaction Document (other than the Funding Loan Agreement) up to (and including) the Payment Date immediately following such Cut-Off Date, unless otherwise specified, 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 Purchaser 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 Purchaser in connection with the establishment of the Purchaser, 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 Purchaser or any other fees, costs and expenses, and a reserved profit of the Purchaser 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 Purchaser, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Cash Administrator and the Calculation Agent under the Agency Agreement, the Manager under the Subscription Agreement (excluding any commissions and concessions which are payable to the Manager under the Subscription Agreement on the Note Issuance Date and which are to be paid by the Purchaser 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 Purchaser, 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 Purchaser itself in the event that the Purchaser collects and/or services the Purchased Receivables or the Related Collateral;

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

seventh, 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;

eighth, during the Replenishment Period, to pay the purchase price payable in accordance with the Receivables Purchase Agreement for any Additional Receivables purchased on such Payment Date, but only up to the Replenishment Available Amount;

ninth, during the Replenishment Period, to credit the Purchase Shortfall Account with the Purchase Shortfall Amount occurring on such Payment Date;

tenth, during the Replenishment Period, to credit the Reserve Fund with effect as from such Payment Date up to the Required Reserve Amount as of such Cut-Off Date;

eleventh, after the expiration of the Replenishment Period and unless such Payment Date falls on a Servicer Disruption Date, to credit to the Reserve Fund with effect as from such Payment Date up to the Required Reserve Amount

twelfth, after the expiration of the Replenishment Period, 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;

thirteenth, 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;

fourteenth, after the expiration of the Replenishment Period and 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;

fifteenth, 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;

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

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 in accordance with the provisions of the Receivables Purchase Agreement, in an amount (if any) which is equal to the difference between 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 Purchaser to the Seller due and payable under the Receivables Purchase Agreement in respect of any valid return of a direct debit (*Lastschriftückbelastung*) (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 Purchaser 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 Purchaser 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 Purchaser 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, if applicable, the Set-Off Reserve Account.

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 (5th) 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 tenth (10th) 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 10,000,000 (ten million euro);
- (6) 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;
- (7) the Seller fails to perform any material obligation under the Loan Contracts or in relation to the Related Collateral;
- (8) an Issuer Event of Default has occurred; or
- (9) 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 sixteenth 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 Collateral or any other security interest created under any Transaction Security Document.

Upon the occurrence of an Issuer Event of Default, the full Class Principal Amount of each Class of Notes shall become due and payable in accordance with the Post-Enforcement Order of Priority.

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 24.1 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 and the Calculation Agent under the Agency Agreement, 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 Class A Notes Interest due and payable on such Payment Date, *pro rata* on each Class A Note;

seventh, to pay any Class A Notes Principal as of such Payment Date, *pro rata* on each Class A Note until the Class A Notes have been redeemed in full;

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

ninth, to pay any Class B Notes Principal as of such Payment Date, *pro rata* on each Class B Note until the Class B Notes have been redeemed in full;

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

eleventh, 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;

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

thirteenth, 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.
Ratings	The Class A Notes are expected on issue to be assigned a long-term rating of A(sf) by DBRS, and a long-term rating of A(sf) by S&P. The Issuer has not requested a rating of the Class B Notes.
Approval, Listing and Admission to Trading	The <i>Commission de Surveillance du Secteur Financier</i> , as competent authority under the Prospectus Directive, has approved the prospectus for the purposes of the Prospectus Directive. By approving this prospectus the <i>Commission de Surveillance du Secteur Financier</i> assumes no responsibility as to the economic or financial soundness of this transaction or the quality and solvency of the Issuer. The Notes will 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 20,000.
Clearing	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 " Clearing Systems ", the " International Central Securities Depositories " or the " ICSDs ").
Governing Law	The Notes will be governed by, and construed in accordance with, the laws of Germany.
Transaction Documents	The Receivables Purchase Agreement, the Servicing Agreement, the Transaction Security Agreement, the Subordinated Loan Agreement, the Corporate Administration Agreement, the Accounts Agreement, the Data Trust Agreement, the Funding Loan Agreement, the Notes, the Agency 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. While the Issuer believes that the following statements describe the material risk factors in relation to the Issuer and the material risk factors inherent to the Notes and are up to date as of the date of this Prospectus, 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 Data Trustee, the Principal Paying Agent, the Calculation Agent, the Cash Administrator, the Account Bank, the Manager, the Arranger, the Luxembourg Listing Agent, the Common Safekeepers, the Subordinated Loan Provider, the Funding Loan Provider or any of their respective affiliates or any affiliate of the Issuer or any other party (other than the Issuer) to the Transaction Documents or any other third person or entity other than the Issuer.

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 Data Trustee, the Principal Paying Agent, the Calculation Agent, the Cash Administrator, the Account Bank, the Manager, the Arranger, the Luxembourg Listing Agent, the Common Safekeepers, the Subordinated Loan Provider, the Funding Loan Provider or any of their respective affiliates or any affiliate of the Issuer or any other party (other than the Issuer) to the Transaction Documents or any other third person or entity other than the Issuer. 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, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account (excluding certain amounts stated in clause 24.1 of the Transaction Security Agreement) and the proceeds of the Collateral in accordance with the Post-Enforcement Priority of Payments and shall only be settled if and to the extent that the Issuer is in a position to settle such claims using future profits (*künftige Gewinne*), any remaining liquidation proceeds (*Liquidationsüberschuss*) or any current positive balance of the net assets (*anderes freies Vermögen*) of the Issuer. The Notes shall not give rise to any payment obligation in excess of such amounts and recourse shall be limited accordingly.

None of the Noteholders, the Transaction Security Trustee nor the other Beneficiaries (nor any other person acting on behalf of any of them) shall be entitled, 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, to 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 have any right to take any steps for the purpose of obtaining payment (other than through the enforcement of the 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 the 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.

There is no specific statutory or judicial authority in German law on the validity of non-petition clauses. It cannot be excluded that a German court might hold that any of the non-petition clauses in the German law governed Transaction Documents is void in cases where the Issuer intentionally breaches its duties or intentionally does not fulfil its respective obligations under such documents. The foregoing would apply to other restrictions of liability of the Issuer as well. In individual cases, German courts held that a non-petition clause in a lease agreement preventing the lessee from initiating court proceedings against the lessor was void as it violated *bonos mores* and that the parties to a contract may only waive their respective right to take legal action in advance to a certain specified extent, but not entirely, because the right to take legal action is a core principle of the German legal system. However, this Issuer has been advised that these rulings are based on the particularities of the respective cases and, therefore, should not give rise to the conclusion that non-petition clauses are generally void under German law. Additionally, because under German law a party is generally free to waive its claim against another party in advance, a partial waiver, in the sense that the party waives only its rights to enforce its claims, should *a fortiori* be valid.

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;
- interest earned on the amounts credited to the Transaction Account and the Purchase Shortfall 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.

The Notes

Early Redemption of the Notes and Effect on Yield

The yield to maturity of any Note of each Class will depend on, *inter alia*, the amount and timing of payment of principal and interest on the Purchased Receivables and the price paid by the Noteholder for such Note.

As at the Note Issuance Date, the Replenishment Period will commence on (but excluding) the Note Issuance Date and end on (i) the Payment Date falling in the forty-eighth (48th) month after the Note Issuance Date (inclusive) or, if earlier, (ii) the date on which an Early Amortisation Event occurs (exclusive). Following the expiration of the Replenishment Period, the Notes will be subject to redemption (subject to the applicable Class Target Principal Amount) in accordance with the Pre-Enforcement Priority of Payment.

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 may, subject to certain conditions, 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 and the payments of interest and principal in accordance with the Pre-Enforcement Priority of Payment on such Payment Date will lead to an early redemption of the Notes (see Condition 7.5 (*Early Redemption*) of the Terms and Conditions of the Notes). This may adversely affect the yield on each Class of Notes.

In addition, the Issuer may, subject to certain conditions, redeem all of the Notes if under applicable law the Issuer is required to make a deduction or withholding for or on account of tax (see Condition 7.6 (*Optional Redemption for Taxation Reasons*) of the Terms and Conditions of the Notes). This may adversely affect the yield on each Class of Notes.

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

Santander Consumer Bank AG is acting in a number of capacities in connection with this transaction. Santander Consumer Bank 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. Santander Consumer Bank 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.

The Bank of New York Mellon, London Branch, being affiliated with the Luxembourg Listing Agent, is acting in a number of capacities in connection with this transaction. The Bank of New York Mellon, London Branch will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. The Bank of New York Mellon, London Branch, 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.

SFM Structured Finance Management (Deutschland) GmbH, being affiliated with the Transaction Security Trustee and the Data Trustee, is acting in a number of capacities in connection with this transaction. SFM Structured Finance Management (Deutschland) 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. SFM Structured Finance Management (Deutschland) 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.

SFM Trustees Limited, being affiliated with the Corporate Administrator and the Data Trustee, is acting in its capacity as Transaction Security Trustee in connection with this transaction. SFM Trustees Limited 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. SFM Trustees Limited, in capacity as Transaction Security Trustee 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.

SFM Trustees GmbH, being affiliated with the Corporate Administrator and the Transaction Security Trustee, is acting in its capacity as Data Trustee in connection with this transaction. SFM Trustees 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. SFM Trustees GmbH, in its capacity as Data Trustee 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, the Data Trustee, the Manager, the Principal Paying Agent, the Cash Administrator, the Calculation Agent, the Luxembourg Listing Agent, the Account Bank, the Funding Loan Provider, the Subordinated Loan Provider and the 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 Manager, the Principal Paying Agent, the Cash Administrator, the Calculation Agent, the Luxembourg Listing Agent, the Account Bank, the Funding Loan Provider, the Subordinated Loan Provider and the Arranger are not obliged to take into account the interests of the Noteholders. Accordingly, conflicts of interest may arise in this transaction.

Ratings of the Class A Notes

Each rating assigned to the Class A Notes by any Rating Agency takes into consideration the structural and legal aspects associated with the Class A Notes and the underlying Purchased Receivables, the credit quality of the Portfolio, the extent to which the Debtors' payments under the Purchased Receivables are adequate to make the payments required under the Class A Notes as well as other relevant features of the structure, including, *inter alia*, the credit situation of the Account Bank, the Seller and the Servicer (if different). Each Rating Agency's rating reflects only the view of that Rating Agency. Each rating assigned by each of S&P and DBRS to the Class A Notes addresses the likelihood of full and timely payment to the Class A Noteholders of all payments of interest on the Class A Notes on each Payment Date and the ultimate payment of principal on the Legal Maturity Date and takes into consideration the characteristics of the

Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Notes.

The Issuer has not requested any rating of the Class B Notes and the Issuer has not requested a rating of the Class A Notes by any rating agency other than the Rating Agencies. However, rating organisations may seek to rate the Class B Notes or rating organisations other than the Rating Agencies may seek to rate the Class A Notes and, if such "shadow ratings" or "unsolicited ratings" are low, in particular, in the case of the Class A Notes, lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of any Class of Notes. Future events, including events affecting the Account Bank, the Seller and the Servicer (if different) could also have an adverse effect on the rating of 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 the Class A Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to the Class A Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason (including, without limitation, any subsequent change of the rating methodologies and/or criteria applied by the relevant Rating Agency), 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. According to the press release of the European Securities Markets Authority (ESMA) dated 31 October 2011 and the list of registered and certified rating agencies ("**List of Registered CRAs**") published by the European Securities and Markets Authority (ESMA), DBRS and S&P have been registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011. The latest update of the List of Registered CRAs is available on the website of the European Securities and Markets Authority (ESMA) under www.esma.europa.eu/page/List-registered-and-certified-CRAs (see also the section entitled "*CRA III*" below).

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 Manager could establish a secondary market for the Notes, it is not 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 Manager, 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 Notes 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 (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast), as amended and supplemented from time to time and as supplemented by the temporary criteria for certain asset-backed securities contained in, inter alios, Guideline (ECB/2014/31) on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (recast) and Decision (EU) 2015/5 of the European Central Bank of 19 November 2014 on the implementation of the asset-backed securities purchase programme (ECB/2014/45) (as amended from time to time).

In addition, on 15 December 2010 the Governing Council of the European Central Bank (the "**ECB**") has decided on the establishment of loan-by-loan information requirements for asset-backed securities ("**ABS**") in the Eurosystem collateral framework. The Auto Loan ABS template was published in May 2012 and was last updated in September 2013. The loan-by-loan information requirement for Auto Loan ABS is applicable since 1 January 2014 (with a nine-month transition period which ended on 30 September 2014). The Issuer will use its best efforts to make loan level details available in such manner as may be required 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, or if the Servicer fails to submit the required loan-level data, there is a risk that the Class A Notes will not qualify as Eurosystem eligible collateral. Neither the Issuer, the Manager nor the 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 III Framework, CRD IV and CRR as well as CRR Requirements for Investor Institutions

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**"). In the EU, the Framework had been implemented on the basis of EU and national legislative measures.

In December 2010, the Committee published proposals for further changes to the Framework ("Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer"). The proposals include new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for institutions (such as 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). The European Parliament and the Council adopted a new set of legislation to implement these amendments in the European Union. The relevant legislation encompasses a directive, Directive 2013/36/EU ("**CRD IV**"), dated 26 June 2013, governing, amongst other things, the basic rules and requirements for the banking business and its supervision and a regulation ("**CRR**"), dated 26 June 2013, containing detailed requirements regarding liquidity, capital base, leverage and counterparty credit risks. The directive had to be transposed into national law by each of the EU Member States in general by 31 December 2013, provided that certain provisions may be applied after that date. The regulation has direct binding effect in the EU Member States and applies since 1 January 2014 (subject to certain exceptions and transitional provisions).

Member states were required to implement the new capital standards from 2014, the new liquidity coverage ratio from January 2015 and the net stable funding ratio from January 2018. In January 2015 the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 regarding the liquidity coverage requirements was published in the Official Journal of the European Union ("**LCR Delegated Regulation**"). The liquidity coverage ratio under the LCR Delegated Regulation applies as from 1 October 2015. The LCR Delegated Regulation specifies that the minimum requirement will begin at 60%, rising in equal annual steps of 10 percentage points to reach 100% as from 1 January 2019.

The CRR, and the CRD IV or (as the case may be) the Framework and its amendments and related acts could affect the risk-based capital treatment of the Notes for investors which are subject to bank capital adequacy requirements under the CRR and relevant national legislation implementing the CRD IV and/or requirements that follow or are based on the Framework.

Risk Retention and Due Diligence Requirements

In particular, the CRR provides that where an institution (i.e. a credit institution or an investment firm within the meaning of the CRR) does not meet the requirements set out in Articles 405, 406 and 409 of the CRR in any material respect by reason of the negligence or omission of the institution, the competent authorities shall impose a proportionate additional risk weight of no less than 250% of the risk weight (the total risk weight being capped at 1250%) to the relevant securitisation positions. The additional risk weight shall progressively increase with each subsequent infringement of the due diligence provisions. Pursuant to Article 405 of the CRR, an institution, other than when acting as an originator, a sponsor or original lender, may hold 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 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. Article 406 of the CRR imposes certain due diligence requirements on investor institutions. Article 409 of the CRR requires, *inter alia*, that prospective investors have readily available access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting the securitisation exposure as well as such information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures. Hence, the additional risk weight does not only apply in case of a relevant non-compliance with the due diligence

obligations on the part of an institution investing in the Notes. Also noncompliance of the Seller with Articles 405 and 409 of the CRR may result in such additional risk weights and hence negatively affect the price received for, and/or the ability of the Noteholders to sell, the Notes in the secondary market. In particular, 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 406 of the CRR.

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.

Investors should also be aware of Article 17 of the AIFMD and Chapter III, Section 5 of the AIFMR, the provisions of which introduced risk retention and due diligence requirements (which took effect from 22 July 2013 in general) in respect of alternative investment fund managers ("**AIFMs**") that are required to become authorised under the AIFMD. While the requirements applicable to AIFMs under Chapter III, Section 5 of the AIFMR are similar to those which apply under Articles 405 to 409 of the CRR, they are not identical and, in particular, additional due diligence obligations and a requirement to take corrective action if an investment does not comply with the risk retention requirements apply to AIFMs. Additional due diligence obligations apply to relevant alternative investment fund managers especially in respect of requirements for retained interest and qualitative requirements concerning sponsors and originators, and AIFMs exposed to securitisations.

Similar requirements also apply to insurance and reinsurance undertakings under Article 135(2)(a) of Solvency II and Articles 254 et seq. of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Solvency II, which impose risk retention and due diligence requirements and provide for proportionate increases of the solvency capital requirements, should the risk retention rule not be complied with in respect of any relevant investment of an insurance or reinsurance undertaking.

Each of articles 405 to 409 of the CRR and Chapter III, Section 5 of the AIFMR and the relevant provisions of Solvency II applies in respect of the Notes, so investors which are EU regulated credit institutions, AIFMs or insurance or reinsurance undertakings should therefore make themselves aware of such requirements (and any corresponding implementing rules) of the CRR or AIFMR or Solvency II applicable to them and should be aware that a failure to comply with applicable provisions may result in administrative penalties, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described in this Prospectus and in any Detailed Investor Report provided in relation to the transaction for the purposes of complying with any relevant requirements including Articles 405 to 409 of the CRR, Chapter III, Section 5 of the AIFMR and the relevant provisions of Solvency II and none of the Issuer, the Managers, the Arranger, the Seller or the Servicer or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

Certain aspects of the CRR and Chapter III, Section 5 of the AIFMD, the relevant provisions of Solvency II and what is required to demonstrate compliance to national regulators remain unclear. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory capital charges for non-compliance with Articles 405 to 409 or to avoid being required to take corrective action under Chapter III, Section 5 of the AIFMR or under the relevant provisions under Solvency II should seek guidance from their regulator.

Articles 405 to 409 of the CRR, Chapter III Section 5 of the AIFMR, the relevant provisions of Solvency II and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

It is reasonable to expect further amendments to the Framework, the CRD IV and the CRR in the near and medium term future, and there is no assurance that the regulatory capital treatment of the Notes for investors will not be affected by any future change to the Framework, the CRD IV or the CRR. In particular, in December 2012 the Committee has issued a consultative document regarding "**Revisions to the Basel Securitisation Framework**". The proposed revisions seek to make, *inter alia*, capital requirements with respect to securitisation exposures more prudent and risk sensitive and at the same time serve to reduce mechanic reliance on external credit ratings. The proposals include, amongst other things, (i) a revised hierarchy of approaches of risk evaluation and capital assignment applicable to certain types of securitisation exposures, (ii) revised ratings- based approach and modified supervisory formula approach incorporating additional risk drivers (such as maturity), which are intended to create a more risk-sensitive and prudent calibration, and (iii) new approaches, such as a simplified supervisory approach and different applications of the concentration ratio based approach. The Committee has not yet published a rules text to effectuate the proposed changes and is currently seeking industry feedback on some key elements of the proposed changes. Further, the Committee will be conducting a quantitative impact study of the proposals prior to deciding on definitive revisions to the Framework. Thus, at this stage, it cannot be predicted which changes to the Framework will be effectuated, and whether and when such changes would be implemented into EU and national law.

On 30 September 2015, the European Commission published a proposed regulation relating to a European framework for simple, transparent and standardised securitisation (such proposed regulation, including any implementing regulation, technical standards and official guidelines related thereto (the "**Securitisation Regulation**")) which would, amongst other things, re-cast the EU risk retention rules as part of wider changes to establish a "Capital Markets Union" in Europe. The current Presidency of the Council of Ministers of the European Union has also published compromise proposals concerning the Securitisation Regulation. The Securitisation Regulation will need to be considered, finalised and adopted by the European Parliament and Council of Ministers. It is unclear at this time when the Securitisation Regulation will become effective. Investors should be aware that there are material differences between the current EU Risk Retention and Due Diligence Requirements and the Securitisation Regulation. The Securitisation Regulation may also enter into force in a form that differs from the published proposals and drafts.

There can therefore be no assurances as to whether the transactions described herein will be affected by a change in law or regulation relating to the EU risk retention and due diligence requirements, including as a result of any changes recommended in future reports or reviews. Investors should therefore make themselves aware of the EU Risk Retention and Due Diligence Requirements, the proposed Securitisation Regulation (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements that are (or may become) applicable to them with respect to their investment in the Notes. Any costs incurred by the Issuer in connection with satisfying the requirements of the Securitisation Regulation may be paid by the Issuer as administrative expenses. In such circumstances an agent on behalf of the Issuer may establish and maintain a website or procure that a website is established and maintained, in each case, for the purposes of ensuring compliance with the Securitisation Regulation.

CRA III

In general, European regulated investors are restricted under the Regulation 1060/2009/EC of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended pursuant to Regulation 513/2011/EU of the European Parliament and the Council of 11 May 2011 and to Regulation 462/2013/EU of the European Parliament and of the Council of 31 May 2013 ("**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. In addition, the CRA Regulation provides, *inter alia*, for requirements as regards the use of ratings for regulatory purposes of banks, insurance companies, reinsurance undertakings, UCITS and institutions for occupational retirement provision, the avoidance of conflict of interests,

the monitoring of the ratings, the registration of rating agencies and the withdrawal of such registration as well as the supervision of rating agencies. If a registration of a rating agency is withdrawn, ratings issued by such rating agency may not be used for regulatory purposes. EU regulation 462/2013 ("**CRA III**"), which came into effect on 20 June 2013, amends the CRA Regulation and now provides, inter alia, for requirements as regards the use of ratings for regulatory purposes also for investment firms, management companies, alternative investment fund managers (AIFMs) and central counterparties, the obligation of an investor to make its own credit assessment, the establishment of a European rating platform and civil liability of rating agencies.

CRA III also provides for certain additional disclosure requirements which are applicable in relation to structured finance instruments. Such disclosures will need to be made via a website to be set up by the ESMA. The precise scope and manner of such disclosure is subject to regulatory technical standards prepared by ESMA. ESMA has published its final report on such draft regulatory technical standards on 20 June 2014, which was subsequently submitted to the European Commission. The Commission Delegated Regulation (EU) 2015/3 of 30 September 2014 supplementing the CRA with regard to regulatory technical standards on disclosure requirements for structured finance instruments was published in the Official Journal on 6 January 2015 and entered into force on 26 January 2015. The reporting obligations laid down in such Commission Delegated Regulation will apply from 1 January 2017 and will also apply to any structured finance instrument issued on or after 26 January 2015 and still outstanding on 1 January 2017, although no backlog of information relating to the period between those two dates will need to be published. Reporting will take place on a website to be established by ESMA and the information will be accessible to the general public. Technical instructions for how to report on the website are required to be published by ESMA no later than 1 July 2016.

Additionally, CRA III has introduced a requirement that where an issuer or related third parties (which term includes sponsors and originators) intends to solicit a credit rating of a structured finance instrument it will appoint at least two credit rating agencies to provide ratings independently of each other; and should consider appointing at least one rating agency having not more than a 10 per cent. total market share (as measured in accordance with Article 8d(3) of the CRA (as amended by CRA III)) (a small CRA), provided that a small CRA is capable of rating the relevant issuance or entity. In order to give effect to those provisions of Article 8d of CRA III, the ESMA is required to annually publish a list of registered CRAs, their total market share, and the types of credit rating they issue. The Issuer has appointed Fitch, Moody's and S&P, each of which is established in the EEA and is registered under the CRA and is listed in the latest update of the list of registered credit rating agencies as of 1 December 2015 published on the website of the European Securities and Markets Authority. The Seller considered the appointment of several CRAs including a CRA having a less than 10 per cent market share and concluded that the most appropriate CRAs to rate this transaction are Fitch, Moody's and S&P.

The above general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Noteholders should consult their own professional advisers to assess the effects of such EU regulations on their investment in the Notes.

Economic Conditions in the Euro-zone

Concerns relating to credit risks (including that of sovereigns and those of entities which are exposed to sovereigns) have intensified over the past few years. In particular, concerns have been raised with respect to current economic, monetary and political conditions in the Euro-zone. If such concerns persist and/or such conditions further deteriorate (including as may be

demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any changes to, including any break-up of, the Euro-zone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect one or more of the parties to the Transaction Documents (including the Seller and/or the Servicer) and/or any Debtor in respect of the Purchased Receivables. Given the current uncertainties and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Brexit

The United Kingdom held a referendum on 23 June 2016 in which a majority voted to exit the European Union ("**Brexit**"). Negotiations are expected to commence to determine the future terms of the United Kingdom's relationship with the European Union, including the terms of trade between the United Kingdom and the European Union. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial and foreign exchange markets. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate.

As such, no assurance can be given that Brexit will not adversely affect the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

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. *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 should 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 German Federal Fiscal Court 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 risk of inability of the Debtors under the Purchased Receivables to pay their obligations (*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 German Federal Fiscal Court 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). It should further be noted that it is questionable whether the interest stripping rules comply with constitutional law. A corresponding case is currently pending in front of the German Constitutional Court. Any tax assessments in relation to denied interest deductions under the interest stripping rules should therefore be kept open by filing an objection or appeal. Even if – due to unusual circumstances – the net interest payments equalled 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 securitisation 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 securitisation transactions might have to be consolidated on a mandatory (statutory) basis. However, the new consolidation rules stipulated in Sec. 290 (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.

The Issuer may show in its financial statements its obligations regarding payments of principal and interest on the Notes. Section 5(2a) of the German Income Tax Act (Einkommensteuergesetz or "**EstG**") should not disallow recognising such liabilities for corporate income and trade tax purposes since it requires that the relevant payment obligation is contingent on certain future profits or certain items of income which will be derived only in future assessment periods (contingent payment obligation). The Issuer's payment obligations vis-a-vis the Noteholders would not be contingent on future profits or items of income to be derived in future assessment periods but are unconditional and not contingent. Moreover, Section 5(2a) of the EstG would not apply with regard to payment obligations incurred in order to refinance the acquisition of assets that would be shown in the financial statements; these criteria should be met, as the Notes will be issued for the purpose of refinancing the purchase of the Receivables.

Furthermore, Section 8(3) 2nd sentence of the German Corporate Income Tax Act (*Körperschaftsteuergesetz* or "**KStG**"), which provides that certain profit distributions will be considered non-deductible expenses for German corporate income and trade tax purposes, would not apply with regard to interest payments on the Notes so that such payments may be deducted by the Issuer in the context of the computation of the Issuer's tax base for German corporate income tax and trade tax purposes. Interest payments on the Notes do not come under the provision, as only the entitlement to a participation of the Issuer's profits and to a participation in the proceeds from a liquidation (*Liquidationserlös*) of the Issuer fall within the scope of Section 8(3) 2nd sentence of the KStG. Pursuant to the Terms and Conditions of the Notes, payment of interest on the Notes is not contingent upon the Issuer's profits and the Notes do not grant any right to participate in the proceeds from the liquidation of the Issuer.

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. However, as a general rule, for trade tax purposes, 25% of the interest payable by the Issuer (to the extent the interest (i) is deductible under the interest stripping rules (*Zinsschranke*) and (ii) exceeds a threshold of EUR 100,000) will be "added-back" to the Issuer's tax base and, consequently, increases the trade tax burden of the Issuer. The Issuer's tax base would, however, not have to be increased accordingly if it benefits from an exception to the add-back rule, provided for by Section 19 para. 3 No. 2 of the German Trade Tax Application Directive (*Gewerbesteuerdurchführungsverordnung* - "**GewStDV**"). The exception applies where a business exclusively (i) acquires certain credit receivables (*Kredite*) or (ii) assumes certain credit risks (*Kreditrisiken*) pertaining to loans originated by credit institutions (*Kreditinstitute*) within the meaning of Section 1 of the KWG and refinances by way of issuing debt instruments (*Schuldtitel*) in the case of (i) such acquisition of the acquired receivables and in the case of (ii) the provision of a security in respect of such assumption of credit risks. Pursuant to the Transaction Documents, the acquisition of the Purchased Receivables relates to the Seller's banking business and, consequently, the Issuer acquires credit receivables (*Kredite*) within the meaning of Sec. 19 para. 3 no. 2 alternative 1 GewStDV. The Issuer issues the Notes as debt instruments in order to refinance the acquisition of the Purchased Receivables. Thus, the Issuer also fulfils the requirement of exclusively acquiring credit receivables or assuming credit risks and refinancing such acquisition by means of issuing debt instruments. On this basis, the Issuer has been advised that Sec. 19 para. 3 no. 2 alternative 1 GewStDV should be satisfied and, consequently, the 25% interest-add back for trade tax purposes should not apply to the Issuer. However, it cannot be entirely ruled out that Sec. 19 para. 3 no. 2 GewStDV might not be regarded as applicable if pursuant to HFA 8 (see section "Corporate Income Tax" above) the Seller was viewed as having retained beneficial ownership in the Purchased Receivables; in such a case, the 25% interest-add back for trade tax purposes would apply. Further, 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**") the acquisition of loan receivables is considered like a factoring transaction. The principles applying to factoring transactions had been developed in a decision of the European Court of Justice on 26 June 2003 (C-305/01; MKG-Kraftfahrzeuge-Factoring). Consequently, according to the 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 such a service to the seller. Such a factoring 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.

In addition, the Issuer would in this situation be liable in accordance with the Pre-Enforcement Priority of Payments for any costs, fees (including VAT) and expenses charged to it by the substitute servicer. Finally, it should be mentioned that pursuant to the Servicing Agreement the Servicer has the right to delegate the performance of all or part of its duties under the Servicing Agreement to (i) a direct or indirect subsidiary of Santander Consumer Bank AG or of a parent of Santander Consumer Bank AG where such subsidiary constitutes an affiliated company and (ii)

with the prior written consent of the Issuer and the Transaction Security Trustee, to any third party. In the latter case, the Issuer would have to reimburse the Servicer for any fees (including VAT, if any), costs, charges and expenses, indemnity claims and other amounts payable by the Servicer to any such agent in accordance with the Pre-Enforcement Priority of Payments.

It should be noted that the German tax authorities' conclusions described in the preceding paragraph regarding the VAT treatment of securitisation transactions (i.e. no VAT in case of the servicing being performed by the Seller), 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 Fiscal Court (*Bundesfinanzhof*). Therefore, these conclusions could be overruled by a decision of the German Federal Fiscal Court. Moreover, the tax authorities might change their interpretation, in particular if the German Federal Fiscal 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 Fiscal 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. On 27 October 2011, the European Court of Justice (C-93/10) ruled that an operator who, at his own risk, purchased defaulted debts at a price below their face value does not effect a supply of services for consideration and does not carry out an economic activity when the difference between the face value of those debts and their purchase price reflects the actual economic value of the debts at the time of their assignment. In the considerations of the decision, the European Court of Justice distinguished between a factoring transaction and a mere purchase of (in the court decision: defaulted) debts. It explicitly stated that the principles developed in the *MKG-Kraftfahrzeuge-Factoring*-decision only applied to factoring transactions but not to (mere) purchases of (defaulted) debts. The German Federal Fiscal Court has adopted the principles contained in the decision of the European Court of Justice dated 27 October 2011 in its follow-up decisions dated 26 January 2012 (V R 18/08) and 4 July 2013 (V R 8/10) and has explicitly confirmed that administrative practice, to the extent it was relevant in these decisions, was contradictory to the view of the European Court of Justice. Pursuant to a tax circular dated 2 December 2015, the German tax authorities have adopted this view whereby the sale and transfer of defaulted receivables is not treated as a factoring service even if the servicing is assumed by the purchaser. As in the case at hand the Receivables are, in principle, not defaulted receivables, the new tax circular should not apply to the Transaction and the view of the tax authorities in respect of factoring transactions should still be applicable.

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.

Withholding Tax

The Issuer has been advised that withholding tax (*Kapitalertragsteuer*) and solidarity surcharge thereon does not have to be withheld by the Issuer on payments of interest on the Notes. This is based upon the consideration that the Notes do not qualify as profit participating loans (*partiarische Darlehen*) or silent partnerships (*stille Gesellschaft*) within the meaning of Section 20 para. 1 no. 4 EStG. Pursuant to the terms and conditions of the Notes, payment of interest on the Notes is not contingent on the Issuer's profits. The Notes merely entitle its holders to a certain coupon. On the basis of the prevailing view in German literature, the mere fact that a holder of an instrument bears the credit risk of an issuer is generally not sufficient to assume that such holder is provided with an effective participation in the respective issuer's profits. It should, however, be noted that the *Bundesfinanzhof* (decision dated 22 June 2010, I R 78/09) has stated as an obiter dictum that the mere fact that an interest payment is deferred until the borrower has sufficient liquidity would give rise to a treatment of the loan as profit participating as, in such a case, the interest claim would only be fulfilled once the borrower has realised an operating profit. The Issuer has, however, been advised that the facts of the court decision regarding the underlying

loan are significantly different compared to the terms and conditions of the Notes. In addition, in comparable cases the tax authorities have confirmed by way of a binding ruling that this court decision was not applicable on the respective securitisation transaction. The Issuer has further been advised that the Notes should not convey to its holders a silent partnership in the business of the Issuer (*Beteiligung als stiller Gesellschafter*) within the meaning of Section 20 para. 1 no. 4 EStG. A necessary key characteristic of a silent partnership is that the (silent) investor and the owner of a business pursue a joint purpose. The pursuit of a joint purpose is, in particular, achieved by granting to the investor control and determination rights (*Mitentscheidungsrechte*). The Notes, however, are structured in such a way that they can be traded on the capital markets. The fungibility of instruments (and the resulting potential change of the investor structure) runs counter to the idea of the pursuit of a joint purpose between an investor (here: a Noteholder) and the Issuer.

If, contrary to the expectations of the Issuer, the Notes were recharacterised as profit participating loans or as a silent partnership, the Issuer would have to withhold taxes in an amount of 26.375 % (plus church tax, if applicable upon payment to an individual noteholder in case no blocking notice (*Sperrvermerk*) has been filed) on each interest payment under a Note. Although a German tax resident Noteholder could generally treat such withholding tax as a prepayment of his German income tax and solidarity surcharge liability and amounts over-withheld would generally entitle him to a refund based on an assessment to tax, this credit and/or refund would only occur at a later point in time such that the Noteholder would suffer a liquidity disadvantage. For Noteholders who are not tax residents of Germany the possibility to obtain a tax credit or refund might be subject to additional requirements or, depending on applicable Double Tax Treaties, not be given at all.

The Issuer has not applied for an advance binding ruling (*verbindliche Auskunft*) with the competent tax office regarding the tax treatment of certain issues described in the preceding paragraphs. Therefore, the tax authorities did not have the opportunity to review the structure of the transaction before and to confirm by way of a binding statement the interpretation of the relevant tax law provisions as outlined in this Prospectus. Hence, it cannot be excluded that the tax authorities will take another position when it comes to assessing the tax liabilities of the Issuer.

European financial transaction tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). On 24 June 2013, the European Parliament's Committee on Economic and Monetary Affairs published a revised proposal for the Draft Directive. On 6 May 2014, ten (10) out of the eleven (11) ministers of Member States participating in enhanced cooperation in the area of financial transaction tax (the "**Enhanced Cooperation**") signed a joint statement to declare that the commitment to the introduction of a FTT would remain strong. Due to complex issues that have arisen, they, however, stressed that more technical work would still need to be conducted. Further, an announcement has been released on 3 December 2015 by the Luxembourg President of the Council of the European Union pointing out the technical progress reached over the year.

On 8 December 2015, Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (hereafter referred to as the "Participating Member States") then set out in a joint statement their agreement on certain features that should be included in the FTT (the "**Statement**").

The proposed FTT has very broad potential extraterritorial scope. Pursuant to the Draft Directive and the Statement, the FTT will be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction, or the financial instrument which is subject to the transaction is issued in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Member State in a broad range of circumstances. The FTT will, however, not apply to (inter alia) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including

the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. Concurrently, a narrow market making exemption may be required for transactions involving shares. No exemption for market making is however contemplated at this stage for transactions involving derivatives.

The rates of the FTT will be fixed by each Participating Member State of the taxable amount, but for transactions involving financial instruments other than derivatives will amount to at least 0.1 per cent.

The taxable amount for such transactions will in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT will be payable by each financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account.

Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, will become jointly and severally liable for the payment of the FTT due.

Prospective investors should therefore note, in particular, that any sale, purchase or exchange of the Notes should be subject to the FTT at a minimum rate of 0.1 per cent., provided the abovementioned prerequisites are met and that no exemption applies. The Noteholder may be liable to pay this charge or reimburse a financial institution for the charge, and/or the charge may affect the value of the Notes.

However, the issuance of the Notes itself should not be subject to the FTT.

Although the Statement is a technical progress between the Participating Member States, there are ongoing discussions regarding the imposition of FTT, and it is unclear whether and when such a tax will be imposed and, if so, what the scope of the tax could be. Additional EU Member States may decide to participate. The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time. Moreover, once the Draft Directive has been adopted (the "**Directive**"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself. The FTT may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may also decide to participate.

Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

Potential U.S. withholding tax after 31 December 2018

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986 (commonly known as "**FATCA**"), a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be qualified as a foreign financial institution for these purposes. A number of jurisdictions (including Germany) have entered into intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the German IGA as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered"

for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer).

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on proposed regulations and official guidance, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their own tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

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 (including FATCA Withholdings) 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 Amount. 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 any Debtor or any third party under or in connection with any Loan Contract or against the Seller or the Servicer.

Insolvency Law

Sections 113 et seqq. of the German Insolvency Code (Insolvenzordnung)

Under Section 113 of the German Insolvency Code, the insolvency administrator of the principal is entitled to terminate service agreements (*Dienstleistungsverhältnisse*), and agency agreements (*Geschäftsbesorgungsverträge*), mandates (*Aufträge*) and powers of attorney (*Vollmachten*) would, according to Sections 115 et seqq. of the German Insolvency Code, extinguish with the opening of insolvency proceedings against the principal by operation of law. A number of the Transaction Documents, to the extent that they qualify as service agreements or agency agreements or contain mandates or powers of attorney, would be affected by the application of these provisions in an insolvency of the principal thereunder. This would be particularly relevant for the Issuer's power of attorney granted by the Seller under the Receivables Purchase Agreement in order for the Issuer to notify the Debtors in the name of the Seller and the authorisation of, inter alia, the Issuer pursuant to the Servicing Agreement to cancel and revoke direct debit arrangements the Servicer has established in respect of the Purchased Receivables with respect to any Debtors.

Section 166 of the German Insolvency Code (Insolvenzordnung)

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 pursuant to Section 166 para. 2 of the German Insolvency Code. The insolvency administrator is obliged to transfer the proceeds from such enforcement to the creditor, however, the secured creditor has no control as to the timing of such procedure. In addition, the insolvency administrator may deduct from the enforcement proceeds fees for the benefit of the insolvency estate 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 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.

Furthermore, even in the event that the sale and assignment of the Purchased Receivables were to be qualified as a secured loan, it is likely that the security granted to the Issuer would not be subject to an enforcement right of the insolvency administrator to the effect that the cost sharing provisions described above would not apply. This is based on the expectation that an assignment for security purposes in respect of the Purchased Receivables would qualify as "financial collateral" within the meaning of Article 1 (1) of Directive 2002/47/EC of the European Parliament and the Council of 6 June 2002 (as amended by Directive 2009/44/EC of the European Parliament and the Council of 6 May 2009) and Section 1 para. 17 of the German Banking Act and hence would benefit from the privileged treatment of financial collateral under the German Insolvency Code since pursuant to Section 166 para.3 no. 3 of the German Insolvency Code, "financial collateral" is not subject to the enforcement right of the insolvency administrator. The Receivables constitute credit claims within the meaning of Article 2 (1) no. (o) of the aforementioned directive because they originate from loans granted by the Seller which is a credit institution within the meaning of Article 4 (1) of Directive 2006/48/EC of the European Parliament and the Council of 14 June 2006 (as referred to in Directive 2002/47/EC, however, repealed by Directive 2013/36/EU and now defined in Article 4 (1) of Regulation 2013/575/EU). Consequently, their assignment for security purposes by the Seller to a legal entity, such as the Issuer, should satisfy the requirements of the provision of "financial collateral" within the meaning of the directive and statute referred to in the second sentence of this paragraph.

Insolvency-Related Termination Clauses (insolvenzabhängige Lösungsklauseln)

Certain Transaction Documents provide for a termination right in case that a party becomes insolvent. In German legal literature, it is disputed whether so-called insolvency-related termination clauses (*insolvenzabhängige Lösungsklauseln*) may be invalid or challengeable under German insolvency law.

In the context of termination clauses linked to the filing of a petition for the opening of insolvency proceedings, the Federal Court of Justice (*Bundesgerichtshof*) has ruled in a decision dated 15

November 2012 (IX ZR 169/11) (the "**Decision**") that a clause which provided for an automatic termination of an energy supply contract in the event of an application for the opening of insolvency proceedings of a contractual counterparty is invalid on the basis that such a clause deprives the insolvency administrator from its right to select whether to continue or discontinue a relevant contract. Since the Decision has been made in connection with a supply contract in the energy sector and in relation to an automatic termination (*auflösende Bedingung*), it could be argued that it may not apply to other agreements containing termination rights (*Kündigungsrechte*) or to the occurrence of a statutory reason to open insolvency proceedings. There are contradictory court rulings in this regard (see BGH II ZR 394/12, OLG Schleswig 1 U 72/11 or OLG Celle 13 U 53/11). However, there is a risk that a court could interpret the Decision as a landmark decision of the Federal Court of Justice with regard to the ongoing dispute in relation to insolvency-related termination and expiration clauses (*insolvenzabhängige Lösungsklauseln*) such that the courts may apply the general principles set out in the Decision not only to automatic termination clauses or agreements made in the energy sector, but in relation to all termination rights and expiration clauses under any form of mutual contract which are linked to insolvency events, potentially also including statutory reasons to open insolvency proceedings.

German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz) and other restructuring and resolution proceedings

On 1 January 2015 the German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz - "**SAG**") came into force implementing provisions of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms into German national law. SAG provides for various actions and measures that can be taken by the Federal Agency for Financial Market Stabilisation (*Bundesanstalt für Finanzmarktstabilisierung*, "**FMSA**") in order to avoid systemic risks for the financial markets or the necessity of a public bail-out if a credit institution that is subject to SAG is in financial difficulties.

Amongst other things, the FMSA could, under certain circumstances, require creditors of such credit institution to "bail-in" by a conversion of their claims into core capital or the reduction of the amount of such claims (Section 90 SAG). Furthermore, the FMSA could decide to transfer certain assets and liabilities of such credit institution to another entity or a bridge institution or an asset management vehicle under the control of the FMSA (cf. Section 107 SAG).

The SAG is applicable, inter alia, with respect to credit institutions within the meaning of Art. 4(1) No. 1 of the CRR, i.e. to every undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account. SAG therefore also applies to the Seller and, consequently, the FMSA could take any of the above described measures and actions with regard to the Seller provided that the prerequisites for the taking of reorganisation measures pursuant to the SAG are met. However, the Issuer has been advised that, even if the Seller should be in financial difficulties and measures pursuant to the SAG are being taken, these measures should only have limited impact on the claims of the Issuer against the Seller for the following reasons: Claims of the Issuer against the Seller (in its capacity as Seller or Servicer) for payment of Collections received in respect of the Purchased Receivables and other claims under the Servicing Agreement are subject to a trust arrangement (*Treuhandverhältnis*) and, in principle, the Collections (unless commingled) are subject to substitute segregation (*Ersatzaussonderung*) and should therefore be excluded from any bail-in measures pursuant to Section 91(2) No. 4 SAG. The Purchased Receivables should not be subject to bail-in pursuant to the SAG as long as the sale and transfer of the Purchased Receivables from the Seller to the Issuer will not be re-characterized as a secured loan. However, even if the sale and transfer of the Purchased Receivables was re-characterised as a secured loan, claims against the Seller would not become subject to bail-in to the extent these claims are secured claims within the meaning of Section 91(2) No. 2 SAG. Consequently, if and to the extent the relevant claims against the Seller are secured by the Purchased Receivables and Related Collateral they should not be affected by bail-in. Finally, although the Issuer will not be in a position to prevent the transfer of any of the Seller's assets to another entity, such transfer pursuant to Section 110(1) SAG may only occur in conjunction with a transfer of the security provided therefor and vice versa. A separation of the Purchased Receivables from the Related Collateral should therefore not result from any such transfer (see also Section 110(3) No. 4 SAG).

In addition, the risk of loss for the Issuer with regard to its claims against the Seller due to a bail-in or other measure under the SAG is further mitigated by the following: (i) Pursuant to Section 97 SAG, the claims of the Issuer against the Seller would only become subject to a bail-in after the equity and capital positions set out in Section 90(1) No. 1 through 3 SAG have been exhausted and (ii) Section 147 SAG provides creditors with a compensatory claim against the restructuring fund pursuant to Section 8 of the Restructuring Fund Act (*Restrukturierungsfondsgesetz*) if and to the extent the restructuring measures under the SAG put them into a worse position than they would be in if insolvency proceedings had been opened over the assets of the relevant credit institution.

However, absent any court rulings which explicitly confirm the above analysis, there remains legal uncertainty.

In addition, credit institutions within the meaning of Section 1 (1) of the German Banking Act (*Kreditwesengesetz*), such as the Seller, may under certain circumstances become subject to restructuring proceedings (*Sanierungsverfahren*) and/or reorganisation proceedings (*Reorganisationsverfahren*) in accordance with the Act on the Reorganisation of Credit Institutions (*Kreditreorganisationsgesetz*) that became effective on 1 January 2011.

All these proceedings may also result in an impairment of the rights of creditors of such credit institutions such as the Issuer. In particular, if during restructuring proceedings the affected credit institution enters into new financing arrangements as a borrower, the creditors of such new financing arrangements may rank ahead of existing creditors of such credit institution in any insolvency proceedings that will be commenced in respect of the affected credit institution within a period of three years after the commencement of such restructuring proceedings has been ordered. Reorganisation proceedings may, for example, result in a reduction or deferral of the claims and other rights of creditors (such as the Issuer) of the affected credit institution and resolution actions may, for example, result in the deferral or suspension of payment or delivery obligations of creditors (such as the Issuer) of the affected credit institution or in a change in the nature of the receivables or claims into equity of the affected credit institution, which may, in the worst case, have no value. If such proceedings are applied to the Seller and the Issuer has at that time claims for payments outstanding against the Seller (e.g. under the Servicing Agreement) such claims may be subordinated or deferred as set out above and the Issuer may not or not timely receive such amounts required to make payments under the Notes.

Collateral and Transaction Security Trustee Claim

The Issuer has granted to the Transaction Security Trustee the Transaction Security Trustee Claim (*Treuhänderanspruch*) under clause 4.2 of the Transaction Security Agreement. To secure the Transaction Security Trustee Claim (*Treuhänderanspruch*), the Issuer will assign the Assigned Security pursuant to clause 5 of the Transaction Security Agreement and will grant a pledge (*Pfandrecht*) to the Transaction Security Trustee pursuant to clause 6 of the Transaction Security Agreement with respect to all its present and future claims against the Transaction Security Trustee arising under the Transaction Security Agreement. The Transaction Security Trustee Claim entitles the Transaction Security Trustee to demand, inter alia, that all present and future obligations of the Issuer under the Notes be fulfilled.

However, where an agreement provides that a security agent (e.g. the Transaction Security Trustee) holding assets on trust for other entities has an own separate and independent right to demand payment from the relevant grantor of security to it which mirrors the obligations of the relevant debtors to the secured creditors (e.g. the Transaction Security Trustee Claim), there is an argument that accessory security (such as the pledge granted by the Issuer to the Transaction Security Trustee in order to, amongst others, secure the Transaction Security Trustee Claim) created to secure such a parallel obligation is not enforceable for the benefit of such beneficiaries who are not a party to the relevant security agreement. This is because the parallel obligation could be seen as an instrument to avoid the accessory nature of, e.g. a pledge. This argument has – as far as the Issuer is aware – not yet been tested in court. Further, it is frequently seen in the market that accessory security such as a pledge is given to secure a parallel obligation such as the Transaction Security Trustee Claim. However, as there is no established case law

confirming the validity of such pledge, the validity of such pledge is subject to some degree of legal uncertainty.

Assignability of Purchased Receivables

As a general rule under German law, receivables governed by German law are, in principle, freely assignable on the basis of Sections 398 et seqq. of the German Civil Code (*Bürgerliches Gesetzbuch*), unless their assignment is excluded (i) by mutual agreement, (ii) by the nature of the relevant receivable, or (iii) on the basis of legal restrictions applicable thereto. 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 Courts (*Oberlandesgerichte*) 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; Set-off Risk

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.

According to Section 404 of the German Civil Code (*Bürgerliches Gesetzbuch*), 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, pursuant to Section 406 of the German Civil Code (*Bürgerliches Gesetzbuch*), 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, the risk of any shortfall due to certain set-off rights on the part of the Debtor is mitigated by the undertaking of the Seller in the Receivables Purchase Agreement to pay to the Issuer (in its capacity as Purchaser) Deemed Collections in the amount equal to the affected portion of the Purchased Receivable if certain events occur with respect to such Purchased Receivable (see the definition of Deemed Collection in "CERTAIN DEFINITIONS — Deemed Collection"). In particular, if the amount owed by a Debtor is reduced due to set-off, the differential amount will constitute a Deemed Collection within the meaning of item (B)(i) of the definition of such term. 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 and the Seller's inability to pay to the Issuer (in its capacity as Purchaser) the amount of Deemed Collection within the meaning of item (B)(i) of the definition of such term is further mitigated by the Set-Off Reserve Amount to be credited to the Set-Off Reserve Account. See "CREDIT STRUCTURE — Set-Off Reserve".

For the purpose of notification of the Debtors in respect of the assignment of the Purchased Receivables, the Issuer (or the Corporate Administrator on its behalf) or any back-up servicer or substitute servicer will require data which are in the possession of the Data Trustee. Under the Data Trust Agreement, the Issuer is entitled to request delivery of the required information from the Data Trustee under certain conditions if a Notification Event has occurred. However, the

Issuer (or the Corporate Administrator on its behalf), any back-up servicer or substitute servicer (as applicable) might not be able to obtain such data in a timely manner as a result of which the notification of the Debtors may be considerably delayed. Until such notification has occurred, the Debtors may undertake payment with discharging effect to the Seller or enter into any other transaction with regard to the Purchased Receivables which will have binding effect on the Issuer and the Transaction Security Trustee.

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. 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 towards 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) if 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").

The assignment of the Purchased Receivables, however, is not structured in strict compliance with the guidelines for German true sale securitisations of bank assets set out in the circular 4/97 of the BaFin. In particular, these guidelines require a neutral entity to act as data trustee that is a public notary, a domestic credit institution or a credit institution having its seat in any member state of the European Union or any other state of the European Economic Area and being supervised pursuant to the EU Banking Directives. SFM Trustees GmbH acting as Data Trustee does not fall into any of these categories. Arguably, the rationale for identifying regulated credit institutions and notaries as eligible data trustees is, besides their neutrality, their reliability in relation to the protection of data when handling personal data. Thus, the Issuer has been advised that there are good arguments to construe the term "neutral entity" for this purpose to include other entities having their seat in the European Union or European Economic Area if the relevant

entity is equally neutral and reliable in relation to the handling of personal data. Absent any court rulings, however, it cannot be ruled out that a court would find that the transmission of the Debtor data to the Data Trustee - though in anonymised form - occurred in violation of banking secrecy requirements.

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 (*Bürgerliches Gesetzbuch*) apply to some of the Purchased Receivables. Consumers are defined as individuals acting for purposes relating neither to their commercial nor independent professional activities. Similarly the German consumer loan legislation also applies to entrepreneurs who enter into the Loan Contracts to take up a trade or self-employed occupation, unless the net loan amount or the cash price exceeds EUR 75,000. 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 seqq.*). As 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 implement the EU Consumer Credit Directive 2008/48/EC into German law apply. Such provisions have been further amended by the law implementing Directive 2011/83/EU on consumer rights which entered into force on 13 June 2014. The Loan Contracts are not all subject to the same, but to varying provisions of the German Civil Code regarding consumer loans and linked contracts and, in particular, as regards the required instructions on a Debtor's right of withdrawal (*Widerrufsrecht*).

Under the above-mentioned provisions, if the borrower is a consumer (or an individual as entrepreneur who enters into the Loan Contracts to take up a trade or self-employed occupation, unless the net loan amount or the cash price exceeds EUR 75,000), the borrower has the right to withdraw his or her consent to a consumer loan contract for a period of fourteen (14) days commencing after the conclusion of the consumer loan contract and the receipt of a written notice providing certain information including information regarding such right of withdrawal (*Widerrufsrecht*) (Sections 492 (2), 495, 355, 356b of the German Civil Code as applicable). In the event that a consumer is not properly notified of his or her 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 his or her 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 immediately repay the Purchased Receivable (i.e. prior to the contractual repayment date). 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 such repayment 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 repaid if it can be proven that the interest he or she would have paid to another lender had the relevant 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 relevant Loan Contract until the Debtor's withdrawal of its consent to the relevant Loan Contract (see also — "Prepayment of Loans" below).

If a Debtor is a consumer (or an individual as entrepreneur who enters into the Loan Contract to take up a trade or self-employed occupation, unless the net loan amount or the cash price exceeds EUR 75,000) 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 applicable). As a result, if such Debtor has any defences against the supplier of such vehicles or other goods or related services (e.g. in connection with a defect of a vehicle (in individual or collective cases resulting in recall campaigns, including, but not limited to cases in connection with faulty software affecting emissions and fuel consumption tests used by the car manufacturer, as was revealed in November 2015 in respect of certain Volkswagen vehicles), such defences may also be raised as a defence against the Issuer's claim for payment under the relevant Loan Contract 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 also extend to such Loan Contract and such withdrawal may be raised as a defence against such Loan Contract. In addition, according to Section 360 of the German Civil Code the withdrawal by the consumer of its consent to a contract extends to another contract that is not linked (*nicht verbunden*) but which qualifies as a related contract (*zusammenhängender Vertrag*). In Section 360 (2) of the German Civil Code, the term "related contract" is defined as a contract which is related to the contract subject to withdrawal and under which goods or services are provided by the same contractor or by a third party on the basis of an agreement between the relevant contractor and such third party. The provision further states that a consumer loan agreement also qualifies as a related contract if (i) the loan exclusively serves to finance the goods or services under the contract subject to withdrawal and (ii) such goods or services are explicitly identified in the consumer loan agreement. Therefore, in the event the requirements of Section 360 of the German Civil Code are met, the withdrawal extends 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. The notice providing information about the right of withdrawal must contain information about the aforementioned legal effects of linked and related contracts. In the event that a consumer is not properly notified of its right of withdrawal and such legal effects of linked and related contracts, the consumer may withdraw its consent to any of these contracts at any time during the term of these contracts (and may also raise such withdrawal as a defence against the relevant Loan Contract). If, for example, 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.

The German Federal Court of Justice (Bundesgerichtshof, 15 December 2009 (11 ZR 45/09)) has decided that the abovementioned provisions and principles as regards linked contracts also apply to insurance policies, in particular to any payment protection insurance policy (*Restschuldversicherung*) (each a "**Relevant Insurance Policy**") entered into by the Debtor. Hence, Section 358 (1) of the German Civil Code would also apply to cases where the consumer withdraws its consent to a Relevant Insurance Policy, i.e. the Loan Contract would be affected as described above. If the same principles apply to such cases in which the Relevant Insurance Policy is entered into by the Seller as policy holder (*Versicherungsnehmer*) and the Debtor merely accedes to it as insured person (*versicherte Person*), is disputed in literature and in jurisprudence. It could be argued that the Debtor should benefit from the same consumer protection as if the Debtor was the policy holder and the Relevant Insurance Policy and the related Loan Contract constituted linked contracts (to the extent the premiums to the relevant insurance have been financed by the Loan Contract). This would in particular imply that defences may be invoked by the Debtor against the Loan Contract on the basis of rights and claims the

Debtor or the Seller may have under the Relevant Insurance Policies. While contradictory court rulings have been issued by a number of Higher Regional Courts (*Oberlandesgerichte*) and Regional Courts (*Landgerichte*), the German Federal Court of Justice (*Bundesgerichtshof*) has not decided this question.

In addition, there is legal uncertainty as to the interpretation of Section 360 of the German Civil Code (as applicable) regarding the question whether the above described legal consequences could be triggered in relation to a Relevant Insurance Policy which is neither linked nor (on the basis of the line of arguments outlined in the preceding paragraph) treated as if it was linked to a Loan Contract but which is sufficiently specified in, and financed by (as applicable), such Loan Contract. If such consequences were triggered, it would be uncertain whether the Loan Contract would only be affected to the extent it finances the Relevant Insurance Policy or on the whole.

Further, it should be noted that the abovementioned provisions and consequences as regards linked contracts may also apply to other contracts (e.g. GAP insurance policies or extended warranty contracts) related to a Loan Contract if the loan under such Loan Contract serves, amongst others, to finance the relevant other contract and both contracts constitute an economic unit within the meaning of Section 358 of the German Civil Code.

However, if the relevant Loan Contract is revoked or voided due to a revocation of a linked contract or related payment protection insurance agreement, the Seller shall make a payment in form of a Deemed Collection in the amount of the Outstanding Principal Amount of Purchased Receivable under such Loan Contract. See "CERTAIN DEFINITIONS — Deemed Collections". As a consequence, the Issuer will, upon receipt of a Deemed Collection, pay such amounts to Noteholders on the next Payment Date in accordance with the Terms and Conditions of the Notes. See "TERMS AND CONDITIONS OF THE NOTES - Redemption - Amortisation". Consequently, in the event that any such revocation occurs and the corresponding Deemed Collections are not paid by the Seller, the Issuer's ability to make payments to the Noteholders may be adversely affected.

Further, the Loan Contracts in the version used prior to 1 January 2013 provide for an obligation of the Debtor to pay a loan administration fee (*Bearbeitungsgebühr*) which is directly included in the Loan Contract. In 2014, the German Federal Court of Justice (*Bundesgerichtshof*) has held that the obligation to pay the loan administration fee is void because it constitutes an unreasonable disadvantage to the borrower. According to the conclusion of the courts, the loan administration fee is neither a compensation for the main service under a loan (i.e., making advances available to the borrower) nor for any other service by the lender to the borrower but constitutes an ancillary price element and, as part of the ancillary terms of the loan agreement, is subject to judicial review (and potentially invalidation) under statutory principles of good faith. As a result, the Debtor is entitled to set off its claims towards the Seller for repayment of the loan administration fee against any payment claims of the Issuer under the relevant Purchased Receivable.

However, the number of Loan Contracts which provide for a loan administration fee and in respect of which the respective fee has not yet been repaid to the relevant Debtor is very small, and in the event that any Debtor exercises a right of set-off in respect of a Purchased Receivable, the Seller will be required to pay to the Issuer Deemed Collections in the amount of the reduction by such set-off of the Outstanding Principal Amount of any Purchased Receivable (or the affected portion thereof). See "CERTAIN DEFINITIONS — Deemed Collections" and "TERMS AND CONDITIONS OF THE NOTES - Redemption - Amortisation". However, in the event that any such set-off right is exercised and the corresponding Deemed Collections are not paid by the Seller, the Issuer's ability to make payments to the Noteholders may be adversely affected.

German Insurance Contract Act

Sections 8 and 9 of the German Insurance Contract Act (*Versicherungsvertragsgesetz*) contain statutory withdrawal rights applicable to insurance contracts. The relevant withdrawal right is exercisable for a period of two (2) weeks (thirty (30) calendar days in case of life insurance) after the policy holder has been properly notified of such right and provided with certain other information and documents. The withdrawal right applies to insurance contracts entered into by

consumers as well as non-consumers and, pursuant to Section 9 (2) of the German Insurance Contract Act, also affects related contracts. However, unlike the definition of related contracts included in Section 360 (2) of the German Civil Code, the definition of related contracts set forth in Section 9 (2) of the German Insurance Contract Act does not provide for specific provisions under which consumer loan agreements are to be qualified as related contracts. The omission of the relevant provisions could be interpreted to the effect that consumer loan agreements which explicitly identify and serve to finance the relevant insurance contract in deviation from Section 360 (2) of the German Civil Code do not qualify as related contracts for the purposes of Section 9 (2) of the German Insurance Contract Act unless the other requirements set out therein are also met. To date, neither this interpretation of Section 9 (2) of the German Insurance Contract Act nor its interaction with Sections 358 and 360 of the German Civil Code (as applicable) have been the subject matter of in depth judicial review or analysis by legal commentators. It is also unclear whether Section 9 (2) of the German Insurance Contract Act would apply to the withdrawal of a group insurance contract (*Gruppenversicherungvertrag*) exercised by the insured person (*versicherte Person*) rather than the policy holder (*Versicherungsnehmer*). Currently, it cannot be ruled out that a Debtor may raise the withdrawal of its consent to a Relevant Insurance Policy (including, but not limited to, any payment protection insurance policy (*Restschuldversicherung*)) as a defence against its obligations under the Loan Contract. In such case, however, the Issuer would be entitled to receive Deemed Collections from the Seller (see the definition of Deemed Collections in "CERTAIN DEFINITIONS — Deemed Collections"). Noteholders may nevertheless suffer losses if the Seller is unable to make payments of such Deemed Collections to the Issuer.

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*). In case of a prepayment, the Issuer would receive interest on such loan for a shorter period of time than initially anticipated.

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. Some German courts have for instance held that an assignment of wage claims in addition to other security interests provided for the same secured obligation may be invalid due to overcollateralization under certain circumstances. 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 Notes and the underlying transaction (including the Transaction Security Agreement, the Receivables Purchase Agreement and the other Transaction Documents governed by German law), the Loan Contracts underlying the Purchased Receivables and the Related Collateral 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 as applied by the courts and other competent authorities of Germany. No assurance can be given as to the impact of any possible change of German law, the interpretation thereof or judicial or administrative practice after the date of this Prospectus.

Licence Requirement of the Transaction Security Trustee under the German Legal Services Act

Legal services which are provided by a person for the benefit of another person (*Tätigkeit in konkreten fremden Angelegenheiten*) are subject to the restrictions of the German Legal Services Act (*Rechtsdienstleistungsgesetz*) (**RDG**) if the relevant service requires in each case individual legal analysis (*rechtliche Prüfung des Einzelfalls*), as set out in Section 2 (1) of the RDG. The collection of receivables (*Einziehung von Forderungen*) is expressed to be a legal service within the meaning of the RDG if rendered as an independent business (*eigenständiges Geschäft*) pursuant to Section 2 (2) of the RDG. Any appointment of a service provider and any Collateral granted and any agreement entered into in violation of such registration requirement may be void and may also lead to the relevant service provider being fined and prohibited from further performing such contravening services. Depending on the relevant activities of the Transaction Security Trustee in connection with the enforcement of the Collateral following an Issuer Event of Default, the Transaction Security Trustee may be regarded as acting as collection agent for the Noteholders and other Beneficiaries with the consequence that the restrictions of the RDG could apply. In addition, the above considerations may become relevant in case of the appointment of a back-up servicer.

With respect to the Transaction Security Trustee, the Issuer has been advised, however, that as of the date of the Transaction Security Agreement, the Transaction Security Trustee will not be subject to the requirement to register under the German Legal Services Act solely by entering into the Transaction Security Agreement as the Transaction Security Trustee has its own claim against the debtors of the security granted to the Transaction Security Trustee under the Transaction Security Agreement and, accordingly, when enforcing the security, it also does so in order to satisfy its own claim. Further, even if the services provided by the Transaction Security Trustee were to be regarded as legal services within the meaning of the German Legal Services Act, such services would be permitted to be performed without registration provided that these services are services ancillary to the profession or activity (*Nebenleistung zum Berufs- oder Tätigkeitsbild*) whereby an ancillary activity requires only a thematic interrelation to the profession rather than a direct connection. Any enforcement services conducted by a security trustee should, in general, not qualify as main business of a security trustee as the main task of a security trustee is rather to hold and administer the security and when enforcing security, it does so only in the event of default or a similar event. The Transaction Security Trustee should, therefore, be exempt from the registration requirement under German Legal Services Act. In the absence of an express court precedent or developed rule, there remains some legal uncertainty with respect to this issue.

Commercial Risks

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 Transaction Security Trustee, 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".

Historical Data; Forecasts and Estimates

The historical information set out in particular under the heading "HISTORICAL DATA" is based on the past experience and present procedures of the Seller. None of the Manager, the Arranger, the Transaction Security Trustee or the Issuer has undertaken or will undertake any investigation or review of, or search to verify, such historical information. In addition, based on such historical information, there can be no assurance as to the future performance of the Purchased Receivables.

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

No Independent Investigation and Limited Information

Neither the Manager, the 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 Manager, the 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 Manager, the 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 Manager, the 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 representations and 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.

Credit Risk of the Debtor; Sale of Financed Vehicles and Risk of Losses on the Purchased Receivables

If the Seller does not receive the full amount due from the Debtors in respect of the Purchased Receivables, the Noteholders are at risk to receive less than the face value of their Notes and interest payable thereon. Consequently, the Noteholders are exposed to the credit risk of the Debtors. Neither the Seller nor the Issuer guarantees or warrants the full and timely payment by the Debtors of any sums payable under the Purchased Receivables. The ability of any Debtor to make timely payments of amounts due under the relevant Loan Contract will mainly depend on his or her assets and liabilities as well as his or her ability to generate sufficient income to make the required payments. The Debtors' ability to generate income may be adversely affected by a large number of factors.

There is no assurance that the present value of the Purchased Receivables will at any time be equal to or greater than the principal amounts outstanding of the Notes.

In addition, there can be no assurance as to the future geographical distribution of the Debtors or the Financed Vehicles within Germany and its effect, in particular, on the rate of amortisation of the Purchased Receivables. Consequently, any deterioration in the economic condition of Germany where Debtors and Financed Vehicles are located could have an adverse effect on the ability of the Debtors to repay the loans and the ability of the Transaction Security Trustee to sell the Financed Vehicles and could trigger losses in respect of the Notes or reduce their yield to maturity. Furthermore, although the Debtors are located throughout Germany, these Debtors may be concentrated in certain locations, such as densely populated or industrial areas. Any deterioration in the economic condition of the area in which the Debtors are located (or any deterioration in the economic condition of other areas) may have an adverse effect on the ability of the Debtors to make payments under the Loan Contracts. A concentration of the Debtors in such area may therefore result in a greater risk that the Noteholders will ultimately not receive the full principal amount of the Notes and interest thereon than if such concentration had not been present.

The rate of recovery upon a Debtor default may itself be influenced by various economic, tax, legal and other factors such as changes in the value of the Financed Vehicles (including, but not limited to cases in connection with faulty software affecting emissions and fuel consumption tests used by the car manufacturer, as was revealed in November 2015 in respect of certain Volkswagen vehicles) or the level of interest rates from time to time. There might be various risks involved in the sales of used vehicles which could significantly influence the amount of proceeds generated from the sale, e.g. high damages and mileages, less popular configuration (engine, colour etc.), oversized special equipment, huge numbers of homogeneous types of vehicles in short time intervals, general price volatility in the used vehicles market or seasonal impact on sales.

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 as a result of the above 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 or Deferral of Payment

The Issuer is subject to the risk of insufficiency of funds as a result of late payment by a Debtor of an instalment due on a Receivable which would reduce the value of a Receivable for the Issuer. Further, 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

During the life of the transaction, the Seller in its capacity as Servicer is entitled to commingle any Collections from the Purchased Receivables with its own funds during each Collection Period and will only be required to transfer the amounts collected to the Transaction Account on each Payment Date. Commingled funds may be used or invested by the Seller at its own risk and for its own benefit until the relevant Payment Date.

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. Losses or delays in the processing of payments may in particular occur where the Servicer is replaced due to a disruption in service because a substitute servicer or back-up servicer is not immediately available or less experienced and efficient than the Servicer. 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 (including, without limitation, Deemed Collections) 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 five (5th) Business Day after its due date, or, in the event no due date has been determined, within five (5th) Business Days after the demand for payment, the

Issuer may terminate the appointment of the Servicer and appoint a substitute servicer, provided the aggregate amount due is at least EUR 50,000. Following the occurrence of a Commingling Reserve Trigger Event, the risk of any shortfall due to late forwarding of Collections (including, without limitation, Deemed Collections other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for which the provisions governing the Set-off Reserve Account apply, see "CREDIT STRUCTURE — Set-Off Reserve") 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 Seller, the Servicer, the Principal Paying Agent and the Account Bank, will not deteriorate in the future. This may affect the performance of their respective obligations under the respective Transaction Documents. In particular, this may affect the payment of the Deemed Collections by the Seller in accordance with the Receivables Purchase Agreement as well as 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 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 amounts 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 (1st) or fifteenth (15th) 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 unless the Issuer applies part or all of the Collections and amounts standing to the credit of the Purchase Shortfall Account (if any) to the replenishment of the Portfolio (including by way of set-off, where relevant) in accordance with the Pre-Enforcement Priority of Payments and the other terms of the Receivables Purchase Agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement" and "THE TRANSACTION ACCOUNT".

The Servicer will identify all amounts paid into any of the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account by crediting such amounts to the respective accounts and ledgers established for such purpose. A ledger will be maintained to record amounts held in the Transaction Account in respect of the balance of the Reserve Fund.

If at any time, an Account Bank Downgrade occurs, 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), at no cost to the Issuer, to an alternative bank with at least the Account Bank Required Rating.

"Account Bank Required Rating" shall mean, with respect to the Account Bank, with respect to the Account Bank, that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least A-2 (or its replacement) by S&P and the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB (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 the Account Bank, the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB+ (or its replacement) by S&P and (ii) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB (low) (or its replacement) by DBRS or DBRS Critical Obligations Rating of the Account Bank are assigned a rating of at least BBB (or its replacement) by DBRS.

"Account Bank Downgrade" means that (i) the Account Bank ceases to have the Account Bank Required Rating or (ii) such debt obligations of the Account Bank are no longer rated by any of the Rating Agencies.

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 7.7 (*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 — Replenishment and 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, the Set-Off Reserve Account and the Purchase Shortfall 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 sixteenth (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 15,000,000 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 *seventh* (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 *eighth* 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 (a) EUR 15,000,000 or (b) zero if the Aggregate Outstanding Note Principal Amount is zero.

After all amounts of interest and principal due in respect of the Purchased Receivables 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 will be required, within forty (40) 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 in its capacity as Seller shall transfer an amount equal to such shortfall as determined as of such Cut-Off Date on the immediately following Payment 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 Santander Consumer Bank AG, or (iii) S&P notifies any of Santander Consumer Bank AG, the Issuer or the Transaction Security Trustee in writing that Santander Consumer Bank AG is no longer deemed eligible under the then current applicable rating criteria of S&P, unless in each case of (i) and (ii), Santander Consumer Bank AG 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 A-2 (or its replacement) by S&P and 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 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 (ii) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (low) (or its replacement) by DBRS or DBRS Critical Obligations Rating of such entity are assigned a rating of at least BBB (or its replacement) by DBRS, and in each case, any such rating has not been withdrawn.

"**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, 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 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 or 46b of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer. 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 7 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 thirty (30) calendar days, the Set-Off Reserve Amount to an account of the Issuer (the "**Set-Off Reserve Account**"). If the balance credited to the Set-Off Reserve Account as of any Cut-Off Date following the occurrence of a Set-Off Reserve 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 Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Seller shall transfer an amount equal to such shortfall as determined as of such Cut-Off Date on the immediately following Payment Date to the Set-Off Reserve Account.

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 or (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of Santander Consumer Bank AG or (iii) S&P notifies each of Santander Consumer Bank AG, the Issuer, the Transaction Security Trustee in writing that Santander Consumer Bank AG is no longer deemed eligible under the then current applicable rating criteria of S&P, unless in each case of (i) and (ii), Santander Consumer Bank AG has at least the Set-Off Required Rating.

"**Set-Off Required Rating**" shall mean

(i) with respect to component (X) of Set-Off Reserve Amount and with respect to any entity, that the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least A-3 (or its replacement) by S&P and 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 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;

(ii) with respect to component (Y) of Set-Off Reserve Amount and with respect to any entity, that (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least A-3 (or its replacement) by S&P and 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 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 (b) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (low) (or its replacement) by DBRS or DBRS Critical Obligations Rating of such entity are assigned a rating of at least BBB (or its replacement) by DBRS, and in each case, any such rating has not been withdrawn.

"**Set-Off Reserve Amount**" shall mean the sum of (X) and (Y), where:

(X) means, (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, an amount sufficient to capture the set-off risk related to the aggregate outstanding Capitalised Service Fees for all outstanding Purchased Receivables of the Issuer as at such Cut-Off Date, as determined by the Servicer and set forth in the Detailed Investor Report in respect of such Cut-Off Date, provided that (X) shall be reduced to a lower amount or zero if (i) the Issuer determines that such lower amount will be sufficient, or (in case of a reduction to zero) an

additional amount will no longer be required, to avoid a downgrading of the ratings assigned to the Class A Notes and (ii) the Issuer has notified the Rating Agencies and the Seller of such reduction; and (b) if as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero;

(Y) means, (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 Seller Deposits 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 Seller Deposits, and are in each case equal to the lower of (i) the amount of Seller Deposits which, as of the relevant Cut-Off Date, are held 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 following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero.

"Capitalised Service Fee" shall mean, in respect of any Purchased Receivable, the total amount of the outstanding balance of the relevant Loan Contract which relates to the fees or premiums charged for the related Payment Protection Insurance (*Ratenschutzversicherung*), (ii) the related Gap Insurance (*Gap-Versicherung*) and/or (iii) the related Repair Cost Insurance (*Reparaturkostenversicherung*).

"Seller Deposits" means, with respect to any Debtor, the actual aggregate amount held by such Debtor in the form of money market accounts (*Tagesgeldkonten*), savings certificates (*Sparbriefe*), savings accounts (*Sparkonten*), current accounts (*Girokonten*) and/or credit cards (*Kreditkarten*) with the Seller at the relevant time.

"Servicing Agreement" shall mean a servicing agreement dated on or about 26 July 2016, as amended or amended and restated from time to time, and entered into by the Purchaser, the Servicer and the Transaction Security Trustee.

The amounts, if any, standing to the credit of the Set-Off 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 (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 Account 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 8 of the definition of Available Distribution Amount.

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 *sixth*) 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 Collateral, of the Class B Notes and the Reserve Fund.

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 15,000,000 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 any reduction 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.

Form and Denomination

1. (a) SC Germany Auto 2016-2 UG (haftungsbeschränkt), incorporated with limited liability (Unternehmergesellschaft (*haftungsbeschränkt*)) in the Federal Republic of Germany ("**Germany**") registered with the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main with its registered office at c/o SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany (the "**Issuer**") issues the following classes of fixed 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 1.072% Fixed Rate Notes due on the Payment Date falling in July 2032 (the "**Class A Notes**") which are issued in an initial aggregate principal amount of EUR 1,440,000,000 and divided into 14,400 Notes, each having a principal amount of EUR 100,000,
 - (ii) Class B 2.277% Fixed Rate Notes due on the Payment Date falling in July 2032 (the "**Class B Notes**") which are issued in the aggregate principal amount of EUR 60,000,000 and divided into 600 Notes, each having a principal amount of EUR 100,000.

The Notes shall be issued on or about 28 July 2016 (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, London Branch as principal paying agent (or any successor or substitute appointed with such capacity, the "**Principal Paying Agent**"), as calculation agent (or any successor or substitute appointed with such capacity, the "**Calculation Agent**") and as cash administrator (the "**Cash Administrator**") dated on or about 26 July 2016 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; 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 Data Trustee, the Account Bank, the Corporate Administrator, the Seller, the Servicer, the Subordinated Loan Provider and SFM Trustees Limited as transaction security trustee (including any successor or substitute appointed with such capacity, the "**Transaction Security Trustee**") dated on or about 26 July 2016. 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.

Status and Priority

2. (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.

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

3.

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 and the rights of the Issuer under the Accounts (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).

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 (i) payments made to the Issuer by the Servicer under the Servicing Agreement, (ii) payments made to the Issuer under the other Transaction Documents (other than the Funding Loan Agreement and the Transaction Cost Fee), (iii) proceeds from the realisation of the Collateral, (iv) interest earned on the balance credited to the Transaction Account and, if applicable, the Purchase Shortfall 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) and (v) any positive balance of the net assets (*anderes freies Vermögen*) of the Issuer 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 7.7 (*Pre-Enforcement Priority of Payments*)). The payment obligations of the Issuer shall only be settled if and to the extent that the Issuer is in a position to settle such claims using future profits (*künftige Gewinne*), any remaining liquidation proceeds

(*Liquidationsüberschuss*) or any current positive balance of the net assets (*anderes freies Vermögen*) of the Issuer. The Notes shall not give rise to any payment obligation in excess of the Credit 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, the Set-Off Reserve Amount which the Issuer shall hold in the Set-Off Reserve Account and the Purchase Shortfall Amount which the Issuer shall hold in the Purchase Shortfall 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) The obligations of the Issuer arising hereunder are limited recourse obligations payable solely from the proceeds of the Collateral or any other future profits (*künftige Gewinne*), remaining liquidation proceeds (*Liquidationsüberschuss*) or other positive balance of net assets (*anderes freies Vermögen*) and, following realisation of the 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 the Transaction Security Agreement, any claims of the Noteholders under the Notes against the Issuer (and the obligation of the Issuer) shall be extinguished.

"Extinguished" for these purposes shall mean that such claim shall not lapse, but shall be subordinated in accordance with Section 39 para 2 of the German Insolvency Code (*Insolvenzordnung*) to all current and future claims of the other creditors of the Issuer as set out in Section 39 para 1 no 1 to 5 of the German Insolvency Code (*Insolvenzordnung*). Any such claims shall be settled only after all current and future claims of the Issuer's other creditors have been settled if and to the extent the Issuer is in a position to settle such claims using future profits (*künftige Gewinne*), any remaining liquidation proceeds (*Liquidationsüberschuss*) or any positive balance of the net assets (*anderes freies Vermögen*) of the Issuer.

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 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 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 Collateral*) and 20 (*Payments upon Occurrence of an Issuer Event of Default*) of the Transaction Security Agreement (see Appendix B).

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 *sixteenth* 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 Collateral or any other security interest created under any Transaction Security Document.

Upon the occurrence of an Issuer Event of Default, the full Class Principal Amount shall become due and payable in accordance with the Post-Enforcement Priority of Payments.

4. **General Covenants of the Issuer**

4.1 *Restrictions on Activities*

As long as any Notes are outstanding, the Issuer shall not be entitled, unless (i) each Rating Agency has been notified of such action and the prior consent of the Transaction Security Trustee has been obtained or (ii) 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, after the expiration of the Replenishment Period, in accordance with the provisions herein, principal in respect of the Notes to the Noteholders shall become due and payable monthly on the thirteenth (13th) 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 16 August 2016 (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, Frankfurt am Main, Germany and Düsseldorf, Germany.

5.2 *Note Principal Amount*

Payments of interest, and, after the expiration of the Replenishment Period, 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 be the aggregate amount from time to time entered in the records of both ICSDs. "**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**". 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 principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the 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 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 principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.

5.3 *Payments and Discharge*

- (a) Payments of interest, and, after the expiration of the Replenishment Period, 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 each 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*

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, 1.072% per annum,
- (ii) in the case of the Class B Notes, 2.277% per annum.

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 by 10:00 a.m. (London time) the second (2nd) Business Day immediately preceding the commencement of such Interest Period (each, an "**Interest Determination Date**") or on the Business Day immediately following each Interest Determination Date but no later than 11:00 a.m. (London time) on such Business Day, determine the relevant Interest Period, Interest Amount and Payment Date with respect to each Class of Notes and notify such information to each of the Principal Paying Agent, the Issuer, the Cash Administrator, the Corporate Administrator and the Transaction Security Trustee in writing without undue delay. Upon receipt of such information and if applicable, relevant completed forms, by no later than 2:00 p.m. (London time) on the day of intended notification, the Principal Paying Agent shall notify such information (i) 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 as well as to the holders of such Notes in accordance with Condition 13 (*Form of Notices*) and (ii) 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, 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.

Replenishment and Redemption

7.1 Replenishment

7. No payments of principal in respect of the Notes shall become due and payable to the Noteholders during the Replenishment Period. On each Payment Date during the Replenishment Period, the Seller may, without the consent of the Issuer or the Transaction Security Trustee, sell and assign to the Issuer Additional Receivables in accordance with the provisions of the Receivables Purchase Agreement (the "**Replenishment Period**") for an aggregate purchase price not exceeding the Replenishment Available Amount, provided that the following conditions are satisfied as of such Payment Date: (a) in respect of each Additional Receivable the Eligibility Criteria (as set out in Appendix C) are met and (b) each Additional Receivable and the Related Collateral are assigned and transferred in accordance with the provisions of the Receivables Purchase Agreement and the Data Trust Agreement. The Issuer shall be obligated to purchase and acquire Receivables for purposes of a Replenishment only to the extent that the obligation to pay the purchase price for the Receivables offered to the Issuer by the Seller for purchase on any Purchase Date can be satisfied by the Issuer by applying the Available Distribution Amount as of the Cut-Off Date immediately preceding the relevant Purchase Date in accordance with the Pre-Enforcement Priority of Payments.

7.2 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 falling on a date after the expiration of the Replenishment Period 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 *eleventh* (inclusive) and item *thirteenth* (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.

7.3 Scheduled Maturity Date

On the Payment Date falling in March 2024 (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 7.4 (*Legal Maturity Date*).

7.4 Legal Maturity Date

On the Payment Date falling in July 2032 (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.

7.5 *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 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 and shall be deemed to be received during the Collection Period relating to such Payment Date, 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 sum of the then outstanding Note Principal Amounts of the Class A Notes 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 (1) month prior to the contemplated termination date which must be a Payment Date (the "**Early Redemption Date**"); and
 - (iii) the repurchase price to be paid by the Seller is equal to the Aggregate Outstanding Principal Amount as at the Early Redemption Date plus any interest accrued but unpaid on all Purchased Receivables which are not Defaulted Receivables as at such time.
- (b) The repurchase option by the Seller under the Receivables Purchase Agreement and, accordingly, the early redemption of the Notes pursuant to this Condition 7.5 shall be excluded if the sum of the repurchase price determined pursuant to Condition 7.5(a)(iii) above and all other amounts forming part of the Available Distribution Amount relating to such Payment Date is not sufficient to fully satisfy the obligations of the Issuer specified under Condition 7.5(a)(i) above.
- (c) Upon payment in full of the amounts pursuant to Condition 7.5(a)(i) to the Noteholders, the Noteholders shall not receive any further payments of interest or principal.

7.6 *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 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.

7.7 *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 Purchaser 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 Purchaser in connection with the establishment of the Purchaser, 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 Purchaser or any other fees, costs and expenses, and a reserved profit of the Purchaser 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 Purchaser, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Cash Administrator and the Calculation Agent under the Agency Agreement, the Manager under the Subscription Agreement (excluding any commissions and concessions which are payable to the Manager under the Subscription Agreement on the Note Issuance Date and which are to be paid by the Purchaser 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 Purchaser, 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 Purchaser itself in the event that the Purchaser collects and/or services the Purchased Receivables or the Related Collateral;

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

seventh, 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;

eighth, during the Replenishment Period, to pay the purchase price payable in accordance with the Receivables Purchase Agreement for any Additional Receivables purchased on such Payment Date, but only up to the Replenishment Available Amount;

ninth, during the Replenishment Period, to credit the Purchase Shortfall Account with the Purchase Shortfall Amount occurring on such Payment Date;

tenth, during the Replenishment Period, to credit the Reserve Fund with effect as from such Payment Date up to the Required Reserve Amount as of such Cut-Off Date;

eleventh, after the expiration of the Replenishment Period and unless such Payment Date falls on a Servicer Disruption Date, to credit to the Reserve Fund with effect as from such Payment Date up to the Required Reserve Amount

twelfth, after the expiration of the Replenishment Period, 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;

thirteenth, 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;

fourteenth, after the expiration of the Replenishment Period and 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;

fifteenth, 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;

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

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 in accordance with the provisions of the Receivables Purchase Agreement, in an amount (if any) which is equal to the difference between 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 Purchaser to the Seller due and payable under the Receivables Purchase Agreement in respect of 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 Purchaser 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 Purchaser 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 Purchaser 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, if applicable, the Set-Off Reserve Account.

Notifications

8. 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 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 falling on a date after the expiration of the Replenishment Period, 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 falling on a date after the expiration of the Replenishment Period, 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 7.4 (*Legal Maturity Date*), Condition 7.5 (*Early Redemption*) or Condition 7.6 (*Optional Redemption for Taxation Reasons*), of the fact that such is the final payment.

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

Paying Agents; Determinations Binding

- (a) The Issuer has appointed The Bank of New York Mellon, London Branch, as paying agent (in such capacity, or any successor or substitute appointed with such capacity, the "**Principal Paying Agent**") and as cash administrator (in such capacity, or any successor or substitute appointed with such capacity, the "**Cash Administrator**") and as calculation

agent (in such capacity, the "**Calculation Agent**" and each of the Principal Paying Agent, the Calculation Agent and the Cash Administrator, a "**Paying Agent**").

- (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 and a Cash Administrator 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 banks or other financial institutions or other suitable service providers 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 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 Listing Agent.
- (c) All 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.

Taxes

- 10. 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 or by agreement with the U.S. Internal Revenue Service entered into pursuant to FATCA. 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 or the Servicer 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 or the Servicer 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 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 the Noteholders 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.

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*).

12. (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.

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**").¹
- (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 (Section 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;

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

- (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 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 thirty (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.
- (b) Any notice referred to under Condition 13(a)(i) above shall be deemed to have been given to all Noteholders on the seventh (7th) 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 3:00 p.m. (London 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.

Miscellaneous

14.1 *Presentation Period*

14. The presentation period for the Global Notes provided in Section 801(1), first sentence, of the German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to five years.

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 (including any non-contractual 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, the Set-Off Reserve Account, the Purchase Shortfall Account and any other bank account specified as such by or on behalf of the Issuer in the future in addition to, or in replacement of, the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account in accordance with the Accounts Agreement and the Transaction Security Agreement;

"Account Bank" shall mean Banco Santander, S.A., Filiale Frankfurt, Bockenheimer Landstraße 39, 60325 Frankfurt am Main, Germany as well as 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 Purchaser holds the Accounts, and any reference to the Account Bank shall include any successor thereof;

"Accounts Agreement" shall mean an agreement dated on or about 26 July 2016, as amended or amended and restated from time to time, entered into between the Purchaser, the Account Bank, the Transaction Security Trustee and the Corporate Administrator in relation to the Accounts;

"Additional Receivable" shall mean any Purchased Receivable which is sold and assigned or purported to be assigned to the Purchaser in accordance with the Receivables Purchase Agreement during the Replenishment Period;

"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;

"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 Purchaser, the Corporate Administrator, the Calculation Agent, the Principal Paying Agent, the Cash Administrator and the Transaction Security Trustee not later than on the fourth (4th) 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 as long as the Cash Administrator and the Calculation Agent are the same entity) or any other third party) and notified to the Purchaser, the Corporate Administrator, the Principal Paying Agent, the Calculation Agent and the Transaction Security Trustee not later than on the fourth (4th) 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 *provided that* during the Replenishment Period, such amounts shall only be applied on any Payment Date towards items first to seventh (inclusive) of the Pre-Enforcement Priority of Payments;
2. any Collections (including, for the avoidance of doubt, Deemed Collections paid by the Seller or (if different) the Servicer) received by the Purchaser from the Seller or (if different) the Servicer during the Collection Period ending on such Cut-Off Date;

3. (i)(A) any stamp duty, registration and other similar taxes, (B) any taxes levied on the Purchaser and any relevant parties involved in the financing of the Purchaser due to the Purchaser 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 Purchaser 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 Purchaser, 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 Purchaser 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 Purchaser 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 Purchaser pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
4. (i)(A) any default interest on unpaid sums due by the Seller to the Purchaser and (B) indemnities against any loss or expense, including legal fees, incurred by the Purchaser as a consequence of any default of the Seller, in each case paid by the Seller to the Purchaser pursuant to the Receivables Purchase Agreement and (ii) any default interest and indemnities paid by the Servicer to the Purchaser pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
5. any other amounts paid by the Seller to the Purchaser 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 Purchaser under or with respect to the Servicing Agreement, the Purchased Receivables or the Related Collateral, in each case as collected during such Collection Period;
6. any interest earned (if any) on any balance credited to the Transaction Account during such Collection Period;
7. 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 Purchaser under items first to *fourteenth* (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 Purchaser 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 (x) during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding the relevant Payment Date, (y) during, or with respect to, previous Collection Periods for which the relevant amounts have not been included in the Available Distribution Amount previously or (z) if 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 or 46b of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer;

8. the amounts (if any) standing to the credit of the Set-Off Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Set-Off Reserve Account), but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Purchaser under items first to *fourteenth* (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 Purchaser 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, or with respect to previous Collection Periods for which the relevant amounts have not been included in the Available Distribution Amount previously, were not received by the Purchaser as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections, and (ii) the Purchaser 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;
9. the amounts (if any) standing to the credit of the Purchase Shortfall Account (including any interest earned thereon);
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 (10) above) (if any) paid to the Issuer by any other party to any Transaction Document (other than the Funding Loan Agreement) up to (and including) the Payment Date immediately following such Cut-Off Date, unless otherwise specified, which according to such Transaction Document is to be allocated to the Available Distribution Amount;

"Beneficiary" shall mean each of the Noteholders, the Principal Paying Agent, the Calculation Agent, the Cash Administrator, 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;

"Collateral" shall mean the Issuer's rights and claims which are assigned, transferred and pledged for security purposes of pursuant to clause 5 (*Transfer for Security Purposes of the Assigned Security*) and clause 6 (*Pledge*) of the Transaction Security Agreement together with the Assigned Security;

"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 period commencing on (but excluding) 30 June 2016 and ending on (and including) 31 July 2016;

"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 (*Ratenschutzversicherung*), 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 Purchaser from any third party and any participation in extraordinary profits (*Mehrerlösbeteiligungen*) after realisation of the Related Collateral to which the Purchaser 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 A-2 (or its replacement) by S&P and 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 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 (ii) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (low) (or its replacement) by DBRS or DBRS Critical Obligations Rating of such entity are assigned a rating of at least BBB (or its replacement) by DBRS, and in each case, any such rating has not been withdrawn;

"Commingling Reserve Account" shall mean the bank account with the account number 315824 253, IBAN DE19 5032 0500 0315 8242 53 and Swift code BSCHDEFFXXX held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer 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, zero;

"Commingling Reserve Excess Amount" shall mean, 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 7 of the definition of 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 Santander Consumer Bank AG, or (iii) S&P notifies any of Santander Consumer Bank AG, the Issuer or the Transaction Security Trustee in writing that Santander Consumer Bank AG is no longer deemed eligible under the then current applicable rating criteria of S&P, unless in each case of (i) and (ii), Santander Consumer Bank AG has at least the Commingling Required Rating;

"Corporate Administration Agreement" shall mean a corporate administration agreement dated on or about 26 July 2016, as amended or amended and restated from time to time, and entered into between the Corporate Administrator and the Purchaser;

"Corporate Administrator" shall mean SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 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;

"Credit and Collection Policy" shall mean the credit and collection policies and practices as applied by the Seller and as set out in Schedule 5 (*Credit and Collection Policy*) of the Receivables Purchase Agreement;

"Cumulative Loss Ratio" shall mean, in respect of each Collection Period, the ratio (expressed as a percentage) of (A) the sum of (i) the Aggregate Outstanding Principal Amount of all Purchased Receivables which have become Defaulted Receivables during such Collection Period (net of recoveries) as determined in the Detailed Investor Report relating to such Collection Period (and set out under the item "Current Period Net Default" therein) and (ii) the aggregate principal amount (at the time of default) of all Purchased Receivables which became Defaulted Receivables prior to such Collection Period (net of recoveries and as set out in the Detailed Investor Report relating to the immediately previous Collection Period under the item "Cumulative Net Default") divided by (B) the sum of (x) the Aggregate Outstanding Principal Amount as at the end of such Collection Period (including for the avoidance of doubt the Outstanding Principal Amount of all Additional Receivables purchased by the Issuer during the relevant Collection Period) as determined in the Detailed Investor Report relating to such Collection Period and (y) the aggregate original principal amount of all Purchased Receivables which were repaid by the respective Debtors since the Note Issuance Date;

"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 is 30 June 2016;

"Data Trustee" shall mean SFM Trustees GmbH, Grüneburgweg 58-62, 60322 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 on or about 26 July 2016, as amended or amended and restated from time to time, and entered into between the Purchaser, the Data Trustee, the Seller and the Transaction Security Trustee;

"DBRS" shall mean DBRS Ratings Limited;

"DBRS Critical Obligations Rating" or "COR" means, in relation to a relevant entity, the rating assigned by DBRS which addresses the risk of default of particular obligations and/or exposures of the relevant entity that in the view of DBRS have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations. If a COR assigned by DBRS to the relevant entity is public, it will be indicated on the website of DBRS (www.dbrs.com);

"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 relevant 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 relevant Purchase Date, (iv) the Purchaser proves not to have acquired, upon the payment of the purchase price for such Purchased Receivable on the relevant 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 to a new maturity date falling on a date which is less than twelve (12) months prior to the Legal Maturity Date or is deferred (other than in accordance with the Servicing Agreement or the Credit and Collection Policy, or with the prior approval of the Purchaser), 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

Purchaser 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 Purchaser 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, as of such date, is more than thirty (30) days overdue;

"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 Purchaser 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;

"Early Amortisation Event" shall mean the occurrence of any of the following events during the first forty-eight (48) months after the Note Issuance Date:

- (a) the Cumulative Loss Ratio exceeds:
 - (i) 0.75% as of any Cut-Off Date prior to or on 30 June 2017;
 - (ii) 1.20% as of any Cut-Off Date prior to or on 30 June 2018;
 - (iii) 1.80% as of any Cut-Off Date prior to or on 30 June 2019; and
 - (iv) 2.25% as of any Cut-Off Date prior to or on 30 June 2020;
- (b) on three (3) consecutive Cut-Off Dates, the amount standing to the credit of the Purchase Shortfall Account is higher than 15% of the initial aggregate Note Principal Amount of all Notes (such event a **"Purchase Shortfall Event"**);
- (c) as of any Payment Date, the initial Note Principal Amount of all Notes would, after the application of the Available Distribution Amount in accordance with the Pre-Enforcement Priority of Payments, exceed the sum of (i) the Aggregate Outstanding Principal Amount of all Purchased Receivables as of such Payment Date (including the Principal Amount of the Additional Receivables to be purchased on such Payment Date) and (ii) the amount standing to the credit of the Purchase Shortfall Account as of such Payment Date;
- (d) a Termination Event or a Servicer Termination Event has occurred; or
- (e) the Seller has delivered a notice to the Issuer notifying the Issuer of its intention to end the Replenishment Period a least thirty (30) calendar days prior to the contemplated early amortization date which shall be a Payment Date (such Payment Date or, if applicable the Payment Date notified in such notice, the **"Replenishment Termination Option"**),

provided that in the case of (a) above with respect to any Payment Date following the date as of which the Early Amortisation Event occurred, no Early Amortisation Event shall be deemed to have occurred if, by such Payment Date, the Rating Agencies have confirmed that the occurrence

of the relevant Early Amortisation Event will not result in a downgrading, qualification or withdrawal of their rating assigned to any of the Class A Notes;

"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 relevant Purchase Date applicable to such Receivable 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 Purchaser in accordance with the Receivables Purchase Agreement;

"Eligible Receivable" shall mean any Receivable which meets the eligibility criteria specified in Schedule 2 to the Receivables Purchase Agreement;

"Excess Portion" shall mean, as of the Cut-Off Date immediately preceding any Offer Date, the portion by which the Outstanding Principal Amount of any Receivable offered by the Seller to the Purchaser on such Offer Date would, together with (i) the Aggregate Outstanding Principal Amount of all other Receivables offered by the Seller to the Purchaser on such Offer Date and (ii) the Aggregate Outstanding Principal Amount of all Purchased Receivables as of the Cut-Off Date immediately preceding such Offer Date, exceed the Maximum Purchase Amount;

"FATCA Agreement" shall mean an agreement between the Issuer and the U.S. Internal Revenue Service (the **"IRS"**) pursuant to which the Issuer agrees to report to the IRS information about its "United States accounts" and complies with certain procedures to be further determined by the IRS;

"Financed Vehicle" shall mean any vehicle designated to be a passenger car, motorbike or camper/caravan 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 on or about 26 July 2016, as amended or amended and restated from time to time, between the Purchaser 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;

"Gap Insurance" (*Gap-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 (*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 Gap 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 (*grobe Fahrlässigkeit*). The contribution owed by the Debtor for the accession to the Gap 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) a Payment Protection Insurance (*Ratenschutzversicherung*), (ii) a Santander Safe Insurance (*Santander Safe Versicherung*), (iii) a Santander AutoCare Insurance (*Reparaturkostenversicherung*) and (iv) 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 each 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, 1.072% per annum, and, (ii) in the case of the Class B Notes, 2.277% per annum;

"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;

"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" shall mean Société de la Bourse de Luxembourg with its registered address at 11, avenue de la Porte-Neuve, L-2227 Luxembourg;

"Manager" shall mean Raiffeisen Bank International AG, with its registered office at Am Stadtpark 9, 1030 Vienna, Austria;

"Maximum Purchase Amount" shall mean EUR 1,500,000,000;

"Monthly Report" shall have the meaning assigned to such term in clause 5.2 of the Servicing Agreement;

"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 on the relevant Cut-Off Date less the amount of the principal portion of the Collections received by the Purchaser 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 Purchaser until credited to the Transaction Account;

"Payment 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 sixty (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 (*RatenschutzArbeitslosigkeitsversicherung*) entered into by a Debtor who is less than fifty-five (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 a Payment 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 Payment 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;

"Principal Amount" shall mean, with respect to any Receivable, the aggregate principal amount of such Receivable, as discounted by the Effective Interest Rate and 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 having given effect to the application of the Available Distribution Amount in accordance with the Pre-Enforcement Priority of Payments if a Principal Deficiency Trigger Event were not to occur on such date, exceed the sum of (i) the Aggregate Outstanding Principal Amount of the Purchased Receivables (including the Principal Amount of the Additional Receivables to be purchased on such Payment Date) plus (ii) the amount standing to the credit of the Purchase Shortfall Account, as of such Payment Date by at least EUR 2,500,000;

"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, the Note Issuance Date and each Payment Date thereafter which falls during the Replenishment Period;

"Purchased Receivable" shall mean any Receivable (including, for the avoidance of doubt, the Excess Portion of any Receivable and any Additional Receivable) which is sold and assigned or purported to be assigned to the Issuer in accordance with the Receivables Purchase Agreement;

"Purchaser" shall mean the Issuer in its capacity as the purchaser of the Purchased Receivables under the Receivables Purchase Agreement;

"Purchase Shortfall Account" shall mean the bank account with the account number 315824 252, IBAN DE46 5032 0500 0315 8242 52 and Swift code BSCHDEFFXXX held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer in the future in addition to or as substitute for such Purchase Shortfall Account in accordance with the Accounts Agreement and the Transaction Security Agreement, to which any Purchase Shortfall Amount shall be credited;

"Purchase Shortfall Amount" shall mean, on any Purchase Date, the excess, if any, of the Replenishment Available Amount over the aggregate purchase prices payable in accordance with the Receivables Purchase Agreement for all Receivables purchased by the Purchaser on such Purchase Date;

"Purchase Shortfall Event" shall have occurred if, on three consecutive Cut-Off Dates, the amount standing to the credit of the Purchase Shortfall Account is higher than 15% of the initial aggregate Note Principal Amount of all Notes;

"Rating Agencies" shall mean DBRS and S&P or any other rating agency in replacement therefor;

"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*). For the avoidance of doubts, any liability to pay Loan Instalments which a Debtor owes to the Seller in accordance with a Loan Contract relating to online business shall be excluded;

"Receivables Purchase Agreement" shall mean a receivables agreement dated on or about 26 July 2016, as amended or amended and restated from time to time, and entered into by the Purchaser 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*) and any conditional rights (*Anwartschaftsrechte*) relating 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 Payment 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;

"Repair Cost Insurance" (*Reparaturkostenversicherung*) 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 (*Gruppenversicherungsvertrag*) between the Seller in its capacity as insurance policy holder and an insurer which covers repair costs for the repair of certain important components of the Financed Vehicle such as engine (*Motor*), gear (*Getriebe*) and steering (*Lenkung*).

"Replenishment Available Amount" shall mean, as of any Payment Date, the amount by which the Aggregate Note Principal Amount exceeds the Aggregate Outstanding Principal Amount as of the Cut-Off Date immediately preceding such Payment Date;

"Replenishment Period" shall mean the period commencing on (but excluding) the Note Issuance Date and ending on (i) the Payment Date falling in the 48th month after the Note Issuance Date (inclusive) or, if earlier, (ii) the date on which an Early Amortisation Event occurs (exclusive);

"Required Reserve Amount" shall be (a) EUR 15,000,000 or (b) 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 *tenth* and *fourteenth* of the Pre-Enforcement Priority of Payments on the Payment Date immediately following such Cut-Off Date;

"S&P" and **"Standard and Poor's"** means Standard and Poor's Credit Market Services Europe Limited, a subsidiary of the McGraw-Hill Companies, Inc. and any successor to the debt rating business thereof;

"Santander AutoCare Insurance" (*Reparaturkostenversicherung*) 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 AutoCare Gruppenversicherungsvertrag*) between the Seller in its capacity as insurance policy holder and an insurer which covers repair costs for the repair of certain important components of the Financed Vehicle such as engine (*Motor*), gear (*Getriebe*) and steering (*Lenkung*);

"Santander Consumer Bank" shall mean the Seller, Santander Consumer Bank AG;

"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;

"Seller Deposits" means, with respect to any Debtor, the actual aggregate amount held by such Debtor in the form of money market accounts (*Tagesgeldkonten*), savings certificates (*Sparbriefe*), savings accounts (*Sparkonten*), current accounts (*Girokonten*) and/or credit cards (*Kreditkarten*) with the Seller at the relevant time;

"Servicer" shall mean the Seller and any successor thereof or substitute servicer appointed by the Purchaser 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:

- (a) The Servicer fails to make a payment due under the Servicing Agreement at the latest on the second (2nd) 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;
- (b) Following a demand for performance the Servicer fails within five (5) Business Days to perform its material (as determined by the Purchaser) obligations (other than those referred to in paragraph (a) above) owed to the Purchaser under the Servicing Agreement;
- (c) 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;
- (d) 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;
- (e) The Servicer is in breach of any of the covenants set out in the Servicing Agreement;
- (f) 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;
- (g) 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;
- (h) At any time there is otherwise no person which holds any required licence, authorisation or registration appointed by the Purchaser to collect the Purchased Receivables and the Related Collateral in accordance with the Servicing Agreement;
- (i) 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;
- (j) The Servicer (to the extent that it is identical with the Seller) is in breach of any of the covenants set out in the Receivables Purchase Agreement. 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 on or about 26 July 2016, as amended or amended and restated from time to time, and entered into by the Purchaser, the Servicer and the Transaction Security Trustee;

"Set-Off Required Rating" shall mean

(i) with respect to component (X) of Set-Off Reserve Amount and with respect to any entity, that the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least A-3 (or its replacement) by S&P and 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 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;

(ii) with respect to component (Y) of Set-Off Reserve Amount and with respect to any entity, that (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least A-3 (or its replacement) by S&P and 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 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 (b) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (low) (or its replacement) by DBRS or DBRS Critical Obligations Rating of such entity are assigned a rating of at least BBB (or its replacement) by DBRS, and in each case, any such rating has not been withdrawn;

"Set-Off Reserve Account" shall mean the bank account with the account number 315824 254, IBAN DE89 5032 0500 0315 8242 54 and Swift code BSCHDEFFXXX held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer in the future in addition to or as substitute for such Set-Off Reserve Account in accordance with the Accounts Agreement and the Transaction Security Agreement, 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 Account as of any Cut-Off Date following the occurrence of a Set-Off Reserve 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 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;

"Set-Off Reserve Amount" shall mean the sum of (X) and (Y), where:

(X) means, (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, an amount sufficient to capture the set-off risk related to the aggregate outstanding Capitalised Service Fees for all outstanding Purchased Receivables of the Issuer as at such Cut-Off Date, as determined by the Servicer and set forth in the Detailed Investor Report in respect of such Cut-Off Date, provided that (X) shall be reduced to a lower amount or zero if (i) the Issuer determines that such lower amount will be sufficient, or (in case of a reduction to zero) an additional amount will no longer be required, to avoid a downgrading of the ratings assigned to the Class A Notes and (ii) the Issuer has notified the Rating Agencies and the Seller of such reduction; and (b) if as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero;

(Y) means, (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 Seller Deposits 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 Seller Deposits, and are in each case equal to the lower of (i) the amount of Seller Deposits which, as of the relevant Cut-Off Date, are held 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 following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero;

"Set-Off Reserve Excess Amount" shall mean, as of any Payment Date, the excess of the amounts standing to the credit of the Set-Off Reserve Account 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 8 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 or (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of Santander Consumer Bank AG or (iii) S&P notifies each of Santander Consumer Bank AG, the Issuer, the Transaction Security Trustee in writing that Santander Consumer Bank AG is no longer deemed eligible under the then current applicable rating criteria of S&P, unless in each case of (i) and (ii), Santander Consumer Bank AG has at least the Set-Off Required Rating;

"Specified Date" shall mean, unless the context requires otherwise, the Note Issuance Date;

"Subordinated Loan Agreement" shall mean a subordinated loan agreement dated on or about 26 July 2016, as amended or amended and restated from time to time, 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 on or about 26 July 2016, as amended or amended and restated from time to time, and entered into between the Seller, the Issuer and the Manager;

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

1. the Seller fails to make a payment due under this Agreement at the latest on the fifth (5th) 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 Purchaser) obligations (other than those referred to in (1) above) owed to the Purchaser under this 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 this 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 tenth (10th) 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 10,000,000),
6. 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,

7. the Seller fails to perform any material obligation under the Loan Contracts or in relation to the Related Collateral,
8. an Issuer Event of Default has occurred, or

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 this Agreement;

"Transaction Account" shall mean the bank account with the account number 315824 25, IBAN DE73 5032 0500 0315 8242 51 and Swift code BSCHDEFFXXX held in the name of the Purchaser at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Purchaser 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 Documents" shall mean the Receivables Purchase Agreement, the Servicing Agreement, the Transaction Security Documents, the Subordinated Loan Agreement, the Subscription Agreement, the Corporate Administration Agreement, the Accounts Agreement, the Data Trust Agreement, the Notes, the Agency Agreement, the Funding Loan Agreement and any amendment agreement, termination agreement or replacement agreement relating to any such agreement;

"Transaction Security Agreement" shall mean a transaction security agreement dated 26 July 2016, as amended or amended and restated from time to time, and made between the Issuer, the Paying Agents, the Account Bank, the Data Trustee, the Corporate Administrator, the Seller, the Servicer, the Subordinated Loan Provider and the Transaction Security Trustee for the benefit of the Beneficiaries (as such term is defined therein); and

"Transaction Security Documents" shall mean the Transaction Security Agreement 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 (as such term is defined in the Transaction Security Agreement) for the purpose, *inter alia*, of securing all or any of the obligations of the Purchaser under the Transaction Documents (other than the Funding Loan Agreement).

OVERVIEW 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 fourteen (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 (1) month following the publication of the resolution.

THE TRANSACTION SECURITY AGREEMENT – AN OVERVIEW

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 (*Transaction Security Trustee Claim*) 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 Notes and the Transaction Documents (other than the Funding Loan Agreement). 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. The Transaction Security Trustee will hold the 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 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.

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.

Duties of the Transaction Security Trustee

2. 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 or monitor the discharge by any person 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 or any other person which is a party to any Transaction Document.

Position of Transaction Security Trustee in relation to the Beneficiaries

3.
 - 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 (*Fees*) to 31 (*Taxes*) of this Transaction Security Agreement) and discharge its duties under the Transaction Documents 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 (i) as long as any of the Class A Notes are outstanding, with regard only to the interests of the Class A Noteholders and (ii) if no Class A Notes remain outstanding, with regard only to the interests of the Class B Noteholders and (iii) if no Notes remain outstanding, with regard 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 Section 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 Claim (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 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 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 who is a party to this Transaction Security Agreement 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 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 (*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) to the Transaction Security Trustee for the security purposes set out in clause 7 (*Security purpose*) (*Sicherungsabtretung* or *Sicherungsübereignung*, as the case may be):

- (a) all Purchased Receivables together with any Related Collateral and all rights, claims and interests relating thereto;
- (b) 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;

- (c) 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;
- (d) 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 Manager, the Seller and/or any other party pursuant to or in respect of the Subscription Agreement;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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 pursuant to the Agency Agreement; and
- (i) 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,

in each case (a) to (i) 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 "**Assigned Security**").

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, the transfer and the pledge 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 over the Accounts and all amounts standing to the credit of the Accounts from time to time pursuant to clause 6 below.

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:

- (a) 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 section 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*);
- (b) 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;
- (c) 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
- (d) 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, at the latest on the date on which this Transaction Security Agreement becomes effective and on the relevant Purchase Date during the Revolving Period.

The Transaction Security Trustee hereby accepts such assignment and transfer.

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/transfer**

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, transferred and/or pledged 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 solely shall be entitled to exercise the rights of the Issuer under the Transaction Documents referred to in clause 5.1(a) to 5.1(i), 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**

6.1 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 pledges (*Verpfändung*) to the Transaction Security Trustee 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 the Accounts and/or any other party pursuant to or in respect of the Accounts Agreement.

6.2 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. The Issuer hereby gives notice to the Account Bank of such pledge and the Account Bank hereby confirms receipt of such notice.

7.

Security purpose

The assignment and 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*) (are referred to herein as the "**Collateral**") serve to secure the Transaction Security Trustee Claim.

In addition, the assignment, transfer and pledge for security purposes of the 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*).

Collection authorisation; further transfer

8. 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 assigned and 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 hereby consents to the assignments, transfers, pledges 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 contained in paragraphs (a) and (b) may be revoked by the Transaction Security Trustee in accordance with clause 16 (*Breach of obligations of the Issuer*).
- (d) 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 Collateral is to be transferred to the New Transaction Security Trustee pursuant to clauses 32.1 (*Resignation*) and 34.1 (*Transfer of Collateral*).

9.

- 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 Collateral.

Enforceability

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

Release of Collateral

10. 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 at the cost of the Issuer transfer back to the Issuer or to the Issuer's order the Collateral assigned and/or transferred to it under this Transaction Security Agreement.

Representations of the Issuer with respect to Collateral, covenants

- 11.1 The Issuer hereby represents and warrants to and covenants with the Transaction Security Trustee (in the Transaction Security Trustee's 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 Collateral and any related security thereto which is assigned and/or transferred or pledged hereby and that such 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.
- 11.2 The Issuer hereby represents and warrants to the Transaction Security Trustee (in the Transaction Security Trustee's 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 (*Schadenersatz wegen Nichterfüllung*) in the event that any 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 the Notes within ten (10) Business Days from the date of issue thereof by way of notice substantially in 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 and warrants 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 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 Collateral*) hereof) that, in the event that 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, 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 (other than the Transaction Security Trustee) 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 on the part of such Beneficiary, that has not been satisfied as of the date of execution of this Transaction Security Agreement.

Receipt and custody of documents; notices

13.

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:

- (a) keep such documents for one year after the termination of this Transaction Security Agreement; or
- (b) 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 Collateral*) hereof.

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 shall terminate (and, if the Issuer does not terminate, the Transaction Security Trustee may terminate on behalf of the Issuer) the account relationship with the Account Bank within thirty (30) calendar days after (i) any of the ratings of the Account Bank has fallen below the Account Bank Required Rating or (ii) the Account Bank is no longer rated by any of the Rating Agencies (each of such events under (i) and (ii), an "**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, the Issuer shall promptly inform the Transaction Security Trustee of such termination. Unless an Issuer Event of Default has occurred and is continuing or the Collateral is enforced, in case of such termination the Issuer, acting in its own name, shall open new accounts with another bank or financial institution (the "**Successor Bank**") on conditions as close as possible to those previously agreed with the previous Account Bank. The

Successor Bank shall be a bank or a financial institution having at least the Account Bank Required Rating. The Issuer shall enter into a new account agreement 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 Commingling Reserve Account, the Set-Off Reserve Account, the Purchase Shortfall Account and any other Account, respectively shall be transferred to corresponding new accounts (as relevant), at no cost to the Issuer (and any and all references to "**Transaction Account**", "**Commingling Reserve Account**", "**Set-Off Reserve Account**", "**Purchase Shortfall Account**" and any other Account shall in each case then be read as references to such new corresponding account(s)). It is agreed that best efforts will be undertaken that the new account agreement 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 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.

Consent of the Transaction Security Trustee

15.

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 (*Position of Transaction Security Trustee in relation to the Beneficiaries*). In any event, the Transaction Security Trustee shall give such consent if (regardless of whether the relevant action could, in the professional judgement of the Transaction Security Trustee, be materially prejudicial (*wesentlich nachteilig*) to the Beneficiaries) (i) the Transaction Security Trustee or the Issuer has notified each Rating Agency of such proposed action and (ii) one or more Noteholders representing at least 66⅔% 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, it being understood 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 actual knowledge that the existence or the value of the 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 be authorised, at its discretion and subject to clause 16.2 below, to take or initiate all actions which in the opinion of the Transaction Security Trustee are desirable or expedient to avert such risk (including the revocation of the authority and consents contained in clause 8.1(a) and 8.1(b)). 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 Collateral*) in respect of the 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 or pre-funded (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 costs, expenses and liabilities which arise from its own negligence, wilful misconduct or fraud), obligations and attempts to bring any action in or outside court. Clause 35 (*Standard of care for liability*) shall remain unaffected.

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).

Power of attorney

18. 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*) or 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 the Transaction Documents.
- 19.

Enforcement of Collateral

19.1 Issuer Event of Default

The Collateral shall be subject to enforcement upon the occurrence of an Issuer Event of Default. The Transaction Security Trustee shall without undue delay, but in any event no later than within ten (10) Business Days, upon obtaining knowledge of an Issuer Event of Default, give notice thereof to the Noteholders pursuant to clause 19.3 (*Notification*) and each other Beneficiary as well as the Rating Agencies pursuant to clause 41 (*Notices*).

19.2 Enforcement of 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 Collateral in a manner determined at its reasonable discretion, subject to clause 19.3 (*Notification*) and clause 30 (*Right to indemnification*).

19.3 Notification

Without undue delay, but in any event no later than within ten (10) Business Days of the Transaction Security Trustee's obtaining knowledge of the occurrence of an Issuer Event

of Default, the Issuer shall give notice to the Rating Agencies and 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 Collateral (in particular, whether it intends to sell the 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 (*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 by the Issuer 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 by the Issuer 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 by the Issuer to all Beneficiaries, have not requested (either together with such objection or within thirty (30) calendar days thereafter) from 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 instruction (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 by the Issuer to all Beneficiaries, requesting a manner to enforce the 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 the notification of the Noteholders of the occurrence of an Issuer Event of Default if (and as long as) it has not been indemnified.

20.

Payments upon occurrence of an Issuer Event of Default

Upon the occurrence of an Issuer Event of Default:

- (a) The Collateral may be exercised, collected, claimed and enforced exclusively by the Transaction Security Trustee.
- (b) 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 pledged 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.
- (c) The Transaction Security Trustee shall not be required to make payments on the obligations of the Issuer if, and so 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*)).

- (d) The Transaction Security Trustee shall make payments out of the proceeds of any enforcement of Collateral in accordance with clause 23.2 (*Post-Enforcement Priority of Payments*).
- (e) 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.

Continuing duties

- 21. For the avoidance of doubt and without affecting general applicable law with respect to any continuing effect of any other provisions of this Transaction Security Agreement, it is hereby agreed that clauses 13 (*Receipt and custody of documents; notices*) to 18 (*Power of attorney*) shall continue to apply after the occurrence of an Issuer Event of Default.

Accounts; set-off

- 22.22.1 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. The Set-Off Reserve Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Set-Off Reserve Amount which is transferred to the Issuer by the Seller following the occurrence of a Set-Off Reserve Trigger Event. The Purchase Shortfall Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Purchase Shortfall Amount which is transferred to the Issuer by the Seller on the relevant Purchase Date.
- 22.2 The Issuer shall ensure that all payments and transfers of securities 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 or, in case of a transfer of the Set-Off Reserve Amount, to the Set-Off Reserve Account or, in the case of a transfer of the Purchase Shortfall Amount, to the Purchase Shortfall Account. Should any amounts payable to the Issuer be paid in any way other than as set forth in the preceding sentence, the Issuer shall promptly credit such amounts to, or (as the case may be) deposit such securities in, the Transaction Account or, in case of the Commingling Reserve Amount, to the Commingling Reserve Account or, in case of the Set-Off Reserve Amount, to the Set-Off Reserve Account or, in the case of a transfer of the Purchase Shortfall Amount, to the Purchase Shortfall 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, the Commingling Reserve Account, the Set-Off Reserve Account or the Purchase Shortfall Account, unless it has granted a security interest over any and all rights relating thereto to the Transaction Security Trustee under the relevant applicable law for the security purposes set out in clause 7 (*Security purpose*), 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.

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 which shall be paid to the Funding Loan Provider in respect of the Funding Loan Agreement; (ii) any interest earned on any balance credited to the Commingling Reserve Account which shall be paid to the Seller and (iii) any interest earned on any balance credited to the Set-Off Reserve Account which shall be paid to the Seller) on the Transaction Account, on the Commingling Reserve Account, on the Set-Off Reserve Account and on the Purchase Shortfall 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 Collateral in accordance with clause 19 (*Enforcement of 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 and the Calculation Agent under the Agency Agreement, 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 Class A Notes Interest due and payable on such Payment Date, pro rata on each Class A Note;

seventh, to pay any Class A Notes Principal as of such Payment Date, pro rata on each Class A Note until the Class A Notes have been redeemed in full;

eighth, 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;

ninth, to pay any Class B Notes Principal as of such Payment Date, pro rata on each Class B Note until the Class B Notes have been redeemed in full;

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

eleventh, 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;

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

thirteenth, to pay any remaining amount to the Seller,

24. *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.

Relationship to third parties

- 24.1 In relation to the 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.

Overpayment

25. All payments to Beneficiaries which are parties to this Transaction Security Agreement 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).

Retaining third parties

- 26.26.1 In individual instances, the Transaction Security Trustee may, at market prices (if appropriate, after obtaining three 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 any other Transaction Security Document, and/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 (unless this would be, as determined by the Transaction Security Trustee, inappropriate in the specific case considering factors such as timing and type of services):

- (a) 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;
- (b) enforcement of Collateral pursuant to clause 19.2 (*Enforcement of Collateral*);
- (c) the settlement of payments under clause 20 (*Payments upon occurrence of an Issuer Event of Default*);
- (d) the settlement of over-payments under clause 25 (*Overpayment*);
- (e) 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 3.2 (*Position of Transaction Security Trustee in relation to the 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

- (a) Subject to clause 26.2(b), 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 or any wilful misconduct or negligence of such retained third parties (*Vorsatz und Fahrlässigkeit*).

- (b) 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 case of wilful misconduct (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*) of the Transaction Security Trustee.

26.3 The Transaction Security Trustee may sub-contract or delegate the performance of some (but not all) or 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.

Representations and warranties of the Issuer

27.

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, binding and enforceable 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, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall 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 26 July 2016.

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 or pre-funded to its satisfaction (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.

30.3 The obligation of the Issuer to indemnify the Transaction Security Trustee (for the avoidance of doubt subject to clause 44 (No liability and no right to petition and limitation on payments)) will survive the termination of this Agreement.

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 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 (2) 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 or other suitable service provider 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; 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; 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, transferred or pledged to it pursuant to clause 34.1 (*Transfer of 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 Collateral

34.1 **Transfer of 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, transfer or pledge the 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**

Subject to the consent of all other parties to the Transaction Documents, 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 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; 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. Following such notifications, 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.

34.6 **Transfer of documents and information**

35. The Transaction Security Trustee shall be obliged to provide the New Transaction Security Trustee with all documents and other information relating its activities under or with respect to each Transaction Security Document as the New Transaction Security Trustee may reasonably request.

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*).

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 Collateral not attributable to the negligence of the Transaction Security Trustee.
- 36.2 Each party to the Transaction Security Agreement shall provide the Transaction Security Trustee at its reasonable request with all additional information it deems necessary for the performance of its duties under the Transaction Documents.
- 36.3 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.
- 36.4 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.
- 36.5 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.
- 36.6 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.
- 36.7 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.

- 36.8 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 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 Collateral or any part thereof from time to time.
- 36.9 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*).
- 36.10 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.
- 36.11 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:
- (a) 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;
 - (b) the execution, legality, validity, adequacy, admissibility in evidence or enforceability of any Transaction Document or any other document entered into in connection therewith;
 - (c) 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;

- (d) 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;
- (e) 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;
- (f) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the 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 Collateral or the Transaction Documents or other documents entered into in connection therewith; or
- (g) any accounts, books, records or files maintained by the Issuer or any other person in respect of any of the Collateral or the Transaction Documents.

36.12 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 Collateral**

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

- (a) not to sell the Collateral and to refrain from all actions and omissions to act (excluding, for the avoidance of doubt, the collection and enforcement of the Collateral in the ordinary course of business or otherwise dealing with the 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 Collateral;
- (b) promptly to notify the Transaction Security Trustee in the event of becoming aware that the rights of the Transaction Security Trustee in the 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 Collateral; and
- (c) 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 Collateral, to give any information necessary for such purpose, and to make the relevant records available for inspection.

Other undertakings of the Issuer

38.1 The Issuer undertakes to:

- 38.
- (a) promptly notify the Transaction Security Trustee and the Rating Agencies in writing if circumstances occur which constitute an Issuer Event of Default;
 - (b) 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;
 - (c) 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;
 - (d) 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;
 - (e) 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;
 - (f) 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;
 - (g) to have always at least two independent managing directors (*Geschäftsführer*);
 - (h) 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 this 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;
 - (i) do all such things as are necessary to maintain and keep in full force and effect its corporate existence;
 - (j) ensure that it has the capacity and is duly qualified to conduct its business as it is conducted in all applicable jurisdictions;
 - (k) 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;

- (l) 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;
- (m) 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;
- (n) observe all corporate and other formalities required by its constitutional documents;
- (o) maintain adequate capital in light of its contemplated business operations and pay its own liabilities out of its own funds;
- (p) 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;
- (q) 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*); and
- (r) subject to being provided by the Servicer with the relevant loan level details as contemplated by the Servicing Agreement, 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 (as set out in Annex VIII (loan level data reporting requirements for asset-backed securities) of the Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast), as amended and applicable from time to time), subject to applicable data protection and banking secrecy requirements.

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

- (a) 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;
- (b) enter into any amalgamation, demerger, merger or corporate reconstruction;
- (c) 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;

- (d) permit its assets to become commingled with those of any other entity; and
- (e) permit its accounts and the debts represented thereby to become commingled with those of any other entity.

Actions of the Issuer requiring consent

39.1 So long as any part of the Notes remains outstanding, the Issuer shall not be entitled, unless (a) each Rating Agency has been notified of such action and the prior written consent of the Transaction Security Trustee has been obtained or (b) required by applicable law, to:

- (a) engage in any business or any other activities other than:
 - (i) 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;
 - (ii) the enforcement of its rights;
 - (iii) the performance of any acts which are necessary or desirable in connection with (i) or (ii) above; and
 - (iv) 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 or the Issuer, 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;
- (b) hold shares in any entity;
- (c) dispose of any assets or any part thereof or interest therein, unless permitted or contemplated under (a) above;
- (d) 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);
- (e) acquire obligations or securities of its shareholders;
- (f) incur further indebtedness (other than as contemplated in (a) above);
- (g) have any employees or own any real estate asset;
- (h) 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 (a) above);
- (i) 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;
- (j) materially amend its articles of association (*Gesellschaftsvertrag*);

- (k) 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 39.1(d) above and except as contemplated by the Transaction Documents); or
- (l) open new accounts (other than as contemplated in clause 39.1(a) above or with a Successor Bank as contemplated in clause 14.2(a) above).

39.2 Notwithstanding any provision to the contrary in this Transaction Security Agreement or in any other Transaction Document and subject to the Issuer's compliance with all of its obligations under clause 5.3 above, each Party agrees that no consent of the Transaction Security Trustee shall be required with respect to (i) any replacement or substitution of a party to any Transaction Document (including, without limitation, any replacement or substitution made or proposed to be made for the purpose of averting an expected or imminent downgrade or withdrawal, or reversing a downgrade or withdrawal, of any minimum rating set forth in any Transaction Document) and (ii) any amendment or termination of any Transaction Document, and/or entry into any supplemental, substitute or additional document, in each case in connection with such replacement or substitution referred to under (i) above, provided that the Issuer shall not enter into any such supplemental, substitute or additional document if the Issuer receives, no later than on the fifth (5th) Business Day following notification and provision of the draft document by or on behalf of the Issuer to the Transaction Security Trustee, a notice from the Transaction Security Trustee to the effect that, in the reasonable view of the Transaction Security Trustee, such document would (if entered into) be in whole or in part materially prejudicial (wesentlich nachteilig) to the interests of the holders of the then outstanding most senior Class of Notes and provided further that the Issuer shall notify each of the Rating Agencies in writing of any replacement or substitution effected in accordance with this clause 39.1.

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 3.2 (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 41.4, 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:

Communication to the Issuer

SC Germany Auto 2016-2 UG (haftungsbeschränkt)

(as Issuer)

Address: c/o SFM Structured Finance Management (Deutschland) GmbH
Grüneburgweg 58-62
60322 Frankfurt am Main
Germany

Telephone: +49 (0) 643 50 8900
Telefax: +49 (0) 643 50 8925
Email: directors-de@sfmeurope.com
Attention: The Directors

Communication to the Transaction Security Trustee

SFM Trustees Limited

(as Transaction Security Trustee)

Address: 35 Great St. Helen's
London EC3A 6AP
United Kingdom

Telephone: +44 20 7398 6300
Telefax: +44 20 7398 6325
Email: sfmtrustees-uk@sfmeurope.com
Attention: The Directors

Communication to the Data Trustee

SFM Trustees GmbH

(as Data Trustee)

Address: Grüneburgweg 58-62
60322 Frankfurt am Main
Germany

Telephone: +49 (0) 643 50 8900
Telefax: +49 (0) 643 50 8925
Email: directors-de@sfmeurope.com
Attention: The Directors

Communication to the Account Bank

Banco Santander, S.A., Filiale Frankfurt

(as Account Bank)

Address: Bockenheimer Landstraße 39
60325 Frankfurt am Main
Germany

Telephone: +49-69-59676-408
Telefax: +49-69-59676-407
Email: lquardon@gruposantander.com
franciscaberghaus@gruposantander.com

Attention: Lorena Quardon / Francisca Berghaus

Communication to Paying Agent, Calculation Agent and Cash Administrator

The Bank of New York Mellon, London Branch

(as Paying Agent, Calculation Agent and Cash Administrator)

Address: One Canada Square
London E14 5AL
United Kingdom

Telephone: +44 20 79642533
Telefax: +44 1202 689660
Email: BNYM.Structured.Finance.Team.7@bnymellon.com
Attention: Corporate Trust Administration / SC Germany Auto 16-2

Communication to Corporate Administrator

SFM Structured Finance Management (Deutschland) GmbH

(as Corporate Administrator)

Address: Grüneburgweg 58-62
60322 Frankfurt am Main
Germany

Telephone: +49 (0) 643 50 8900
Telefax: +49 (0) 643 50 8925
Email: directors-de@sfmeurope.com
Attention: Directors

Communication to Seller, as Servicer and as Subordinated Loan Provider

Santander Consumer Bank AG

(as Seller, as Servicer and as Subordinated Loan Provider)

Address: Santander-Platz 1
41061 Mönchengladbach
Germany

Telefax: +49 2161 690 7077
Email: ralf.schuering@santander.de
Attention: Ralf Schüring

41.3

- (a) The Transaction Security Trustee shall not be liable for any Losses arising or caused by it receiving or transmitting Instructions from or to the Issuer or any Authorised Person by means of any facsimile or email, provided, however, that such Losses, so incurred have not arisen from the gross negligence, fraud or wilful misconduct of the Transaction Security Trustee.
- (b) The Issuer acknowledges that communication by way of facsimile and email are not secure and accepts the limitation of liability on the part of the Transaction Security Trustee as set out in clause 41.3(a). The Issuer shall use all reasonable endeavours to ensure that any Instruction transmitted or communicated by it or any Authorised Person to the Transaction Security Trustee pursuant to this Transaction Security Agreement is complete and correct.

For the purposes of this clause 41.3, the following terms shall have the following specific meanings:

"Authorised Person" shall mean any person who is designated in writing by the Issuer from time to time to give Instructions to the Transaction Security Trustee under the terms of this Transaction Security Agreement.

"Instructions" shall mean any notices, directions or instructions in written form (in Textform) received by the Transaction Security Trustee in accordance with this Transaction Security Agreement from an Authorised Person or from a person reasonably believed by the Transaction Security Trustee to be an Authorised Person.

"Losses" shall mean any and all claims, losses, liabilities, damages, costs, expenses and judgments (including legal fees and expenses) sustained by any party to the Transaction Documents or any Noteholder due to the contents contained in any Instruction received by the Transaction Security Trustee from any Authorised Person being incomplete or incorrect.

- 41.4 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 thirty (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.

Any such notice referred to under clause 41.4(i) shall be deemed to have been given to all Noteholders on the seventh (7th) calendar day after the day on which such notice was delivered to the ICSDs. Any notice referred to under clause 41.4(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.

- 43.42.2 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.

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 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.

- 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, are not materially prejudicial (*wesentlich nachteilig*) to 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.

No liability and no right to petition and limitation on payments

44.

- 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 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, fraud 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 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 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 (other than the Issuer) hereby agrees with the other parties and the Issuer that it shall not (otherwise than as contemplated in this Transaction Security Agreement or any other Transaction Security Document), until the expiration of two (2) years and one (1) 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 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 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 or has any other future profits (*künftige Gewinne*), remaining liquidation proceeds (*Liquidationsüberschuss*) or other positive balance of net assets (*anderes freies Vermögen*) 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 Collateral or any other future profits (*künftige Gewinne*), remaining liquidation proceeds (*Liquidationsüberschuss*) or other positive balance of net assets (*anderes freies Vermögen*) and, following realisation of the 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.

"**Extinguished**" for these purposes shall mean that such claim shall not lapse, but shall be subordinated in accordance with Section 39 para 2 of the German Insolvency Code (*Insolvenzordnung*) to all current and future claims of the other creditors of the Issuer as set out in Section 39 para 1 no 1 to 5 of the German Insolvency Code (*Insolvenzordnung*). Any such claims shall be settled only after all current and future claims of the Issuer's other creditors have been settled if and to the extent the Issuer is in a position to settle such claims using future profits (*künftige Gewinne*), any remaining liquidation proceeds (*Liquidationsüberschuss*) or any positive balance of the net assets (*anderes freies Vermögen*) of the Issuer.

- 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 (and 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

47. 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.

Counterparts

This Transaction Security Agreement is executed (including by telefax) in any number of counterparts each of which (when executed) constitutes an original.

OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS

Receivables Purchase Agreement

On the Note Issuance Date, the Issuer will purchase Receivables from the Seller in accordance with the Receivables Purchase Agreement. During the Replenishment Period, the Seller may offer to sell to the Issuer Additional Receivables in accordance with the Receivables Purchase Agreement for an aggregate purchase price not exceeding the Replenishment Available Amount. The Issuer will be obligated to purchase and acquire Receivables for purposes of a Replenishment only to the extent that the obligation to pay the purchase price for the Receivables offered to the Issuer by the Seller for purchase on any Purchase Date can be satisfied by the Issuer by applying the Available Distribution Amount as of the Cut-Off Date immediately preceding the relevant Purchase Date in accordance with the Pre-Enforcement Priority of Payments. The obligation of the Issuer to pay the purchase price for any Additional Receivables in accordance with the Receivables Purchase Agreement will be netted against the obligation of the Seller acting as Servicer under the Servicing Agreement to transfer Collections to the Issuer on the Payment Date falling on the Purchase Date on which the Issuer purchases the relevant Additional Receivables from the Seller. Generally, the aggregate Outstanding Principal Amount of the Additional Receivables purchased by the Issuer on any Purchase Date may together with the Aggregate Outstanding Principal Amount of all Receivables purchased prior to such Purchase Date not exceed the amount of EUR 1,500,000,000. However, to the extent required to avoid assigning partial receivables to the Issuer, the Seller may assign to the Issuer Additional Receivables which result in the Aggregate Outstanding Principal Amount of all Purchased Receivables to exceed the amount of EUR 1,500,000,000. The Issuer will owe no purchase price to the Seller for any excess portion of an Additional Receivable which is assigned to the Issuer by the Seller.

In the event that, on any Purchase Date, the Replenishment Available Amount exceeds the aggregate purchase price payable by the Issuer to the Seller for the Additional Receivables purchased on such Purchase Date, such excess will be credited to the Purchase Shortfall Account. The amounts (if any) standing to the credit of the Purchase Shortfall Account on any Cut-Off Date will be included in the Available Distribution Amount and will be applied, on the Payment Date immediately following such Cut-Off Date, in accordance with the Pre-Enforcement Priority of Payments.

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 must contain certain relevant information for the purpose of identification of the Receivables. In each offer, the Seller must represent that certain representations and warranties with respect to the relevant Receivable were true and correct on the relevant Purchase Date. Upon acceptance, the Issuer will acquire or will be 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 such 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 will obtain the full economic ownership in the Purchased Receivables as from the relevant Cut-Off Date, 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 is not or will not be transferred to the Issuer, the Seller, upon receipt of the relevant 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) is 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 will be 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, is 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 is required, at its own cost, to 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 under 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 (2nd) 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.

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

Instalment of new parts or replacement parts in Financed Vehicles

5. 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 selected by the Seller as repurchase date, be at the cost of the Seller and cause 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 Aggregate Outstanding Principal Amount as at such Payment Date plus any interest accrued but unpaid on all Purchased Receivables which are not Defaulted Receivables as at such time 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 Class A Notes together with all amounts ranking prior to the Class A 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, the Servicing Agreement or the Data Trust Agreement.

Set-Off Reserve

Pursuant to the Receivables Purchase Agreement, if a Set-Off Reserve Trigger Event occurs, the Seller will be required, within thirty (30) calendar days, to transfer the Set-Off Reserve Amount to an account of the Issuer held with the Account Bank (the "**Set-Off Reserve Account**"). If the balance credited to the Set-Off Reserve Account as of any Cut-Off Date following the occurrence of a Set-Off Reserve 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 Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Seller shall pursuant to the Receivables Purchase Agreement transfer an amount equal to such shortfall as determined as of such Cut-Off Date on the immediately following Payment Date to the Set-Off Reserve Account.

"**Set-Off Reserve Amount**" shall mean the sum of (X) and (Y), where:

(X) means, (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, an amount sufficient to capture the set-off risk related to the aggregate outstanding Capitalised Service Fees for all outstanding Purchased Receivables of the Issuer as at such Cut-Off Date, as determined by the Servicer and set forth in the Detailed Investor Report in respect of such Cut-Off Date, provided that (X) shall be reduced to a lower amount or zero if (i) the Issuer determines that such lower amount will be sufficient, or (in case of a reduction to zero) an additional amount will no longer be required, to avoid a downgrading of the ratings assigned to the Class A Notes and (ii) the Issuer has notified the Rating Agencies and the Seller of such reduction; and (b) if as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero;

(Y) means, (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 Seller Deposits 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 Seller Deposits, and are in each case equal to the lower of (i) the amount of Seller Deposits which, as of the relevant Cut-Off Date, are held 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 following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero.

"Capitalised Service Fee" shall mean, in respect of any Purchased Receivable, the total amount of the outstanding balance of the relevant Loan Contract which relates to the fees or premiums charged for the related Payment Protection Insurance (*Ratenschutzversicherung*), (ii) the related Gap Insurance (*Gap-Versicherung*) and/or (iii) the related Repair Cost Insurance (*Reparaturkostenversicherung*).

"Seller Deposits" means, with respect to any Debtor, the actual aggregate amount held by such Debtor in the form of money market accounts (*Tagesgeldkonten*), savings certificates (*Sparbriefe*), savings accounts (*Sparkonten*), current accounts (*Girokonten*) and/or credit cards (*Kreditkarten*) with the Seller at the relevant time.

The amounts, if any, standing to the credit of the Set-Off 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 (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 pays 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 Account 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 8 of the definition of Available Distribution Amount.

Representations and warranties

The Seller has made the following representations and warranties with respect to the Portfolio under the Receivables Purchase Agreement to the Issuer (in its capacity as Purchaser under the Receivables Purchase Agreement):

- (a) The Seller is a stock corporation (*Aktiengesellschaft*) duly organised and validly existing under the laws of the Federal Republic of Germany, is a fully licensed bank under the German Banking Act and has all corporate power and all governmental approvals which are necessary in order to conduct its business in the Federal Republic of Germany.
- (b) The execution, delivery and performance by it of the Receivables Purchase Agreement and the transactions contemplated thereby are within its corporate powers, have been duly authorised by all necessary corporate action, require no action by or in respect of, or filing recording or enrolling with, any governmental body, agency court official or other authority, and do not contravene, or constitute a default under, any provision of applicable law or regulation or of its articles of association (*Satzung*) or of any agreement, judgment, injunction, order, decree or other instrument binding upon it or result in the creation or imposition of any Adverse Claim on its assets (other than in favour of the Purchaser pursuant to the Receivables Purchase Agreement).
- (c) The Receivables Purchase Agreement constitutes legally valid, binding and enforceable obligations of the Seller enforceable against the Seller in accordance with its terms. The

Seller has undertaken all actions, obtained all approvals and fulfilled all other conditions in order to conclude the Receivables Purchase Agreement, to safeguard the rights and to fulfil their respective duties arising therefrom.

- (d)
- (i) The Seller has not taken any action nor is the Seller aware of any measures having been taken or initiated by third parties to commence insolvency proceedings or any other proceedings directed towards the liquidation or reorganisation of the Seller or which could lead to the appointment of a receiver, trustee in bankruptcy, sequestrator or any other person entrusted with such duties in relation to the Seller's assets.
 - (ii) No judicial or similar proceedings are pending, initiated or threatened against the Seller which could have a material adverse effect on the maintenance of its business operations or its financial position and thus the proper performance of the Receivables Purchase Agreement.
 - (iii) The Seller is neither over-indebted (*überschuldet*), nor unable to pay its debts when they fall due (*zahlungsunfähig*), nor in a stoppage of payment situation, nor in a situation of threatened inability to pay (*drohende Zahlungsunfähigkeit*). The Seller enters into the Receivables Purchase Agreement for its own commercial benefit without the intention to prejudice its creditors.
- (e) All information (including any information contained in the Offer and any Monthly Report) furnished by the Seller to the Purchaser is, or if hereafter furnished by the Seller to the Purchaser, will be true and accurate in every material respect and will not contain any material error or omission, on the date of its disclosure.
- (f) The principal place of business (*Ort der Geschäftsleitung*) and chief executive office (*Verwaltungssitz*) of the Seller is located in Germany. The Seller shall store the Records related to the Receivables Purchase Agreement at the address described therein or at any other location in the Federal Republic of Germany which the Seller has notified to the Purchaser.
- (g) On the Purchase Date any Receivable offered for purchase is an Eligible Receivable.
- (h) 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 the Federal Republic of Germany title to which has been transferred by the relevant Debtor to the Seller as Related Collateral, and such Related Collateral is legally valid, binding and enforceable in accordance with its terms. In addition, no Loan Contract has been subject to any variation, amendments, modification, waiver or exclusion of time of any kind which in any material way adversely affects the enforceability or collectability of all or a material portion of the Receivables offered for purchase.
- (i) There exists in respect of each Receivable offered for sale and assignment to the Purchaser under the Receivables Purchase Agreement the Related Collateral contemplated in the relevant Loan Contract.
- (j) In the event that it is agreed in the relevant Loan Contract that a comprehensive insurance policy (*Kaskoversicherung*) shall be entered into, the respective Debtors have to enter into comprehensive insurance policies (*Kaskoversicherungen*) for the relevant Financed Vehicles which shall continue to exist for the term of the Loan Contract. The Seller shall, upon request of the Purchaser, 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 Purchaser under the Receivables Assignment Agreement.
- (k) Upon the payment of the Purchase Prices on the Purchase Date under the Receivables Purchase Agreement the Purchaser 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.

- (l) There has not been nor will there be any material amendment to the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment and (ii) the Purchaser, the Servicer (if different from the Seller) and, where such amendment would be materially prejudicial (*wesentlich nachteilig*) to the interests of the holders of the then outstanding most senior Class of Notes, the Transaction Security Trustee have consented to such amendment in writing (such consent not to be unreasonably withheld).
- (m) Neither the Purchased Receivables, the Related Collateral nor the claim for payment of Collections by the Servicer and the Seller to the Purchaser 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.

Undertakings

Under the Receivables Purchase Agreement the Seller has agreed to the following undertakings vis-a-vis the Issuer (in its capacity as Purchaser under the Receivables Purchase Agreement):

- (a) The Seller shall maintain an accounting system which is prepared and managed in accordance with generally accepted German accounting principles.

The Seller shall procure, in particular, the following:

- (i) *Monthly Report*

The Seller, acting in its capacity as Servicer, shall prepare a Monthly Report for each Collection Period in the form and with the contents set out in Schedule 1 Part A to the Servicing Agreement together with a confirmation certifying that no Termination Event or Notification Event has occurred. The Seller shall procure that the Servicer will deliver such Monthly Report to the Purchaser with a copy to the Corporate Administrator, the Calculation Agent, the Cash Administrator and the Principal Paying Agent in accordance with the Servicing Agreement.

- (ii) *Detailed Investor Report*

The Seller, acting in its capacity as Servicer, shall prepare a Detailed Investor Report for each Collection Period in the form and with the contents set out in Schedule 1 Part B to the Servicing Agreement. The Seller will procure that the Servicer will deliver such Detailed Investor Report to the Purchaser with a copy to the Corporate Administrator, the Transaction Security Trustee, the Principal Paying Agent, the Cash Administrator, the Calculation Agent and each Rating Agency in accordance with the Servicing Agreement. The Detailed Investor Report shall include detailed summary statistics and information regarding the performance of the portfolio of Purchased Receivables during the last Collection Period.

- (iii) *Notice of Termination Event*

Immediately after, and in any event within three (3) Business Days of, the occurrence of any Termination Event, the Seller shall submit to the Purchaser and the Transaction Security Trustee a statement setting forth the details of such Termination Event and the measures which the Seller proposes to take in this regard, including any information requested by the Purchaser or required to appropriately assess the financial standing of the Seller. For the avoidance of doubt, any such proposed measures shall not affect the rights of the Purchaser arising from such Termination Event under the Receivables Purchase Agreement.

- (iv) *Related Collateral*

The Seller shall provide to the Purchaser any information as the Purchaser may from time to time reasonably request in respect of the Related Collateral including, for the avoidance of doubt, information reasonably required by the Purchaser for any realisation of such Related Collateral.

(v) *Financial Accounts*

The Seller shall as soon as the same become available, but in any event within six (6) months after the end of each of its financial years, deliver to the Purchaser its audited not consolidated financial statements for such financial year. The Seller shall ensure that each set of financial statements delivered by it is prepared in accordance with accounting principles generally accepted in Germany and consistently applied, (ii) is certified by a duly authorised officer of it as giving a true and fair view of its financial condition as at the end of the period to which those financial statements relate and of the results of its operations during such period and (iii) has been audited by an internationally recognised firm of independent auditors licensed to practise in Germany.

(vi) *Other Information*

The Seller shall provide the Purchaser with any other information (including non-financial information) as reasonably requested by the Purchaser from time to time for its own purposes or for the purposes of any of the persons providing direct or indirect finance to it, and in particular, but without limitation, any information requested by the Transaction Security Trustee in accordance with the Transaction Security Agreement.

- (b) The Seller shall do all things necessary in order to remain a corporation duly organised and validly existing under the laws of the Federal Republic of Germany and maintain all requisite authority to conduct its business in the Federal Republic of Germany.
- (c) The Seller shall comply in all respects which could be regarded as material in the context of the transactions contemplated by the Receivables Purchase Agreement, with all laws, rules, regulations, orders, writs, judgements, injunctions, decrees or awards to which it may be subject.
- (d) The Seller shall have systems in place in relation to the Purchased Receivables and Related Collateral that are capable of providing the information and Records to which the Purchaser (including any of its agents and any person acting on behalf of or in favour of the Purchaser) is entitled in accordance with the Receivables Purchase Agreement, always in a format readable by the Purchaser or in any other form determined by the Receivables Purchase Agreement, and shall ensure that the data made available or to be made available in this way can be used at all times without any licenses or other restrictions on its use by the Purchaser or any third party commissioned by the Purchaser.

To the extent allowed by applicable data protection and banking secrecy law, the Seller shall permit the Purchaser, the external auditors of the Seller (acting on behalf of, and on the instructions of, the Purchaser) and/or any other representatives of the Purchaser who are subject to a professional duty of confidentiality or undertake for the benefit of the Seller to comply with duties of to enter under the direct supervision of the Seller upon its premises in order to:

- (i) inspect and satisfy itself or themselves that the systems are in place, maintained in working order and are capable of providing the information to which it or they are reasonably and properly entitled pursuant to the Receivables Purchase Agreement or the Servicing Agreement and which the Seller or the Servicer has failed to supply within ten (10) days of receiving written notice of such failure or to verify any such information which has been provided and which the Purchaser has reason to believe is inaccurate; and

- (ii) examine and make copies of and extracts from all Records but, for the avoidance of doubt, the Purchaser shall have no right to examine and make copies of and extracts from Records which contain confidential technical information of the Seller,

provided that no originals of Records (other than to that which the Purchaser is entitled so to examine, copy or make abstracts from) shall be removed from the Seller's premises (but for the avoidance of doubt this prohibition of removal shall not apply to copies of such original Records). Such Records shall remain confidential and shall not be used or disclosed or divulged to any person (except to the extent and in the circumstances permitted by the Receivables Purchase Agreement or the Servicing Agreement and in accordance with applicable law) without the prior written consent of the Seller, such consent not to be unreasonably withheld.

- (e) The Seller shall keep and maintain Records required by the Servicer in order to keep and maintain, Records for each Purchased Receivable and Related Collateral for the purposes of identifying, in particular, at any time, the amounts which have been paid by or to any Debtor, which are to be paid by or to any Debtor, the source of payments which are paid to the Seller or Servicer and the Transaction Account, and the balance outstanding with respect to each Debtor. The Seller shall inform the Purchaser regarding any material change in its administrative or accounting procedures related to the preparation and maintenance of the Records. The Seller shall mark in its Records each Purchased Receivable (together with the Related Collateral) as sold and assigned to the Purchaser. 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 Seller shall 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.
- (f) The Seller shall notify the Purchaser and each of the Rating Agencies on a monthly basis of the amounts of Seller Deposits existing at the relevant time. The Seller may include such information in its Monthly Report.
- (g) In relation to the Purchased Receivables and Related Collateral, and in relation to each of its representations, warranties, covenants and other obligations under the Receivables Purchase Agreement the Seller shall apply the due care which the Seller exercises in its own affairs but at least the care of a prudent business man (*Sorgfalt eines ordentlichen Kaufmannes*).

The Seller shall promptly provide the Purchaser with any information which prejudices the existence of any Loan Contract. The Seller shall immediately notify the Purchaser if third parties levy execution upon the assigned claims of the Purchaser, the Purchased Receivables or the Related Collateral or if the Purchased Receivables or the Related Collateral are materially prejudiced or jeopardised by any other events.

- (h) The Seller shall, at its own expense, in a timely manner fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Loan Contracts and Related Collateral documents related to the Purchased Receivables as if interests in such Purchased Receivables had not been assigned and sold under the Receivables Purchase Agreement and the Seller shall as soon as is reasonable notify the Purchaser and the Servicer if third parties make claims or exercise (or purport to exercise) rights regarding the Purchased Receivables or the Related Collateral.
- (i) The Seller shall comply with its Credit and Collection Policy with respect to each Debtor, each Purchased Receivable and Related Collateral as if interests in such Purchased Receivables would not be sold and assigned and had not been assigned and sold under the Receivables Purchase Agreement.

The Seller shall comply, in its capacity as Servicer, with respect to each Purchased Receivable, the Related Collateral and the related Loan Contracts, with the Credit and Collection Policy in accordance with the Servicing Agreement.

The Seller shall not materially amend the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment and (ii) the Purchaser, the Servicer (if different) and, where such amendment would be materially prejudicial (*wesentlich nachteilig*) to the interests of the holders of the then outstanding most senior Class of Notes the Transaction Security Trustee have consented to such amendment in writing (such consent not to be unreasonably withheld). The Seller shall ensure that the procedure applied by it in relation to the recovery of Collections and the servicing of the Purchased Receivables and the Related Collateral are the same as those applied by the Seller in relation to receivables and collateral other than the Purchased Receivables and the Related Collateral.

- (j) All amounts paid to the Purchaser shall be made free of all withholding taxes or other taxes including but not limited to value added tax.
- (k) The Seller acting in its capacity as Servicer confirms that it has obtained and maintains any and all required licenses prior to execution of the Receivables Purchase Agreement.
- (l) The Seller confirms that it has obtained and maintains at all times, a valid banking license, duly granted by the German Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
- (m)
 - (i) The Seller shall always comply with its obligations under the CRR and the German Banking Act (*Kreditwesengesetz*) with respect to required regulatory capital, in particular Sections 10 to 22 of the German Banking Act and the regulations, interpretations or orders issued with respect thereto, in particular the principles on capital and liquidity (*Grundsätze über Eigenmittel und Liquidität*).
 - (ii) In the event that any measures have been taken with respect to the Seller under or pursuant to Sections 44 to 46 or 46b of the German Banking Act (other than measures pursuant to Section 44 (1) 2, 44 (2) 2 of the German Banking Act in the ordinary course of business) or the Act on the Reorganisation of Credit Institutions (*Gesetz zur Reorganisation von Kreditinstituten*) or the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*), the Seller shall immediately inform the Purchaser, the Transaction Security Trustee and the Rating Agencies thereof and comply with such financial and other requirements which the Purchaser may reasonably request with respect thereto.
- (n) Except as permitted under the Receivables Purchase Agreement, in the Servicing Agreement or in the Credit and Collection Policy, the Seller may not waive and shall not allow the Servicer to waive any Purchased Receivables or Related Collateral or otherwise modify the provisions thereof or supplement, modify or rescind any provision or conditions of any Loan Contract or any contract related thereto, particularly agreements regarding Related Collateral, or terminate any such agreement, Loan Contract or end such in any other way without the prior approval of the Purchaser.
- (o) The Seller and the Servicer may not undertake any material modifications in the nature of its business, otherwise than in accordance with the Receivables Purchase Agreement.
- (p) Except as otherwise provided in the Receivables Purchase Agreement, the Seller shall not sell, assign or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to any Purchased Receivables, any Related Collateral, any goods or services the subject of any Purchased Receivable or related Loan Contract or Related Collateral, or assign any right to receive income in respect thereof or attempt, purport or agree to do any of the foregoing. Further, the Seller shall not create or allow to exist any counterclaims, rights of set-off or other defences of the Debtors with respect to the obligation of the Debtors to make payment of the Loan Instalments other than such counterclaims, rights of set-off or other defences of the Debtors existing or arising under statutory law and relating to deposits held by a Debtor on a current account with the Seller.

Servicing Agreement

Pursuant to the Servicing Agreement between the Servicer, the Transaction Security Trustee and the Issuer (in its capacity as Purchaser under the Receivables Purchase Agreement), 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 Purchaser.

Servicer's Duties

The Servicer acts as agent (*Beauftragter*) of the Issuer (in its capacity as Purchaser under the Receivables Purchase Agreement) under the Servicing Agreement. The duties of the Servicer (the "**Services**") are set out in the Servicing Agreement and include the following:

- (a) the assumption of collection and administrative tasks and the specific duties set out in the Servicing Agreement. In the performance of its obligations under the Servicing Agreement, the Servicer shall exercise the due care and diligence of a prudent businessman (*Sorgfalt eines ordentlichen Kaufmannes*) as if it was administering receivables on its own behalf.
- (b) The Servicer shall:
 - (i) endeavour at its own expense to recover amounts due from the Debtors in accordance with the Credit and Collection Policy, in particular (but without prejudice to the generality of the foregoing) exercise all enforcement measures concerning amounts due from the Debtors. The Purchaser shall 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. The Servicer shall reimburse the Purchaser for any costs and expenses incurred in this regard;
 - (ii) keep and maintain Records, account books and documents in relation to the Purchased Receivables and the Related Collateral in electronic or paper form in a manner such that it is easily distinguishable from records relating to other receivables or collateral to which the Servicer itself is originator, servicer or depository, or otherwise, and shall identify such Records, account books and documents with contract numbers in order to distinguish them from all other records, account books and documents relating to such other receivables or collateral managed by the Servicer;
 - (iii) keep records for taxation purposes, including for the purposes of value added tax;
 - (iv) hold all Records relating to the Purchased Receivables and the Related Collateral in its possession in trust (*treuhänderisch*) for, and to the order of, the Purchaser;
 - (v) assist the Purchaser in discharging any Related Collateral in respect of the relevant Purchased Receivable which has been paid;
 - (vi) assist the Purchaser's auditors and provide information to them upon request; and
 - (vii) prepare and deliver the Monthly Report in accordance with the Servicing Agreement, which shall, *inter alia*, contain updated information with respect to the Portfolio.
- (c) The Servicer shall terminate any Loan Contract underlying a Purchased Receivable in accordance with the Credit and Collection Policy. The Servicer agrees that it shall not agree with any Debtor on any provisions which would restrict such termination rights as compared to the situation currently existing at law and under the standard form contracts used by the Seller for Loan Contracts.

For the avoidance of doubt and without affecting any other obligation of the Seller or the Servicer to pay damages to the Purchaser or to indemnify the Purchaser against any amounts, and irrespective of whether such other obligations arise under the Servicing Agreement, the Receivables Purchase Agreement or at law, the Servicer shall pay damages to the Purchaser if any Loan Contract is not duly and timely terminated in accordance with the preceding paragraph and the Receivables Purchase Agreement, and, additionally (but without double-counting) shall put the Purchaser in the position in which the Purchaser would have been in if the Servicer had complied with such obligation to terminate such Loan Contract.

- (d) In the event of an enforcement of any Related Collateral, the Servicer shall realise such Related Collateral or other existing collateral as soon as possible by taking such measures as it deems necessary in its professional discretion, but always in accordance with the Credit and Collection Policy (as such Credit and Collection Policy may be amended with the written consent of the Purchaser, the Seller (if different from the Servicer) and, where such amendment would be materially prejudicial (*wesentlich nachteilig*) to the interests of the holders of the then outstanding most senior Class of Notes, the Transaction Security Trustee in accordance with the Servicing Agreement). The Servicer shall pay to the Purchaser the portion of the realisation proceeds which have been applied or are to be applied to Purchased Receivables in accordance with Section 366 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*) or to which the Purchaser is otherwise entitled pursuant to the Receivables Purchase Agreement.
- (e) The Servicer shall take all necessary steps to secure payment of all sums due from or in connection with a Purchased Receivable or Related Collateral. The Servicer shall enforce all covenants and obligations of the Debtors owed pursuant to the Loan Contracts underlying the Purchased Receivables in the same manner as it generally does in relation to its own receivables and, if applicable, in compliance with the Credit and Collection Policy.

The Servicer shall comply with the Credit and Collection Policy with respect to each Purchased Receivable, the Related Collateral and the related Loan Contracts, unless the Purchaser has previously approved such change to or deviation from the Credit and Collection Policy in general or with respect to the collection of a specific Purchased Receivable or Related Collateral.

- (f) The Servicer shall, on each Payment Date, pay into the Transaction Account all Collections in respect of the Purchased Receivables and the Related Collateral received by the Servicer during the Collection Period immediately preceding such Payment Date. Where a Debtor owes at least another receivable in addition to a Purchased Receivable to the Seller and such Debtor has failed to indicate to which receivable its payment should be allocated, the Servicer shall allocate such payment in accordance with Section 366 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*).
- (g) The Servicer covenants and declares that, pending transfer to the Purchaser or the Transaction Account, all Collections and other amounts in respect of Purchased Receivables or the Related Collateral which the Servicer otherwise receives and to which the Purchaser is entitled or which are to be paid to the Purchaser or into the Transaction Account, shall be held by it on trust (*treuhänderisch*) for the Purchaser and that it will give directions to the relevant banks in relation to such sums accordingly, subject to the terms of the Servicing Agreement and comply with its duties and obligations thereunder. Immediately after the receipt of such funds, the Servicer shall pay or keep them in accordance with the Servicing Agreement or as otherwise directed by the Purchaser or, as relevant, the Transaction Security Trustee.
- (h) The Servicer shall keep and maintain all necessary information and Records for each individual Purchased Receivable and Related Collateral for the purposes of, in particular, identifying at any time amounts which have been paid by or to any individual Debtor, amounts to be paid by or to any individual Debtor, and the outstanding balance with respect to each Debtor. The Servicer shall give notice to the Purchaser, the Transaction

Security Trustee and the Rating Agencies regarding any material change in its administrative or operating procedures relating to the keeping and maintaining of the Records. Any such material change shall only take effect with the Purchaser's prior written consent. 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 shall 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.

- (i) All payments due under the Servicing Agreement shall be made free of all bank charges and costs for the recipient thereof. Without prejudice to the other provisions of the Servicing Agreement, all payments by any party thereto (other than the Purchaser and the Transaction Security Trustee) are to be rendered without any deduction or retention due to any set-off or counterclaim; however, if the parties to the Servicing Agreement are under the obligation to make payments under the Servicing Agreement or the Receivables Purchase Agreement in the same currency on the same day, the party owing the higher amount shall pay to the other party the difference between the amounts owed and the payment of such difference will discharge the obligation of the parties hereto to make such payments, *provided that* such payment netting shall be excluded if and to the extent any of such obligations to make payments is disputed in whole or in part by the relevant party.
- (j) All payments to be made by the Servicer to the Purchaser shall be made free and clear of and without deduction for or on account of any tax. In the event the Servicer is obliged to render a payment with any deduction or withholding of tax, the Servicer shall reimburse the Purchaser in an amount corresponding to such deduction or retention so that the net amount paid to the Purchaser corresponds to the amount to which the Purchaser would have been entitled had the deduction or retention not been made.

Any demand which the Purchaser makes pursuant to this paragraph (j) must specify the details of the claim for reimbursement and be duly signed by an authorised officer of the Purchaser.

The Purchaser shall immediately inform the Servicer if the Purchaser becomes aware of any circumstances which could reasonably be expected to lead to a claim on the part of the Purchaser under this paragraph (j).

The Purchaser shall give the Servicer the opportunity and authorisation to raise defences (in its own name or in the name of the Purchaser, but in any event at the Servicer's own costs (and insofar the Servicer undertakes to reimburse the Purchaser and indemnify the Purchaser against any costs, expenses and damages which might be incurred by the Purchaser because of or within the course of the Servicer taking such action)) against the relevant payment. In the event that the Servicer intends to raise such defences it shall inform the Purchaser of such intention and the nature of the defences to be raised by it. Unless the Purchaser notifies the Servicer within ten (10) Business Days of receipt of the foregoing notification of the Servicer that it intends to raise defences on its own, the Servicer may proceed with such defences and the Purchaser shall provide the Servicer with any information which the Servicer reasonably requests in the context of such defence. The obligation of the Servicer to immediately indemnify or reimburse the Purchaser or otherwise make payments to the Purchaser in accordance with this paragraph (j) and the Servicing Agreement shall not be affected by the foregoing, in particular the foregoing shall not be interpreted as to give the Servicer any additional time for making payments (*keine Stundung*).

- (k) The Servicer shall not make any deposit or otherwise credit, or cause or permit to be so deposited or credited, to the Transaction Account cash or cash proceeds other than Collections (including Deemed Collections) and other amounts owed under the Servicing Agreement, the Receivables Purchase Agreement or otherwise. The Servicer shall not make any deposit or otherwise credit, or cause or permit to be so deposited or credited, to the Commingling Reserve Account any amounts other than the Commingling Reserve

Amount from the Seller following the occurrence of a Commingling Reserve Trigger Event owed to the Purchaser under the Servicing Agreement, the Receivables Purchase Agreement or otherwise. The Servicer shall not make any deposit or otherwise credit, or cause or permit to be so deposited or credited, to the Set-Off Reserve Account any amounts other than the Set-Off Reserve Amount in its capacity as Seller following the occurrence of a Set-Off Reserve Trigger Event owed to the Purchaser under the Receivables Purchase Agreement or otherwise. The Servicer shall not make any deposit or otherwise credit, or cause or permit to be so deposited or credited, to the Purchase Shortfall Account any amounts other than the Purchase Shortfall Amount in its capacity as Seller on the relevant Purchase Date under the Receivables Purchase Agreement or otherwise.

- (l) Subject to fees (including VAT, if any), costs, charges and expenses, indemnity claims and other amounts payable by the Servicer to any agent appointed with the consent of the Purchaser and the Transaction Security Trustee, the Servicer shall not be entitled to any fee or reimbursement of expenses as consideration for the performance of the Services under the Servicing Agreement. The Purchaser and the Servicer agree that, if the servicing and collection of the Receivables and the Related Collateral of the Seller is outsourced to a Subsidiary and such Subsidiary is appointed as new Servicer by the Purchaser, that, without prejudice to the foregoing, the Servicer in its capacity as Seller shall procure that such new Servicer will not be entitled to any fee or reimbursement of expenses as consideration for the performance of the Services under the Servicing Agreement.
- (m) If, at any time as long as the Seller is the Servicer, a Commingling Reserve Trigger Event occurs, the Seller will be required, within forty (40) calendar days, to transfer the Commingling Reserve Amount to an account of the Purchaser held with the Account Bank (the "**Commingling Reserve Account**"). The Servicer shall calculate the Commingling Reserve Amount as of each Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event. 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, and provided that the Seller is the Servicer, the Servicer in its capacity as Seller shall transfer an amount equal to such shortfall as determined as of such Cut-Off Date on the immediately following Payment Date to the Commingling Reserve Account. On any Payment Date following the occurrence of a Commingling Reserve Trigger Event, the Purchaser shall pay to the Seller in its capacity as Servicer the Commingling Reserve Excess Amount in accordance with the last item of the Pre-Enforcement Priority of Payments.

Further Undertakings

Under the Servicing Agreement, the following further obligations of the Servicer apply:

- (a) The Servicer shall keep safe and shall use all reasonable endeavours to maintain Records (including back-ups of any computer tapes, discs and data) and shall maintain in computer readable form or otherwise (but only insofar as executed copies of the Loan Contracts as such are concerned) Records in relation to each Purchased Receivable and Related Collateral.
- (b) The Servicer shall prepare a Monthly Report for each Collection Period in the form and with the contents set out in Schedule 1 Part A to the Servicing Agreement together with a certification that no Notification Event or Servicer Termination Event has occurred. In particular, but without limitation, the Servicer shall, as part of the Monthly Report, calculate as of each Cut-Off Date and the immediately following Payment Date the Available Distribution Amount. The Servicer shall deliver such Monthly Report to the Purchaser with a copy to the Corporate Administrator, the Calculation Agent, the Cash

Administrator and the Principal Paying Agent not later than on the fourth (4th) Business Day after the Cut-Off Date on which the relevant Collection Period ends.

- (c) The Servicer shall prepare on a monthly basis starting on the Note Issuance Date a Detailed Investor Report for each Collection Period in the form and with the contents set out in Schedule 1, Part B to the Servicing Agreement. The Servicer shall deliver such Detailed Investor Report to the Purchaser, with a copy to the Corporate Administrator, the Transaction Security Trustee, the Principal Paying Agent, the Cash Administrator, the Calculation Agent and each Rating Agency, not later than 12:00 noon (London time) on the third (3rd) calendar day prior to the Payment Date following the Cut-Off Date on which such Collection Period ends.
- (d) All reports or certificates which are delivered by the Servicer pursuant to the Servicing Agreement shall be signed by an authorised signatory of the Servicer.
- (e) The Servicer shall have systems in place in relation to the relevant Purchased Receivables and Related Collateral that are capable of providing the information and Records to which the Purchaser (including any of its agents and persons acting on behalf or in favour of the Purchaser) is entitled to pursuant to the Servicing Agreement or the Receivables Purchase Agreement, always in a format readable by the Purchaser or in any other form determined by the Servicing Agreement, and shall ensure that the data made available or to be made available in this way can be used at all times without any licenses or other restrictions on its use by the Purchaser or any third party commissioned by the Purchaser.

The Servicer shall maintain such systems in working order and shall permit the Purchaser (to the extent permitted under applicable data protection laws and banking secrecy duties to which the Seller is subject in relation to the relevant Purchased Receivables), the external auditors of the Servicer (acting on behalf of, and on the instructions of the Purchaser) and/or any other representatives of the Purchaser (who are subject to a professional duty of confidentiality or undertake for the benefit of the Servicer to comply with duties of confidentiality similar to those agreed upon in the Servicing Agreement) to enter under the direct supervision of the Servicer upon its premises in order to:

- (i) inspect and satisfy itself or themselves that the systems are in place, maintained in working order and are capable of providing the information to which it or they are entitled pursuant to the Servicing Agreement or the Receivables Purchase Agreement and which the Servicer has failed to supply within five (5) calendar days of receiving written notice of such failure, or to verify any such information which has been provided and which the Purchaser has reason to believe is inaccurate; and
- (ii) examine and make copies of and extracts from all Records but, for the avoidance of doubt, the Purchaser shall have no right to examine and make copies of and extracts from Records which contain confidential technical information of the Servicer,

provided that no originals of Records (other than to that which the Purchaser is entitled so to examine, copy or make extracts from) shall be removed from the Servicer's premises (but for the avoidance of doubt this prohibition of removal shall not apply to copies of such original Records). Such Records shall remain confidential and shall not be used or disclosed or divulged to any person (except to the extent and in the circumstances permitted by the Servicing Agreement or the Receivables Purchase Agreement and in accordance with applicable law) without the prior written consent of the Servicer (such consent not to be unreasonably withheld).

The Servicer shall take all necessary measures in order to provide the information which the Purchaser may request in accordance with the Servicing Agreement in a format readable by the Purchaser or in any other form determined by the Servicing Agreement and shall ensure that the data made available in this way can be used at all times without

any licenses or other restrictions on its use by the Purchaser or any third party commissioned by the Purchaser.

- (f) The Servicer shall give such time and attention and will exercise such skill, care and diligence in the performance of the Services as it does in servicing loan receivables other than the Purchased Receivables. The Servicer shall apply the due care which the Servicer exercises in its own affairs but at least the care of a prudent business man (*Sorgfalt eines ordentlichen Kaufmannes*) not only in relation to the Purchased Receivables and Related Collateral but also in relation to each of its representations, warranties, covenants and other obligations under the Servicing Agreement (in particular, but without limitation, its obligation to comply with the Credit and Collection Policy).
- (g) The Servicer shall ensure that the procedures applied by it in relation to the recovery of Collections and the servicing of Purchased Receivables and the Related Collateral are the same as those applied by the Servicer in relation to receivables and collateral other than the Purchased Receivables and the Related Collateral.
- (h) The Servicer shall consider the interests of the Purchaser in relation to the Debtors and in exercising any discretion which arises from the performance of the Services.
- (i) The Servicer shall obtain and keep all required licenses, approvals, registrations, authorisations and consents which are necessary or desirable in connection with the performance of the Services and procure that any of its agents obtains and maintains any such license. The Servicer confirms that it has obtained and maintains at all times, a valid banking license, duly granted by the German Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
- (j) The Servicer shall at its own expense and in a timely manner fully perform and comply with all provisions, covenants and other obligations required to be observed by the Seller under the relevant Loan Contracts and the documents relating to the Related Collateral.
- (k) The Servicer shall comply with all legal requirements in relation to the Purchased Receivables and the Related Collateral.
- (l) The Servicer shall not, otherwise than as permitted in the Servicing Agreement, dispose of objects or rights which exist in relation to the Purchased Receivables and the Related Collateral without the prior written consent of the Purchaser.
- (m) The Servicer shall not, except as otherwise permitted under the Servicing Agreement, the Credit and Collection Policy (insofar as it relates to one time extension (*Stundung*) of up to three months in relation to Purchased Receivables which are not Delinquent Receivables or Defaulted Receivables (but in no event until a date later than six (6) months prior to the Legal Maturity Date of the Notes)) or under the Receivables Purchase Agreement, extend, amend, modify or waive any Purchased Receivables or Related Collateral or materially amend or otherwise modify the terms of any Loan Contract or Related Collateral or terminate such Loan Contract or Related Collateral without the prior written consent of the Purchaser.
- (n) The Servicer shall maintain an accounting system which is prepared and managed in accordance with generally accepted German accounting principles.
- (o) The Servicer shall in particular procure the following:
 - (i) The Servicer shall provide to the Purchaser any information as the Purchaser may from time to time request in respect of the Related Collateral including, for the avoidance of doubt, information reasonably required by the Purchaser for any realisation of such Related Collateral and any information relating to any damage to, or loss of, Financed Vehicles or other problems or potential problems with regard to the Related Collateral.

- (ii) The Servicer shall as soon as the same become available, but in any event within six months after the end of each of its financial years, deliver to the Purchaser its audited consolidated and not consolidated financial statements for such financial year. The Servicer shall ensure that each set of financial statements delivered by it (i) is prepared in accordance with accounting principles generally accepted in Germany and consistently applied, (ii) is certified by a duly authorised officer of it as giving a true and fair view of its financial condition as at the end of the period to which those financial statements relate and of the results of its operations during such period and
- (iii) has been audited by an internationally recognised firm of independent auditors licensed to practise in Germany.
- (iv) The Servicer shall provide the Purchaser with any other information (including non-financial information) as reasonably requested by the Purchaser from time to time for its own purposes or for the purposes of any of the persons providing direct or indirect finance to it.
- (v) The Servicer shall, upon request of the Purchaser, use its best efforts to make loan level data available in such a manner as may be required to comply with the Eurosystem eligibility criteria (as set out in Annex VIII (loan level data reporting requirements for asset-backed securities) of the Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast), as amended and applicable from time to time), subject to applicable data protection laws.
- (p) The Servicer shall do all things necessary in order to remain a corporation duly organised and validly existing under the laws of Germany and maintain all requisite authority and licenses to conduct its business in Germany.
- (q) The Servicer shall comply in all respects which could be regarded as material in the context of the transactions contemplated by the Servicing Agreement, with all laws, rules, regulations, orders, writs, judgements, injunctions, decrees or awards to which it may be subject.
- (r) The Servicer shall immediately provide the Purchaser with any information which prejudices the existence of any Purchased Receivables or Related Collateral *provided that* the Servicer is entitled to disclose such information. The Servicer shall immediately notify the Purchaser if third parties levy execution upon the assigned claims of the Purchaser, any Purchased Receivables or the Related Collateral or if any Purchased Receivables or Related Collateral are materially prejudiced or jeopardised by any other events.
- (s) The Servicer shall not materially amend the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment, and (ii) the Purchaser, the Seller (if different from the Servicer) and, where such amendment would be materially prejudicial (*wesentlich nachteilig*) to the interests of the holders of the then outstanding most senior Class of Notes, the Transaction Security Trustee have consented to such amendment in writing (such consent not to be unreasonably withheld).
- (t) To the extent legally possible, the Servicer shall provide free of charge any required software and/or licenses to any substitute servicer appointed with respect to the Purchased Receivables or Related Collateral by the Purchaser in accordance with the Servicing Agreement and/or the Receivables Purchase Agreement.
- (u) Neither the Servicer nor any of its managing directors or employees shall have any power to enter into any new agreements on behalf of the Purchaser or hold themselves as being entitled to legally bind or negotiate on behalf of the Purchaser (other than as contemplated in the Servicing Agreement), to act as a branch, agent or representative of the Purchaser, to issue instructions, manage, direct or administer any aspect of the Purchaser's business (except as expressly provided for in the Servicing Agreement).

Accordingly, the Servicer shall only be obliged to render the Services specified in the Servicing Agreement and the Purchaser shall not be entitled to direct the Servicer to perform any other activities or to render any other services. The Servicer is instructed by the Purchaser to comply with and collect all Purchased Receivables and the Related Collateral always in accordance with the Credit and Collection Policy (as such Credit and Collection Policy may be amended in accordance with the Servicing Agreement).

Representations and Warranties

Under the Servicing Agreement the Servicer has made the following representations and warranties to the Issuer (in its capacity as Purchaser under the Receivables Purchase Agreement):

- (a) The Servicer is a stock corporation (*Aktiengesellschaft*) duly organised and validly existing under the laws of the Federal Republic of Germany, is a fully licensed bank under the German Banking Act and has all corporate power and all governmental approvals which are necessary in order to conduct its business in the Federal Republic of Germany.
- (b) The execution, delivery and performance by it of the Servicing Agreement and the transactions contemplated thereby are within its corporate powers, have been duly authorised by all necessary corporate action, require no action by or in respect of, or filing recording or enrolling with, any governmental body, agency court official or other authority, and do not contravene, or constitute a default under, any provision of applicable law or regulation or of its articles of association (*Satzung*) or of any agreement, judgment, injunction, order, decree or other instrument binding upon it or result in the creation or imposition of any Adverse Claim on its assets (other than in favour of the Purchaser pursuant to the Servicing Agreement).
- (c) The Servicing Agreement constitutes its legally valid, binding and enforceable obligations of the Servicer enforceable against the Servicer in accordance with its terms. The Servicer has undertaken all actions, obtained all approvals and licenses required for the performance of the Services under the Servicing Agreement and has fulfilled all other conditions in order to conclude the Servicing Agreement, to safeguard the rights and to fulfil its respective duties arising therefrom.
- (d)
 - (i) The Servicer has not taken any action nor is the Servicer aware of any measures having been taken or initiated by third parties to commence insolvency proceedings or any other proceedings directed towards the liquidation or reorganisation of the Servicer or which could lead to the appointment of a receiver, trustee in bankruptcy, sequestrator or any other person entrusted with such duties in relation to the Servicer's assets.
 - (ii) No judicial or similar proceedings are pending, initiated or threatened against the Servicer which could have a material adverse effect on the maintenance of its business operations or its financial position and thus the proper performance of the Servicing Agreement.
 - (iii) The Servicer is neither over-indebted (*überschuldet*), nor unable to pay its debts when they fall due (*zahlungsunfähig*), nor in a stoppage of payment situation, nor in a situation of threatened inability to pay (*drohende Zahlungsunfähigkeit*). The Servicer enters into the Servicing Agreement for its own commercial benefit without the intention to prejudice its creditors.
- (e) All information (including any information contained in the Offer and any Monthly Report) furnished by the Servicer to the Purchaser is, or if hereafter furnished by the Servicer to the Purchaser, will be true and accurate in every material respect and will not contain any material error or omission, on the date of its disclosure.

- (f) The principal place of business (*Ort der Geschäftsleitung*) and chief executive office (*Verwaltungssitz*) of the Servicer is located in Germany. The Servicer shall store the Records at the address described in the Servicing Agreement or at any other location in the Federal Republic of Germany which the Servicer has notified to the Purchaser in accordance with the Servicing Agreement.
- (g) There are no actions, suits or proceedings current or pending, or to the knowledge of the Servicer threatened, against or affecting the Servicer or any of the assets of the Servicer in any court, or before any arbitrator of any kind, or before or by any governmental, public or administrative body, which may materially adversely affect the financial condition of the Servicer or materially adversely affect the ability of the Servicer to perform its obligations under the Servicing Agreement.
- (h) There has not been nor will there be any material amendment to the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment and (ii) the Purchaser, the Seller (if different from the Servicer) and, where such amendment would be materially prejudicial (*wesentlich nachteilig*) to the interests of the holders of the then outstanding most senior Class of Notes, the Transaction Security Trustee have consented to such amendment in writing (such consent not to be unreasonably withheld).

Delegation to Geoban

A substantial portion of the Servicer's customer servicing obligations under the Servicing Agreement is outsourced on a continuous basis to Geoban S.A., Niederlassung Deutschland ("**Geoban**"), a wholly-owned subsidiary of Banco Santander, S.A. The delegated services Geoban performs include front- (call centre) and back-office (other customer correspondence) operations for banking products such as car, durable, direct loans, mortgages, current accounts, credit & debit cards, savings products as well as specialized tasks such as payments and customer fraud handling. Irrespective of the sub-delegation of certain services to Geoban, the Servicer remains primarily liable for the performance of the servicing obligations under the Servicing Agreement and it is not expected that any delegation of administration and processing services to Geoban will materially and adversely impact on the provision of the loan administration services under the Servicing Agreement.

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 forty (40) 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 in its capacity as Seller shall pursuant to the Servicing Agreement transfer an amount equal to such shortfall as determined as of such Cut-Off Date on the immediately following Payment 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, 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 A-2 (or its replacement) by S&P and 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 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 (ii) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (low) (or its replacement) by DBRS or DBRS Critical Obligations Rating of such entity are assigned a rating of at least BBB (or its replacement) by DBRS, and in each case, any such rating has not been withdrawn.

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 Santander Consumer Bank AG, or (iii) S&P notifies any of Santander Consumer Bank AG, the Issuer or the Transaction Security Trustee in writing that Santander Consumer Bank AG is no longer deemed eligible under the then current applicable rating criteria of S&P, unless in each case of (i) and (ii), Santander Consumer Bank AG has at least 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 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. 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 7 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, unless the

Seller applies part or all of the Collections to the replenishment of the Portfolio in accordance with the Pre-Enforcement Priority of Payments and the terms of the Receivables Purchase Agreement. 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 fourth (4th) 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 starting on the Note Issuance Date, 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 (3rd) calendar day prior to the Payment Date following the Cut-Off Date on which such Collection Period ends. Each Detailed Investor Report shall include detailed summary statistics and information regarding the performance of the portfolio of Purchased Receivables during the last Collection Period.

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 the 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 constitutes a "**Servicer Termination Event**":

- (a) The Servicer fails to make a payment due under the Servicing Agreement at the latest on the second (2nd) 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.
- (b) 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 (a) above) owed to the Issuer under the Servicing Agreement.
- (c) 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.
- (d) 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.
- (e) The Servicer is in breach of any of the covenants set out in the Servicing Agreement.
- (f) 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.
- (g) 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.
- (h) 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.
- (i) 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.
- (j) The Servicer (to the extent that it is identical with the Seller) is in breach of any of the covenants set out in the Receivables Purchase Agreement.
- (k) 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.

In the event that a substitute servicer has not yet been appointed, the Issuer (or if the Issuer fails to do so, Structured Finance Management Limited ((with registration number 03853947 and address 35 Great St Helen's, London, EC3A 6AP), using its best efforts) shall act as back-up servicer facilitator in promptly identifying a substitute servicer which also fulfils the requirements set out in clause 9.2 of the Servicing Agreement, and procuring that such entity agrees to act and be appointed as a substitute servicer to replace the Servicer and ensure servicing continuity.

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 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.

Subordinated Loan Agreement

Pursuant to the Subordinated Loan Agreement, a committed credit facility will be made available to the Issuer by the Subordinated Loan Provider. Pursuant to the terms of the Subordinated Loan Agreement, the Issuer will draw amounts made available thereunder in one single drawdown on the first Purchase Date which will be 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 15,000,000.

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.

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 also agrees 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 Manager 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 each 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.

Agency Agreement

Pursuant to the Agency Agreement, the Principal Paying 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 by posting it on Bloomberg 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 and the Rating Agencies no later than on the third (3rd) 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 and a Cash Administrator 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.

Corporate Administration Agreement

Pursuant to a Corporate Administration Agreement the Corporate Administrator provides certain corporate and administrative services to the Issuer. The corporate services to be provided by the Corporate Administrator include:

- (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 the Corporate Administration 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) with the assistance of tax advisors if necessary, filing all applications for reverse VAT and undertaking all subsequent monthly VAT filings, if applicable;
- (xiii) 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);
- (xiv) undertaking monthly reporting to the German central bank (*Deutsche Bundesbank*) with respect to cross-border payments (*AWV-Meldungen*);

- (xv) 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;
- (xvi) filing the Issuer's annual accounts and tax returns with the competent authorities;
- (xvii) 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;
- (xviii) 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;
- (xix) being responsible for the administrative monitoring of each Account (including, for the avoidance of doubt, any ledger of such Account), including:
 - (a) ensuring that the Issuer complies with its obligations under the Transaction Documents and any other agreements entered into by it in relation to any Account;
 - (b) performing all its duties under the Accounts Agreement with respect to each Account;
 - (c) 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; and
 - (d) opening new Accounts, as and when required;
- (xx) 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 Account Bank Required Ratings of the Account Bank;
- (xxi) co-ordinating and facilitating the preparation and issuance by the Issuer of and, if requested by either the Issuer or the Transaction Security Trustee, 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, including, without limitation, forwarding a copy of any resolution passed by a majority or qualified majority (as applicable) of the Noteholders of any Class at any time to each Rating Agency without undue delay following its publication;
- (xxii) 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*) and (bb) any other legal obligations applicable to it;
- (xxiii) acting as process agent on behalf of the Issuer in the Federal Republic of Germany;
- (xxiv) 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

- (xxv) 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 clause 9.3 of 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 calculated estimates as to the expected average life of the Class A Notes and the Class B Notes are subject to change should one or more than one of the assumptions (a) to (e) below turn out to be incorrect.

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 28 July 2016;
- (d) that the Purchased Receivables continue to be fully performing; and that the clean-up call option will be exercised in accordance with the Receivables Purchase Agreement and Condition 7.5 (Early Redemption) of the Terms and Conditions;
- (e) that the cumulative gross loss is 0% of the initial Outstanding Principal Amount;
- (f) that the Replenishment Period is 48 months.

CPR (per cent.)	Class A Notes			Class B Notes		
	Average Life in Years	First Principal Payment Date	Expected Maturity	Average Life in Years	First Principal Payment Date	Expected Maturity
0%	5.73	Aug-20	Aug-24	8.08	Aug-24	Aug-24
9%	5.57	Aug-20	Apr-24	7.75	Apr-24	Apr-24
14%	5.50	Aug-20	Mar-24	7.67	Mar-24	Mar-24
19%	5.42	Aug-20	Jan-24	7.50	Jan-24	Jan-24

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.

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

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 30 June 2016 was EUR 1,499,999,950.68.

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 (for this purpose the Specified 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

- (a) 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;
 - (b) was originated on or after 11 June 2010;
 - (c) is denominated and payable in euro;
 - (d) the Loan Contract under which it arises has not been terminated, extended or restructured and such Receivable does not arise from an overdraft facility (*Kontokorrentkredit*);
 - (e) the loan facility under the relevant Loan Contract has been fully drawn by the relevant Debtor;
 - (f) the Loan Contract under which it arises has a minimum remaining term of one (1) month and a maximum remaining term of one hundred and eight (108) months, and its original term has not been greater than one hundred and twenty (120) months; and
 - (g) has an outstanding principal amount and 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, enforceable in accordance with the terms of the respective Loan Contract, and is not subject to any right of revocation (*Anfechtungsrecht*), set-off or counterclaim (other than potential set-off rights and counterclaims resulting from Seller Deposits held by the relevant Debtor or from claims of the relevant Debtor in connection with loan administration fees (*Bearbeitungsgebühren*) or Capitalised Service Fees) 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 (6) 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 Purchaser 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 Purchaser 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 than set-off rights and counterclaims resulting from Seller Deposits held by the relevant Debtor), 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 one (1) due Loan Instalment has been fully paid for the Receivable prior to the respective Purchase Date.
13. The Receivable together with any other Receivables to be purchased on the same Purchase Date and (as relevant) all Purchased Receivables do not exceed any Concentration Limit on the Purchase Date on which they are purchased. "**Concentration Limit**" shall mean each of the following requirements:
 - (a) On the relevant 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 200,000.
 - (b) On the relevant Purchase Date, the weighted average interest rate relating to all Purchased Receivables (including the Receivable and any other Receivables to be purchased on the same Purchase Date) is at least equal to 3.10% per annum.
 - (c) 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 any other Receivables to be purchased on the same Purchase Date which relate to Financed Vehicles which are not Used Vehicles in relation to the aggregate Principal Amounts of the Receivable and any other Receivables to be purchased on the same Purchase Date is at least equal to 35 %. "**Used Vehicle**" shall mean any Financed Vehicle the date of purchase of which by the relevant Debtor was later than twelve (12) months after the date of first registration (*Tag der Erstzulassung*) of such Financed Vehicle.
 - (d) On the relevant Purchase Date, the weighted average remaining term of the Loan Contracts relating to all Purchased Receivables (including the Receivable and any other Receivables to be purchased on the same Purchase Date) does not exceed 62.5 months.
 - (e) On the relevant Purchase Date, the aggregate Principal Amounts of all Purchased Receivables (including the Receivable and any other Receivables to be purchased on the same Purchase Date) which arise under balloon loans does not exceed 42% of the aggregate Principal Amounts of all Purchased Receivables (including the Receivable and any other Receivables to be purchased on the same Purchase Date). 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.
 - (f) On the relevant Purchase Date, the aggregate Principal Amounts of all Purchased Receivables (including the Receivable and any other Receivables to be

purchased on the same Purchase Date) which have an original term of more than ninety (90) months do not exceed 30% of the aggregate Principal Amounts of all Purchased Receivables (including the Receivable and any other Receivables to be purchased on the same Purchase Date).

14. The Receivable is due from a Debtor who is a private 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.

The Receivable is not due from a Debtor who is either an employee or an officer of Santander Consumer Bank AG.

INFORMATION TABLES REGARDING THE PORTFOLIO

The following statistical information sets out certain characteristics of the Purchased Receivables as of 30 June 2016 (for this purpose the Specified Date), unless indicated otherwise. The information set out below in respect of the Portfolio may not necessarily correspond to that of the Purchased Receivables as of the Note Issuance Date as a result of prepayments and repayments prior to the Note Issuance Date or failure to comply with the Eligibility Criteria on the Notes 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.

Original Principal Balance

1.	<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	46,778.29	0.00%	60	0.05%
	1000: 1999	1,220,744.23	0.07%	761	0.58%
	2000: 2999	6,859,906.26	0.39%	2,712	2.06%
	3000: 3999	16,262,592.50	0.93%	4,654	3.54%
	4000: 4999	27,563,618.40	1.58%	6,130	4.66%
	5000: 5999	38,158,134.11	2.18%	6,961	5.30%
	6000: 6999	48,378,548.65	2.77%	7,444	5.66%
	7000: 7999	56,220,297.84	3.22%	7,487	5.70%
	8000: 8999	64,643,090.21	3.70%	7,607	5.79%
	9000: 9999	68,663,570.53	3.93%	7,226	5.50%
	10000:10999	86,771,392.69	4.97%	8,274	6.30%
	11000:11999	84,467,261.02	4.83%	7,341	5.59%
	12000:12999	85,008,066.69	4.87%	6,803	5.18%
	13000:13999	87,722,403.32	5.02%	6,502	4.95%
	14000:14999	82,748,781.04	4.74%	5,705	4.34%
	15000:15999	87,431,809.99	5.00%	5,643	4.29%
	16000:16999	83,622,069.65	4.79%	5,071	3.86%
	17000:17999	78,501,508.76	4.49%	4,489	3.42%
	18000:18999	76,020,116.26	4.35%	4,112	3.13%
	19000:19999	68,787,794.48	3.94%	3,530	2.69%
	20000:20999	67,256,444.36	3.85%	3,286	2.50%
	21000:21999	62,414,965.76	3.57%	2,906	2.21%
	22000:22999	55,977,182.67	3.20%	2,489	1.89%
	23000:23999	49,323,866.24	2.82%	2,099	1.60%
	24000:24999	46,408,565.00	2.66%	1,894	1.44%
	25000:25999	40,563,530.38	2.32%	1,592	1.21%
	26000:26999	37,331,394.73	2.14%	1,410	1.07%
	27000:27999	32,411,659.47	1.86%	1,179	0.90%
	28000:28999	28,875,233.41	1.65%	1,014	0.77%
	29000:29999	23,237,032.37	1.33%	788	0.60%
	30000:30999	20,042,641.86	1.15%	658	0.50%
	31000:31999	18,821,796.06	1.08%	598	0.46%
	32000:32999	15,808,780.53	0.90%	486	0.37%
	33000:33999	13,534,895.65	0.77%	404	0.31%
	34000:34999	10,622,793.71	0.61%	308	0.23%
	35000:35000	665,000.00	0.04%	19	0.01%
	35001:	74,716,994.09	4.28%	1,782	1.36%
Total		1,747,111,261.21	100.00%	131,424	100.00%
Statistics		in EUR			
Average Amount		13,293.70			

Current Principal Balance

	Current Principal Balance (Ranges in EUR)	Current Principal Balance in EUR	Percentage of Total Balance	Number of Loans	Percentage of Total Loans
2.	0: 999	1,004,785.53	0.07%	1,780	1.35%
	1000: 1999	5,515,770.69	0.37%	3,557	2.71%
	2000: 2999	13,851,880.10	0.92%	5,480	4.17%
	3000: 3999	23,689,320.18	1.58%	6,739	5.13%
	4000: 4999	33,860,829.93	2.26%	7,514	5.72%
	5000: 5999	44,227,285.70	2.95%	8,043	6.12%
	6000: 6999	52,153,307.39	3.48%	8,021	6.10%
	7000: 7999	60,288,612.13	4.02%	8,035	6.11%
	8000: 8999	67,980,537.55	4.53%	7,997	6.08%
	9000: 9999	73,701,461.29	4.91%	7,759	5.90%
	10000:10999	78,454,680.02	5.23%	7,472	5.69%
	11000:11999	78,448,678.16	5.23%	6,825	5.19%
	12000:12999	77,533,721.73	5.17%	6,205	4.72%
	13000:13999	78,100,919.91	5.21%	5,789	4.40%
	14000:14999	76,961,930.15	5.13%	5,309	4.04%
	15000:15999	76,525,369.41	5.10%	4,940	3.76%
	16000:16999	70,783,294.80	4.72%	4,291	3.27%
	17000:17999	64,472,080.11	4.30%	3,686	2.80%
	18000:18999	60,797,136.76	4.05%	3,290	2.50%
	19000:19999	57,371,281.00	3.82%	2,944	2.24%
	20000:20999	50,731,750.49	3.38%	2,476	1.88%
	21000:21999	46,919,885.66	3.13%	2,184	1.66%
	22000:22999	39,947,974.88	2.66%	1,776	1.35%
	23000:23999	35,702,891.09	2.38%	1,520	1.16%
	24000:24999	32,236,441.41	2.15%	1,317	1.00%
	25000:25999	27,673,692.30	1.84%	1,086	0.83%
	26000:26999	24,074,843.41	1.60%	909	0.69%
	27000:27999	20,286,297.22	1.35%	738	0.56%
	28000:28999	19,087,951.45	1.27%	670	0.51%
	29000:29999	15,173,269.77	1.01%	515	0.39%
	30000:30999	12,311,668.53	0.82%	404	0.31%
	31000:31999	11,467,817.14	0.76%	364	0.28%
	32000:32999	8,699,858.27	0.58%	268	0.20%
	33000:33999	7,898,235.28	0.53%	236	0.18%
	34000:34999	6,314,471.64	0.42%	183	0.14%
	35000:35000	35,000.95	0.00%	1	0.00%
	35001:	45,715,018.65	3.05%	1,101	0.84%
Total		1,499,999,950.68	100.00%	131,424	100.00%
Statistics		in EUR			
Average Amount		11,413.44			

Borrower Concentration

	<i>No</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>
3.	1	104,707.23	0.0070%	1
	2	101,509.30	0.0068%	1
	3	94,534.20	0.0063%	1
	4	92,911.76	0.0062%	1
	5	87,383.98	0.0058%	1
	6	86,612.84	0.0058%	1
	7	82,659.37	0.0055%	1
	8	82,149.69	0.0055%	1
	9	78,840.51	0.0053%	1
	10	75,654.54	0.0050%	1
	11	74,360.02	0.0050%	1
	12	73,679.43	0.0049%	1
	13	72,007.76	0.0048%	1
	14	69,912.15	0.0047%	1
	15	69,740.48	0.0046%	1
	16	69,173.51	0.0046%	2
	17	67,871.36	0.0045%	1
	18	67,856.54	0.0045%	1
	19	67,273.44	0.0045%	1
	20	66,735.83	0.0044%	1
	21	66,252.76	0.0044%	1
	22	65,939.35	0.0044%	1
	23	65,737.42	0.0044%	1
	24	65,694.47	0.0044%	1
	25	65,661.51	0.0044%	1
	Total	1,914,859.45	0.13%	26

4.

Geographical Distribution

<i>State</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>
Baden-Wuerttemberg	151,169,438.32	10.08%	12,769	9.72%
Bavaria	160,428,062.93	10.70%	13,397	10.19%
Berlin	28,422,642.07	1.89%	2,604	1.98%
Brandenburg	85,396,466.10	5.69%	7,678	5.84%
Bremen	8,050,335.20	0.54%	754	0.57%
Hamburg	15,277,732.30	1.02%	1,360	1.03%
Hesse	95,066,044.30	6.34%	8,215	6.25%
Lower Saxony	160,879,921.03	10.73%	14,129	10.75%
Mecklenburg-Western Pomerania	70,335,645.14	4.69%	6,306	4.80%
North Rhine-Westphalia	280,212,616.50	18.68%	24,642	18.75%
Rhineland-Palatinate	67,795,897.89	4.52%	5,794	4.41%
Saarland	19,638,109.25	1.31%	1,686	1.28%
Saxony	102,225,166.62	6.82%	9,611	7.31%
Saxony-Anhalt	111,585,044.94	7.44%	9,835	7.48%
Schleswig-Holstein	54,280,795.69	3.62%	4,999	3.80%
Thuringia	89,236,032.40	5.95%	7,645	5.82%
Total	1,499,999,950.68	100.00%	131,424	100.00%

Object / Vehicle / Distribution

5.	Car type	Current Principal Balance in EUR	Percentage of Total Balance	Number of Loans	Percentage of Total Loans
	New Vehicle	525,004,997.91	35.00%	38,087	28.98%
	Used Vehicle	974,994,952.77	65.00%	93,337	71.02%
	Total	1,499,999,950.68	100.00%	131,424	100.00%
6.	Object Type	Current Principal Balance in EUR	Percentage of Total Balance	Number of Loans	Percentage of Total Loans
	Car	1,453,889,679.07	96.93%	125,647	95.60%
	Motorbike	24,856,344.03	1.66%	4,454	3.39%
	Leisure	21,253,927.58	1.42%	1,323	1.01%
	Total	1,499,999,950.68	100.00%	131,424	100.00%

Insurance Coverage

6.	Payment Protection Insurance	Current Principal Balance in EUR	Percentage of Total Balance	Number of Loans	Percentage of Total Loans
	No	475,095,002.47	31.67%	41,394	31.50%
	Yes	1,024,904,948.21	68.33%	90,030	68.50%
	Total	1,499,999,950.68	100.00%	131,424	100.00%
6.	Gap Insurance (Santander Safe)	Current Principal Balance in EUR	Percentage of Total Balance	Number of Loans	Percentage of Total Loans
	No	1,020,511,680.20	68.03%	94,374	71.81%
	Yes	479,488,270.48	31.97%	37,050	28.19%
	Total	1,499,999,950.68	100.00%	131,424	100.00%
6.	Repair Cost Insurance (Santander AutoCare)	Current Principal Balance in EUR	Percentage of Total Balance	Number of Loans	Percentage of Total Loans
	No	1,349,698,849.86	89.98%	118,914	90.48%
	Yes	150,301,100.82	10.02%	12,510	9.52%
	Total	1,499,999,950.68	100.00%	131,424	100.00%

Type of Loan

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	963,076,814.64	64.21%	96,173	73.18%
Yes	536,923,136.04	35.79%	35,251	26.82%
- of which balloon rates	265,227,473.86	17.68%		
- of which regular installments	271,695,662.18	18.11%		
Total	1,499,999,950.68	100.00%	131,424	100.00%

7b. Balloon Loans according to Original Term

<i>Original Term in Months</i>	<i>Balloon Loans</i>	<i>Balloon Rates in % of</i>	<i>Number of Loans</i>	<i>Balloon Rates in</i>
0:12	557,380.38	0.21%	73	0.21%
13:25	7,304,558.42	2.75%	958	2.72%
26:38	29,264,883.14	11.03%	3,844	10.90%
39:51	84,324,699.61	31.79%	10,716	30.40%
52:64	143,540,896.21	54.12%	19,646	55.73%
65:72	165,109.45	0.06%	10	0.03%
73:	69,946.65	0.03%	4	0.01%
Total	265,227,473.86	100.00%	35,251	100.00%

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	7,764,184.98	2.93%	1,108	3.14%
13:25	24,421,920.21	9.21%	3,236	9.18%
26:38	56,419,600.27	21.27%	7,457	21.15%
39:51	98,631,019.02	37.19%	13,146	37.29%
52:64	77,948,798.73	29.39%	10,302	29.22%
65:72	23,996.00	0.01%	1	0.00%
73:	17,954.65	0.01%	1	0.00%
Total	265,227,473.86	100.00%	35,251	100.00%

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>
8. Direct Debit	1,497,376,576.21	99.83%	131,192	99.82%
Other	2,623,374.47	0.17%	232	0.18%
Total	1,499,999,950.68	100.00%	131,424	100.00%

<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	682,627,626.63	45.51%	60,250	45.84%
1st of month	817,372,324.05	54.49%	71,174	54.16%
Total	1,499,999,950.68	100.00%	131,424	100.00%

Downpayment

<i>Downpayment and Purchase Price</i>	<i>All contracts</i>	<i>Contracts with downpayment</i>
Average downpayment	3,344.57 €	5,034.09 €
Average Purchase Price	15,718.30 €	16,721.39 €
Minimum Downpayment		100.00 €
Maximum Downpayment		85,000.00 €
Downpayment in %	21.28%	30.11%

<i>Down Payment</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>	<i>Downpayment / Purchase price in %</i>
No Downpayment	566,483,200.29	37.77%	44,108	33.56%	0.00%
0: 999	56,472,497.38	3.76%	6,428	4.89%	5.49%
1000: 1999	124,621,109.44	8.31%	13,150	10.01%	11.10%
2000: 2999	138,936,362.40	9.26%	13,344	10.15%	16.62%
3000: 3999	114,464,985.45	7.63%	10,592	8.06%	21.54%
4000: 4999	89,362,691.83	5.96%	8,095	6.16%	26.04%
5000: 5999	104,132,857.52	6.94%	8,858	6.74%	28.74%
6000: 6999	58,381,216.93	3.89%	5,282	4.02%	33.93%
7000: 7999	47,163,981.06	3.14%	4,147	3.16%	36.85%
8000: 8999	39,691,841.83	2.65%	3,545	2.70%	39.91%
9000: 9999	21,812,211.48	1.45%	1,980	1.51%	43.04%
10000:10999	46,046,517.23	3.07%	3,761	2.86%	42.64%
11000:11999	14,969,296.03	1.00%	1,367	1.04%	48.04%
12000:12999	15,532,365.70	1.04%	1,399	1.06%	49.82%
13000:13999	10,176,958.35	0.68%	943	0.72%	52.35%
14000:14999	8,269,417.84	0.55%	773	0.59%	54.29%
15000:15000	9,839,493.96	0.66%	789	0.60%	51.96%
15001:	33,642,945.96	2.24%	2,863	2.18%	60.57%
Total	1,499,999,950.68	100.00%	131,424	100.00%	21.28%

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>
0: 0	520,617.99	0.03%	37	0.03%
1: 1	112,008,709.25	7.47%	7,354	5.60%
2: 2	253,311,677.10	16.89%	18,288	13.92%
3: 3	586,508,381.75	39.10%	46,320	35.24%
4: 4	332,098,787.53	22.14%	31,761	24.17%
5: 5	133,354,365.86	8.89%	15,981	12.16%
6: 6	54,126,401.37	3.61%	7,344	5.59%
7: 7	17,208,591.48	1.15%	2,613	1.99%
8: 8	6,922,621.63	0.46%	1,072	0.82%
9: 9	3,041,006.88	0.20%	536	0.41%
10:10	699,317.75	0.05%	95	0.07%
11:11	199,472.09	0.01%	23	0.02%
Total	1,499,999,950.68	100.00%	131,424	100.00%
Statistics WA Yield 4.10%				
*runs from .00 to .99				

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	89,514,359.65	5.97%	6,631	5.05%
3: 5	412,325,197.46	27.49%	32,364	24.63%
6: 8	215,334,425.64	14.36%	17,459	13.28%
9:11	233,934,214.37	15.60%	20,214	15.38%
12:14	175,388,965.48	11.69%	15,822	12.04%
15:17	114,332,282.25	7.62%	10,678	8.12%
18:20	67,661,718.38	4.51%	6,554	4.99%
21:23	70,970,543.91	4.73%	7,296	5.55%
24:26	37,758,525.84	2.52%	3,944	3.00%
27:29	17,722,241.51	1.18%	1,852	1.41%
30:32	8,485,614.67	0.57%	862	0.66%
33:35	9,202,301.26	0.61%	1,014	0.77%
36:38	10,737,121.14	0.72%	1,366	1.04%
39:41	6,776,700.41	0.45%	910	0.69%
42:44	4,263,583.50	0.28%	552	0.42%
45:47	5,849,286.01	0.39%	774	0.59%
48:50	5,843,839.36	0.39%	797	0.61%
51:53	4,220,040.06	0.28%	663	0.50%
54:56	1,999,940.04	0.13%	310	0.24%
57:59	1,254,883.56	0.08%	229	0.17%
60:62	2,217,033.92	0.15%	356	0.27%
63:65	1,732,406.31	0.12%	278	0.21%
66:68	865,617.70	0.06%	152	0.12%
69:71	1,016,555.53	0.07%	211	0.16%
72:74	592,552.72	0.04%	136	0.10%
Total	1,499,999,950.68	100.00%	131,424	100.00%
Statistics WA Seasoning in months 11.18				

Remaining Term

12.

<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	4,758,028.14	0.32%	2,474	1.88%
7:13	17,527,622.87	1.17%	4,801	3.65%
14:20	33,706,506.79	2.25%	6,497	4.94%
21:27	66,479,314.35	4.43%	10,110	7.69%
28:34	111,513,000.73	7.43%	13,445	10.23%
35:41	129,320,585.30	8.62%	12,834	9.77%
42:48	202,610,175.65	13.51%	17,383	13.23%
49:55	212,460,899.35	14.16%	16,253	12.37%
56:62	216,277,829.67	14.42%	15,727	11.97%
63:69	83,633,467.31	5.58%	6,467	4.92%
70:76	103,787,610.20	6.92%	7,125	5.42%
77:83	136,860,578.45	9.12%	8,425	6.41%
84:	181,064,331.87	12.07%	9,883	7.52%
Total	1,499,999,950.68	100.00%	131,424	100.00%
<div> <div>Statistics</div> <div>in months</div> <div>WA Remaining Term</div> <div>55.93</div> </div>				

Original Term

13.

<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	2,013,597.98	0.13%	740	0.56%
13: 25	31,405,882.01	2.09%	8,002	6.09%
26: 38	111,558,770.03	7.44%	16,631	12.65%
39: 51	257,683,363.81	17.18%	25,170	19.15%
52: 64	487,106,877.45	32.47%	38,272	29.12%
65: 77	142,533,224.94	9.50%	12,349	9.40%
78: 90	127,508,509.60	8.50%	8,582	6.53%
91:103	329,271,799.21	21.95%	21,172	16.11%
104:	10,917,925.65	0.73%	506	0.39%
Total	1,499,999,950.68	100.00%	131,424	100.00%
<div> <div>Statistics</div> <div>in months</div> <div>WA Original Term</div> <div>67.11</div> </div>				

Overview on TOP 15 Manufacturers

14.	No	Current Principal Balance in EUR	Percentage of Total Balance	Number of Loans	Percentage of Total Loans
	1	147,706,425.83	9.85%	10,611	8.07%
	2	145,575,425.95	9.71%	13,246	10.08%
	3	144,947,583.83	9.66%	12,779	9.72%
	4	141,495,242.49	9.43%	13,818	10.51%
	5	140,507,802.32	9.37%	10,185	7.75%
	6	105,341,484.82	7.02%	8,651	6.58%
	7	73,370,838.50	4.89%	5,727	4.36%
	8	60,239,504.82	4.02%	4,629	3.52%
	9	59,712,904.83	3.98%	5,082	3.87%
	10	56,802,374.63	3.79%	5,238	3.99%
	11	50,092,921.28	3.34%	4,333	3.30%
	12	42,350,042.85	2.82%	3,574	2.72%
	13	39,829,505.05	2.66%	3,901	2.97%
	14	35,892,464.34	2.39%	3,965	3.02%
	15	31,510,942.38	2.10%	2,878	2.19%
Total		1,275,375,463.92	85.03%	108,617	82.65%
Included manufacturer brands in TOP 15 in alphabetical order: Audi, BMW, Citroen, Fiat, Ford, Hyundai, Kia, Mazda, Mercedes, Nissan, Opel, Renault, SEAT (E), Skoda, VW					

HISTORICAL DATA

Static Analysis Gross Losses – Total Portfolio as of 31 May 2016

- 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.

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
Q1 2008	0.00%	0.04%	0.15%	0.33%	0.58%	0.82%	1.05%	1.26%	1.46%	1.62%	1.81%	1.91%	2.03%	2.16%	2.28%	2.39%	2.46%	2.53%	2.61%	2.66%	2.72%
Q2 2008	0.02%	0.05%	0.17%	0.37%	0.57%	0.78%	0.99%	1.16%	1.32%	1.50%	1.62%	1.75%	1.86%	2.03%	2.14%	2.21%	2.31%	2.39%	2.44%	2.48%	2.53%
Q3 2008	0.01%	0.05%	0.22%	0.47%	0.66%	0.91%	1.13%	1.33%	1.52%	1.70%	1.85%	2.00%	2.16%	2.28%	2.36%	2.46%	2.54%	2.62%	2.69%	2.75%	2.79%
Q4 2008	0.02%	0.07%	0.23%	0.42%	0.58%	0.78%	0.95%	1.16%	1.34%	1.48%	1.65%	1.84%	1.99%	2.06%	2.17%	2.24%	2.30%	2.38%	2.44%	2.49%	2.56%
Q1 2009	0.01%	0.07%	0.14%	0.25%	0.36%	0.50%	0.62%	0.73%	0.81%	0.94%	1.07%	1.17%	1.25%	1.33%	1.40%	1.44%	1.51%	1.58%	1.61%	1.65%	1.69%
Q2 2009	0.01%	0.05%	0.13%	0.23%	0.34%	0.45%	0.56%	0.66%	0.78%	0.94%	1.06%	1.16%	1.25%	1.33%	1.41%	1.48%	1.54%	1.58%	1.63%	1.65%	1.68%
Q3 2009	0.02%	0.07%	0.16%	0.24%	0.36%	0.46%	0.56%	0.69%	0.83%	0.98%	1.08%	1.19%	1.29%	1.36%	1.43%	1.52%	1.58%	1.63%	1.67%	1.72%	1.75%
Q4 2009	0.03%	0.07%	0.13%	0.21%	0.31%	0.42%	0.55%	0.73%	0.85%	0.94%	1.06%	1.14%	1.19%	1.29%	1.36%	1.41%	1.46%	1.52%	1.56%	1.61%	1.63%
Q1 2010	0.04%	0.06%	0.12%	0.20%	0.30%	0.44%	0.60%	0.72%	0.80%	0.91%	1.01%	1.11%	1.21%	1.29%	1.34%	1.40%	1.44%	1.50%	1.54%	1.58%	1.60%
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Q1 2011	0.02%	0.03%	0.07%	0.13%	0.21%	0.29%	0.36%	0.42%	0.52%	0.60%	0.67%	0.73%	0.81%	0.86%	0.92%	0.96%	1.00%	1.05%	1.08%	1.10%	
Q2 2011	0.01%	0.04%	0.08%	0.16%	0.25%	0.35%	0.42%	0.54%	0.65%	0.72%	0.80%	0.86%	0.92%	0.97%	1.04%	1.07%	1.10%	1.14%	1.16%		
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Static Analysis Gross Losses – Used Vehicles as of 31 May 2016

- 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
2. 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.

Quarter New Business	cumulative losses in % / months after origination																				
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Q2 2008	0.02%	0.05%	0.18%	0.40%	0.62%	0.86%	1.10%	1.28%	1.44%	1.64%	1.79%	1.92%	2.03%	2.21%	2.34%	2.43%	2.54%	2.62%	2.66%	2.71%	2.76%
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Q4 2008	0.02%	0.09%	0.29%	0.52%	0.71%	0.98%	1.18%	1.43%	1.62%	1.80%	2.02%	2.22%	2.40%	2.49%	2.62%	2.71%	2.79%	2.88%	2.95%	2.99%	3.07%
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Static Analysis Gross Losses – New Vehicles as of 31 May 2016

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Q2 2011	0.00%	0.01%	0.01%	0.06%	0.09%	0.14%	0.18%	0.28%	0.33%	0.37%	0.44%	0.47%	0.50%	0.53%	0.59%	0.61%	0.61%	0.64%	0.66%		
Q3 2011	0.00%	0.01%	0.05%	0.07%	0.12%	0.16%	0.21%	0.24%	0.29%	0.34%	0.39%	0.47%	0.52%	0.59%	0.63%	0.67%	0.70%	0.73%			
Q4 2011	0.00%	0.02%	0.09%	0.13%	0.16%	0.21%	0.27%	0.33%	0.38%	0.46%	0.51%	0.56%	0.62%	0.68%	0.70%	0.73%	0.76%				
Q1 2012	0.00%	0.00%	0.01%	0.06%	0.12%	0.15%	0.20%	0.27%	0.34%	0.39%	0.47%	0.52%	0.58%	0.62%	0.65%	0.67%					
Q2 2012	0.02%	0.02%	0.05%	0.09%	0.16%	0.21%	0.27%	0.35%	0.39%	0.42%	0.47%	0.50%	0.53%	0.56%	0.58%						
Q3 2012	0.00%	0.00%	0.08%	0.13%	0.18%	0.23%	0.30%	0.34%	0.39%	0.47%	0.52%	0.55%	0.57%	0.61%							
Q4 2012	0.00%	0.02%	0.03%	0.11%	0.16%	0.22%	0.27%	0.31%	0.33%	0.36%	0.41%	0.48%	0.53%								
Q1 2013	0.00%	0.02%	0.06%	0.10%	0.15%	0.22%	0.31%	0.39%	0.47%	0.52%	0.57%	0.61%									
Q2 2013	0.01%	0.01%	0.03%	0.08%	0.13%	0.18%	0.23%	0.26%	0.28%	0.34%	0.38%										
Q3 2013	0.00%	0.02%	0.07%	0.09%	0.14%	0.18%	0.23%	0.28%	0.36%	0.40%											
Q4 2013	0.00%	0.00%	0.09%	0.12%	0.19%	0.24%	0.27%	0.33%	0.38%												
Q1 2014	0.00%	0.02%	0.04%	0.09%	0.12%	0.19%	0.25%	0.27%													
Q2 2014	0.00%	0.02%	0.04%	0.11%	0.13%	0.16%	0.20%														
Q3 2014	0.00%	0.03%	0.09%	0.11%	0.14%	0.23%															
Q4 2014	0.00%	0.02%	0.05%	0.08%	0.15%																
Q1 2015	0.00%	0.01%	0.02%	0.06%																	
Q2 2015	0.01%	0.02%	0.04%																		
Q3 2015	0.00%	0.02%																			
Q4 2015	0.00%																				

Static Analysis Gross Losses – Balloon Loans as of 31 May 2016

- 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
4. 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.

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
Q1 2008	0.00%	0.02%	0.07%	0.16%	0.33%	0.54%	0.85%	1.07%	1.22%	1.30%	1.46%	1.54%	1.62%	1.78%	1.91%	1.97%	1.98%	2.08%	2.16%	2.18%	2.22%
Q2 2008	0.08%	0.12%	0.23%	0.33%	0.49%	0.72%	0.91%	1.02%	1.16%	1.29%	1.39%	1.51%	1.56%	1.67%	1.73%	1.80%	1.86%	1.90%	1.94%	1.98%	2.02%
Q3 2008	0.00%	0.05%	0.17%	0.32%	0.41%	0.66%	0.78%	0.82%	1.02%	1.14%	1.26%	1.38%	1.52%	1.55%	1.59%	1.63%	1.69%	1.79%	1.82%	1.85%	1.87%
Q4 2008	0.00%	0.02%	0.11%	0.22%	0.27%	0.39%	0.53%	0.70%	0.84%	0.96%	1.17%	1.34%	1.40%	1.44%	1.52%	1.61%	1.65%	1.73%	1.75%	1.79%	1.86%
Q1 2009	0.00%	0.02%	0.06%	0.10%	0.20%	0.24%	0.32%	0.40%	0.43%	0.54%	0.59%	0.68%	0.73%	0.80%	0.86%	0.91%	0.99%	1.07%	1.08%	1.10%	1.12%
Q2 2009	0.00%	0.03%	0.05%	0.16%	0.30%	0.34%	0.40%	0.47%	0.56%	0.68%	0.76%	0.87%	0.96%	1.01%	1.08%	1.09%	1.13%	1.16%	1.18%	1.19%	1.20%
Q3 2009	0.00%	0.03%	0.11%	0.20%	0.32%	0.39%	0.42%	0.49%	0.59%	0.69%	0.79%	0.84%	0.95%	0.99%	1.05%	1.09%	1.16%	1.22%	1.25%	1.29%	1.32%
Q4 2009	0.00%	0.06%	0.14%	0.18%	0.24%	0.31%	0.37%	0.52%	0.57%	0.63%	0.71%	0.78%	0.82%	0.91%	0.94%	0.98%	0.99%	1.07%	1.10%	1.12%	1.16%
Q1 2010	0.00%	0.01%	0.07%	0.20%	0.27%	0.38%	0.46%	0.54%	0.56%	0.58%	0.70%	0.78%	0.83%	0.90%	0.93%	0.97%	1.04%	1.11%	1.13%	1.14%	1.17%
Q2 2010	0.06%	0.08%	0.15%	0.26%	0.37%	0.43%	0.51%	0.56%	0.63%	0.72%	0.81%	0.87%	0.90%	0.98%	1.02%	1.05%	1.10%	1.15%	1.17%	1.18%	1.22%
Q3 2010	0.00%	0.02%	0.07%	0.16%	0.26%	0.40%	0.46%	0.56%	0.66%	0.74%	0.81%	0.84%	0.89%	0.95%	1.01%	1.03%	1.07%	1.16%	1.19%	1.20%	1.26%
Q4 2010	0.02%	0.09%	0.14%	0.23%	0.29%	0.33%	0.38%	0.44%	0.47%	0.50%	0.59%	0.68%	0.77%	0.80%	0.87%	0.92%	0.98%	1.05%	1.08%	1.08%	1.10%
Q1 2011	0.07%	0.07%	0.14%	0.20%	0.31%	0.34%	0.37%	0.41%	0.50%	0.57%	0.59%	0.62%	0.66%	0.68%	0.73%	0.74%	0.80%	0.88%	0.90%	0.93%	
Q2 2011	0.00%	0.04%	0.07%	0.12%	0.26%	0.42%	0.43%	0.53%	0.57%	0.61%	0.74%	0.78%	0.84%	0.88%	0.95%	0.99%	1.02%	1.09%	1.11%		
Q3 2011	0.00%	0.00%	0.04%	0.07%	0.12%	0.22%	0.31%	0.39%	0.48%	0.53%	0.64%	0.76%	0.81%	0.90%	0.95%	1.01%	1.06%	1.14%			
Q4 2011	0.01%	0.05%	0.12%	0.19%	0.22%	0.35%	0.47%	0.53%	0.61%	0.70%	0.75%	0.80%	0.88%	0.99%	1.00%	1.03%	1.09%				
Q1 2012	0.01%	0.02%	0.02%	0.09%	0.17%	0.20%	0.27%	0.31%	0.40%	0.46%	0.53%	0.57%	0.67%	0.71%	0.76%	0.82%					
Q2 2012	0.00%	0.01%	0.05%	0.12%	0.16%	0.22%	0.24%	0.33%	0.41%	0.53%	0.63%	0.66%	0.72%	0.79%	0.83%						
Q3 2012	0.02%	0.06%	0.11%	0.19%	0.27%	0.36%	0.44%	0.53%	0.62%	0.72%	0.78%	0.82%	0.86%	0.89%							
Q4 2012	0.01%	0.02%	0.09%	0.18%	0.21%	0.34%	0.42%	0.50%	0.56%	0.64%	0.67%	0.70%	0.73%								
Q1 2013	0.00%	0.02%	0.09%	0.13%	0.16%	0.28%	0.37%	0.42%	0.49%	0.52%	0.58%	0.61%									
Q2 2013	0.05%	0.10%	0.15%	0.22%	0.27%	0.34%	0.44%	0.50%	0.52%	0.60%	0.67%										
Q3 2013	0.00%	0.05%	0.11%	0.13%	0.18%	0.24%	0.30%	0.35%	0.47%	0.51%											
Q4 2013	0.03%	0.05%	0.15%	0.19%	0.25%	0.30%	0.37%	0.45%	0.55%												
Q1 2014	0.03%	0.09%	0.14%	0.22%	0.27%	0.31%	0.42%	0.44%													
Q2 2014	0.00%	0.04%	0.11%	0.16%	0.20%	0.28%	0.33%														
Q3 2014	0.01%	0.05%	0.14%	0.22%	0.29%	0.36%															
Q4 2014	0.00%	0.03%	0.13%	0.16%	0.27%																
Q1 2015	0.01%	0.03%	0.08%	0.12%																	
Q2 2015	0.02%	0.05%	0.12%																		
Q3 2015	0.00%	0.02%																			
Q4 2015	0.00%																				

Static Analysis Gross Losses – Non- Balloon Loans as of 31 May 2016

- 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
5. 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.

Quarter Non Non Balloon 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 2008	0.01%	0.04%	0.16%	0.37%	0.63%	0.88%	1.09%	1.30%	1.51%	1.69%	1.89%	2.00%	2.12%	2.25%	2.37%	2.49%	2.56%	2.64%	2.71%	2.77%	2.84%	2.86%	2.91%	2.94%
Q2 2008	0.00%	0.04%	0.16%	0.38%	0.58%	0.79%	1.00%	1.19%	1.35%	1.54%	1.67%	1.79%	1.91%	2.10%	2.21%	2.29%	2.40%	2.49%	2.53%	2.57%	2.63%	2.69%	2.72%	2.75%
Q3 2008	0.01%	0.05%	0.24%	0.51%	0.71%	0.96%	1.21%	1.43%	1.63%	1.82%	1.97%	2.13%	2.29%	2.43%	2.52%	2.63%	2.71%	2.79%	2.87%	2.94%	2.98%	3.01%	3.04%	3.08%
Q4 2008	0.02%	0.08%	0.26%	0.46%	0.65%	0.88%	1.05%	1.26%	1.46%	1.59%	1.76%	1.96%	2.12%	2.20%	2.32%	2.38%	2.45%	2.53%	2.60%	2.65%	2.72%	2.76%	2.79%	2.82%
Q1 2009	0.01%	0.08%	0.17%	0.29%	0.41%	0.57%	0.70%	0.81%	0.90%	1.04%	1.19%	1.29%	1.38%	1.46%	1.53%	1.58%	1.64%	1.70%	1.75%	1.79%	1.83%	1.86%	1.90%	1.92%
Q2 2009	0.02%	0.05%	0.14%	0.25%	0.35%	0.48%	0.59%	0.70%	0.82%	0.99%	1.12%	1.22%	1.31%	1.40%	1.48%	1.56%	1.62%	1.67%	1.72%	1.75%	1.78%	1.82%	1.84%	1.85%
Q3 2009	0.02%	0.08%	0.17%	0.25%	0.37%	0.47%	0.59%	0.74%	0.89%	1.04%	1.14%	1.26%	1.36%	1.44%	1.51%	1.61%	1.67%	1.73%	1.77%	1.81%	1.85%	1.87%	1.90%	1.92%
Q4 2009	0.04%	0.07%	0.13%	0.21%	0.32%	0.45%	0.59%	0.78%	0.92%	1.02%	1.14%	1.22%	1.27%	1.37%	1.46%	1.52%	1.57%	1.63%	1.67%	1.72%	1.75%	1.78%	1.80%	1.82%
Q1 2010	0.05%	0.07%	0.13%	0.20%	0.31%	0.46%	0.63%	0.76%	0.86%	0.98%	1.08%	1.18%	1.29%	1.38%	1.44%	1.49%	1.53%	1.59%	1.64%	1.67%	1.70%	1.71%	1.73%	1.75%
Q2 2010	0.02%	0.05%	0.13%	0.22%	0.34%	0.47%	0.62%	0.69%	0.80%	0.91%	1.01%	1.06%	1.15%	1.21%	1.27%	1.34%	1.38%	1.43%	1.46%	1.49%	1.51%	1.53%	1.55%	
Q3 2010	0.01%	0.04%	0.12%	0.20%	0.34%	0.47%	0.58%	0.71%	0.80%	0.93%	1.01%	1.10%	1.17%	1.24%	1.30%	1.39%	1.44%	1.49%	1.53%	1.56%	1.58%	1.59%		
Q4 2010	0.01%	0.03%	0.05%	0.17%	0.27%	0.34%	0.43%	0.53%	0.63%	0.72%	0.81%	0.92%	0.98%	1.05%	1.10%	1.16%	1.20%	1.23%	1.25%	1.28%	1.30%			
Q1 2011	0.01%	0.02%	0.06%	0.12%	0.19%	0.28%	0.36%	0.43%	0.52%	0.61%	0.68%	0.76%	0.84%	0.90%	0.97%	1.01%	1.05%	1.09%	1.13%	1.14%				
Q2 2011	0.01%	0.04%	0.08%	0.17%	0.24%	0.33%	0.42%	0.55%	0.67%	0.75%	0.82%	0.89%	0.94%	1.00%	1.06%	1.09%	1.13%	1.16%	1.18%					
Q3 2011	0.01%	0.04%	0.10%	0.20%	0.33%	0.43%	0.57%	0.68%	0.75%	0.85%	0.91%	0.98%	1.07%	1.14%	1.20%	1.25%	1.28%	1.30%						
Q4 2011	0.00%	0.04%	0.11%	0.20%	0.29%	0.41%	0.53%	0.64%	0.73%	0.83%	0.91%	0.98%	1.05%	1.11%	1.18%	1.21%	1.24%							
Q1 2012	0.02%	0.06%	0.11%	0.21%	0.33%	0.44%	0.58%	0.69%	0.79%	0.88%	0.97%	1.03%	1.11%	1.16%	1.20%	1.23%								
Q2 2012	0.02%	0.06%	0.11%	0.21%	0.29%	0.40%	0.49%	0.59%	0.68%	0.74%	0.79%	0.85%	0.91%	0.96%	0.98%									
Q3 2012	0.01%	0.02%	0.11%	0.23%	0.33%	0.44%	0.56%	0.67%	0.75%	0.82%	0.91%	0.98%	1.04%	1.11%										
Q4 2012	0.01%	0.07%	0.13%	0.24%	0.31%	0.39%	0.49%	0.57%	0.64%	0.73%	0.78%	0.86%	0.91%											
Q1 2013	0.01%	0.05%	0.10%	0.18%	0.28%	0.37%	0.48%	0.56%	0.64%	0.74%	0.81%	0.88%												
Q2 2013	0.00%	0.04%	0.09%	0.17%	0.26%	0.36%	0.48%	0.57%	0.63%	0.70%	0.75%													
Q3 2013	0.06%	0.11%	0.18%	0.26%	0.36%	0.45%	0.54%	0.62%	0.70%	0.77%														
Q4 2013	0.06%	0.09%	0.19%	0.33%	0.43%	0.52%	0.61%	0.68%	0.78%															
Q1 2014	0.00%	0.04%	0.10%	0.20%	0.28%	0.38%	0.46%	0.54%																
Q2 2014	0.00%	0.05%	0.12%	0.22%	0.29%	0.37%	0.45%																	
Q3 2014	0.00%	0.04%	0.13%	0.26%	0.33%	0.41%																		
Q4 2014	0.02%	0.06%	0.16%	0.26%	0.37%																			
Q1 2015	0.03%	0.06%	0.12%	0.23%																				
Q2 2015	0.00%	0.03%	0.12%																					
Q3 2015	0.01%	0.08%																						
Q4 2015	0.00%																							

Static Analysis Recoveries as of 31 May 2016

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 vehicle sales and proceeds in cases of selling the loan to a recovery agency.

Quarter of Termination	cumulative recoveries in % / months after termination									
	6	12	18	24	30	36	42	48	54	60
Q1 2008	31.50%	34.95%	37.76%	40.01%	41.97%	43.59%	44.74%	45.66%	46.40%	47.05%
Q2 2008	28.92%	32.17%	35.11%	37.06%	39.17%	40.64%	41.98%	42.94%	43.73%	44.55%
Q3 2008	27.98%	31.44%	34.17%	36.47%	38.88%	40.67%	41.97%	42.89%	43.67%	44.43%
Q4 2008	25.44%	28.82%	31.73%	34.46%	37.49%	39.33%	40.75%	41.79%	42.68%	43.74%
Q1 2009	29.79%	32.78%	35.91%	39.12%	41.67%	42.97%	44.03%	45.01%	45.85%	46.72%
Q2 2009	26.32%	29.85%	32.97%	36.59%	38.97%	40.36%	41.59%	42.49%	43.47%	44.36%
Q3 2009	28.04%	30.90%	34.56%	37.24%	39.66%	40.98%	42.14%	43.33%	44.17%	44.87%
Q4 2009	25.45%	29.96%	34.09%	37.34%	39.65%	41.18%	42.15%	43.12%	43.83%	44.40%
Q1 2010	28.96%	32.66%	35.03%	36.68%	39.01%	40.07%	41.17%	41.92%	42.52%	43.05%
Q2 2010	28.99%	32.49%	34.84%	36.84%	39.52%	40.72%	41.92%	42.57%	43.24%	43.72%
Q3 2010	29.40%	32.65%	34.57%	36.19%	38.56%	39.78%	40.89%	41.57%	42.16%	42.69%
Q4 2010	30.63%	33.59%	35.93%	37.36%	40.14%	41.17%	41.88%	42.53%	43.00%	43.40%
Q1 2011	29.37%	32.74%	35.41%	37.34%	40.31%	41.49%	42.51%	43.20%	43.74%	44.30%
Q2 2011	29.85%	32.97%	34.82%	36.06%	38.81%	39.80%	40.66%	41.34%	41.77%	
Q3 2011	31.68%	34.70%	36.48%	37.56%	40.11%	41.11%	41.81%	42.45%	42.98%	
Q4 2011	29.35%	32.87%	34.76%	36.10%	38.89%	40.25%	41.20%	41.95%		
Q1 2012	30.43%	33.59%	35.55%	37.73%	40.73%	41.61%	42.44%	43.01%		
Q2 2012	29.43%	32.36%	34.45%	36.02%	39.22%	40.02%	40.71%			
Q3 2012	29.92%	33.35%	35.68%	37.57%	40.66%	41.86%	42.86%			
Q4 2012	31.45%	34.78%	36.64%	38.26%	41.43%	42.55%				
Q1 2013	29.51%	33.17%	35.63%	37.46%	40.88%	42.28%				
Q2 2013	33.17%	36.76%	38.64%	40.53%	43.64%					
Q3 2013	29.92%	33.56%	35.38%	36.97%	40.12%					
Q4 2013	29.40%	33.37%	35.55%	37.82%						
Q1 2014	29.17%	33.44%	36.18%	38.53%						
Q2 2014	30.97%	35.19%	37.88%							
Q3 2014	30.78%	34.63%	37.64%							
Q4 2014	29.77%	34.21%								
Q1 2015	31.99%	36.10%								
Q2 2015	29.74%									
Q3 2015	33.66%									
Q4 2015										

Static Analysis Recoveries – Used Vehicles as of 31 May 2016

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:

7.

(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 vehicle sales and proceeds in cases of selling the loan to a recovery agency.

Quarter of Termination	cumulative recoveries in % / months after termination									
	6	12	18	24	30	36	42	48	54	60
Q1 2008	29.43%	32.81%	35.60%	37.93%	39.89%	41.56%	42.75%	43.66%	44.47%	45.13%
Q2 2008	27.22%	30.41%	33.33%	35.40%	37.55%	39.17%	40.62%	41.70%	42.54%	43.40%
Q3 2008	26.06%	29.48%	32.32%	34.74%	37.28%	38.99%	40.39%	41.35%	42.13%	42.93%
Q4 2008	24.50%	27.71%	30.60%	33.06%	36.18%	38.00%	39.38%	40.48%	41.39%	42.47%
Q1 2009	28.77%	31.71%	34.87%	38.16%	40.61%	41.93%	42.99%	44.01%	44.88%	45.80%
Q2 2009	24.71%	28.24%	31.26%	34.90%	37.45%	38.84%	40.09%	41.10%	42.15%	42.87%
Q3 2009	27.05%	29.67%	33.25%	36.00%	38.46%	39.85%	41.07%	42.32%	43.24%	43.99%
Q4 2009	25.11%	29.16%	33.07%	35.98%	38.43%	39.97%	40.97%	41.97%	42.72%	43.32%
Q1 2010	27.58%	31.13%	33.50%	35.07%	37.48%	38.60%	39.76%	40.57%	41.23%	41.76%
Q2 2010	28.03%	31.63%	33.91%	35.67%	38.42%	39.74%	41.16%	41.88%	42.57%	43.09%
Q3 2010	27.94%	31.11%	33.20%	34.94%	37.38%	38.68%	39.82%	40.58%	41.25%	41.81%
Q4 2010	28.07%	31.29%	33.55%	34.94%	37.80%	38.89%	39.65%	40.34%	40.82%	41.23%
Q1 2011	27.25%	30.38%	33.07%	35.21%	38.35%	39.61%	40.65%	41.30%	41.86%	42.39%
Q2 2011	27.35%	30.38%	32.46%	33.67%	36.57%	37.47%	38.37%	39.12%	39.54%	
Q3 2011	29.25%	32.62%	34.43%	35.58%	38.25%	39.26%	40.03%	40.69%	41.21%	
Q4 2011	26.99%	30.51%	32.47%	33.85%	36.74%	38.11%	39.10%	39.82%		
Q1 2012	28.25%	31.34%	33.22%	35.36%	38.36%	39.34%	40.15%	40.76%		
Q2 2012	27.31%	30.10%	32.39%	33.96%	37.24%	38.09%	38.78%			
Q3 2012	27.11%	30.41%	32.89%	34.89%	38.17%	39.39%	40.47%			
Q4 2012	29.26%	32.57%	34.33%	35.87%	39.09%	40.12%				
Q1 2013	26.87%	30.61%	32.88%	34.59%	38.19%	39.28%				
Q2 2013	29.68%	33.49%	35.55%	37.67%	40.96%					
Q3 2013	26.82%	30.80%	32.40%	34.18%	37.51%					
Q4 2013	25.80%	30.24%	32.36%	34.68%						
Q1 2014	26.18%	30.31%	33.20%	35.32%						
Q2 2014	27.89%	32.20%	34.85%							
Q3 2014	28.18%	32.35%	35.60%							
Q4 2014	27.53%	32.14%								
Q1 2015	28.07%	32.64%								
Q2 2015	27.37%									
Q3 2015	31.96%									
Q4 2015										

Static Analysis Recoveries – New Vehicles as of 31 May 2016

- 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 vehicle sales and proceeds in cases of selling the loan to a recovery agency.

Quarter of Termination	cumulative recoveries in % / months after termination									
	6	12	18	24	30	36	42	48	54	60
Q1 2008	39.25%	43.01%	45.85%	47.82%	49.77%	51.19%	52.17%	53.15%	53.66%	54.23%
Q2 2008	35.39%	38.88%	41.89%	43.37%	45.35%	46.26%	47.19%	47.68%	48.28%	48.93%
Q3 2008	35.76%	39.34%	41.61%	43.46%	45.34%	47.46%	48.34%	49.15%	49.91%	50.48%
Q4 2008	29.61%	33.74%	36.74%	40.64%	43.29%	45.21%	46.77%	47.56%	48.41%	49.39%
Q1 2009	34.09%	37.25%	40.27%	43.10%	46.10%	47.34%	48.37%	49.23%	49.92%	50.56%
Q2 2009	32.27%	35.76%	39.26%	42.84%	44.57%	45.97%	47.09%	47.63%	48.34%	49.88%
Q3 2009	32.35%	36.30%	40.25%	42.62%	44.90%	45.92%	46.82%	47.71%	48.25%	48.71%
Q4 2009	26.66%	32.86%	37.82%	42.26%	44.10%	45.59%	46.46%	47.32%	47.87%	48.31%
Q1 2010	34.32%	38.57%	40.95%	42.90%	44.93%	45.73%	46.63%	47.11%	47.51%	48.04%
Q2 2010	32.01%	35.19%	37.76%	40.49%	42.93%	43.77%	44.31%	44.74%	45.34%	45.71%
Q3 2010	35.18%	38.76%	39.99%	41.16%	43.19%	44.13%	45.12%	45.46%	45.75%	46.15%
Q4 2010	40.67%	42.60%	45.32%	46.87%	49.32%	50.14%	50.63%	51.14%	51.56%	51.92%
Q1 2011	37.14%	41.40%	44.01%	45.20%	47.51%	48.39%	49.35%	50.18%	50.66%	51.31%
Q2 2011	39.61%	43.10%	44.05%	45.36%	47.52%	48.88%	49.57%	49.99%	50.48%	
Q3 2011	41.06%	42.74%	44.40%	45.21%	47.30%	48.25%	48.72%	49.22%	49.82%	
Q4 2011	39.18%	42.68%	44.30%	45.48%	47.82%	49.15%	49.91%	50.84%		
Q1 2012	38.82%	42.24%	44.49%	46.82%	49.87%	50.35%	51.25%	51.65%		
Q2 2012	36.87%	40.34%	41.70%	43.30%	46.23%	46.82%	47.50%			
Q3 2012	41.89%	45.86%	47.53%	48.94%	51.21%	52.39%	53.00%			
Q4 2012	39.68%	43.07%	45.29%	47.21%	50.20%	51.68%				
Q1 2013	39.13%	42.53%	45.69%	47.92%	50.71%	53.26%				
Q2 2013	44.88%	47.76%	49.06%	50.16%	52.65%					
Q3 2013	42.10%	44.43%	47.10%	47.97%	50.37%					
Q4 2013	43.53%	45.64%	48.05%	50.12%						
Q1 2014	37.90%	42.57%	44.87%	47.88%						
Q2 2014	41.50%	45.40%	48.23%							
Q3 2014	39.17%	41.98%	44.22%							
Q4 2014	37.99%	41.77%								
Q1 2015	43.26%	46.05%								
Q2 2015	38.35%									
Q3 2015	39.99%									
Q4 2015										

Static Analysis Recoveries – Balloon Loans as of 31 May 2016

- 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 vehicle sales and proceeds in cases of selling the loan to a recovery agency.

Quarter of Termination	cumulative recoveries in % / months after termination									
	6	12	18	24	30	36	42	48	54	60
Q1 2008	32.37%	35.91%	38.31%	40.71%	42.43%	43.75%	44.82%	45.93%	46.60%	47.32%
Q2 2008	33.64%	36.20%	39.31%	40.84%	42.89%	44.30%	45.66%	46.34%	47.04%	47.83%
Q3 2008	33.28%	37.33%	39.12%	40.96%	42.96%	44.95%	45.84%	46.43%	47.08%	47.86%
Q4 2008	30.46%	32.86%	35.43%	38.33%	41.17%	42.81%	44.13%	45.04%	45.94%	47.03%
Q1 2009	30.31%	33.17%	36.90%	42.79%	46.41%	47.49%	48.50%	49.67%	50.39%	51.17%
Q2 2009	31.04%	34.53%	38.58%	45.60%	47.98%	48.97%	50.36%	51.16%	52.16%	52.79%
Q3 2009	29.38%	33.04%	38.05%	42.10%	44.32%	45.41%	46.53%	47.61%	48.52%	49.20%
Q4 2009	30.37%	35.10%	40.81%	43.91%	45.96%	48.18%	49.43%	50.58%	51.32%	51.80%
Q1 2010	29.39%	35.00%	37.63%	39.48%	41.66%	42.86%	44.29%	45.65%	46.30%	46.74%
Q2 2010	36.47%	40.77%	42.36%	45.30%	48.10%	49.56%	50.75%	51.51%	52.50%	53.01%
Q3 2010	37.30%	39.40%	41.00%	42.52%	44.56%	45.64%	46.60%	47.21%	47.72%	48.28%
Q4 2010	35.65%	37.83%	40.80%	42.08%	45.16%	45.72%	46.28%	46.87%	47.41%	47.84%
Q1 2011	32.88%	36.21%	39.35%	40.87%	44.13%	44.98%	46.11%	46.96%	47.50%	48.07%
Q2 2011	31.64%	35.22%	37.33%	38.68%	41.96%	42.84%	43.71%	44.32%	44.84%	
Q3 2011	35.66%	38.27%	39.44%	40.41%	42.84%	43.54%	44.16%	44.64%	45.12%	
Q4 2011	34.66%	37.94%	39.92%	41.21%	43.94%	45.22%	45.85%	46.54%		
Q1 2012	38.10%	42.09%	44.76%	46.76%	49.17%	49.71%	50.88%	51.36%		
Q2 2012	34.39%	36.96%	39.73%	40.86%	44.94%	45.78%	46.60%			
Q3 2012	38.04%	40.61%	42.85%	44.78%	47.27%	48.81%	50.05%			
Q4 2012	38.35%	40.88%	41.91%	42.71%	45.29%	46.08%				
Q1 2013	37.34%	40.31%	44.60%	45.87%	48.42%	49.44%				
Q2 2013	39.59%	41.87%	42.76%	43.69%	46.32%					
Q3 2013	33.93%	36.82%	38.60%	40.17%	42.75%					
Q4 2013	39.12%	43.43%	44.89%	47.03%						
Q1 2014	33.79%	38.65%	41.26%	45.03%						
Q2 2014	36.31%	40.74%	43.64%							
Q3 2014	36.72%	41.00%	42.93%							
Q4 2014	35.07%	39.31%								
Q1 2015	39.58%	44.08%								
Q2 2015	33.31%									
Q3 2015	40.38%									
Q4 2015										

Static Analysis Recoveries – Non- Balloon Loans as of 31 May 2016

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:
 10 (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 vehicle sales and proceeds in cases of selling the loan to a recovery agency.

Quarter of Termination	cumulative recoveries in % / months after termination									
	6	12	18	24	30	36	42	48	54	60
Q1 2008	31.18%	34.61%	37.56%	39.76%	41.81%	43.53%	44.70%	45.56%	46.33%	46.95%
Q2 2008	27.66%	31.10%	34.00%	36.05%	38.19%	39.67%	41.01%	42.04%	42.85%	43.67%
Q3 2008	26.02%	29.26%	32.33%	34.81%	37.37%	39.08%	40.54%	41.58%	42.41%	43.16%
Q4 2008	24.00%	27.66%	30.67%	33.35%	36.43%	38.33%	39.77%	40.85%	41.75%	42.80%
Q1 2009	29.60%	32.63%	35.54%	37.75%	39.91%	41.30%	42.36%	43.29%	44.17%	45.07%
Q2 2009	24.61%	28.14%	30.93%	33.31%	35.68%	37.22%	38.39%	39.33%	40.31%	41.30%
Q3 2009	27.59%	30.19%	33.39%	35.62%	38.10%	39.50%	40.68%	41.90%	42.73%	43.42%
Q4 2009	23.70%	28.14%	31.71%	35.01%	37.42%	38.70%	39.57%	40.48%	41.18%	41.77%
Q1 2010	28.85%	32.02%	34.32%	35.92%	38.29%	39.31%	40.32%	40.90%	41.49%	42.05%
Q2 2010	27.48%	30.81%	33.32%	35.13%	37.78%	38.93%	40.14%	40.77%	41.36%	41.85%
Q3 2010	27.70%	31.20%	33.19%	34.83%	37.26%	38.52%	39.66%	40.35%	40.96%	41.48%
Q4 2010	29.60%	32.72%	34.94%	36.40%	39.12%	40.25%	40.98%	41.65%	42.10%	42.49%
Q1 2011	28.66%	32.04%	34.62%	36.64%	39.54%	40.79%	41.78%	42.44%	42.99%	43.54%
Q2 2011	29.51%	32.55%	34.34%	35.56%	38.21%	39.22%	40.07%	40.77%	41.18%	
Q3 2011	30.79%	33.89%	35.82%	36.92%	39.50%	40.57%	41.29%	41.95%	42.50%	
Q4 2011	28.46%	32.02%	33.90%	35.24%	38.04%	39.41%	40.42%	41.18%		
Q1 2012	29.08%	32.10%	33.93%	36.14%	39.26%	40.19%	40.96%	41.54%		
Q2 2012	28.60%	31.60%	33.57%	35.22%	38.27%	39.06%	39.73%			
Q3 2012	28.37%	31.97%	34.31%	36.18%	39.39%	40.53%	41.48%			
Q4 2012	30.13%	33.61%	35.63%	37.40%	40.69%	41.87%				
Q1 2013	28.15%	31.93%	34.07%	36.00%	39.58%	41.04%				
Q2 2013	32.00%	35.84%	37.90%	39.96%	43.15%					
Q3 2013	29.29%	33.05%	34.87%	36.47%	39.71%					
Q4 2013	27.74%	31.66%	33.96%	36.25%						
Q1 2014	28.23%	32.38%	35.14%	37.20%						
Q2 2014	29.77%	33.94%	36.59%							
Q3 2014	29.52%	33.29%	36.53%							
Q4 2014	28.56%	33.04%								
Q1 2015	30.03%	34.04%								
Q2 2015	28.93%									
Q3 2015	32.17%									
Q4 2015										

Delinquencies 31-60 Days, 61-90 Days, 91-120 Days, 121-150 Days and more than 150 Days Past Due in % Total Portfolio as of 31 May 2016

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.

Year	2009					2010				
days past due	31-60	61-90	91-120	121-150	> 150	31-60	61-90	91-120	121-150	> 150
January	0.45%	0.28%	0.15%	0.10%	0.36%	0.37%	0.20%	0.12%	0.07%	0.20%
February	0.49%	0.27%	0.16%	0.09%	0.35%	0.38%	0.21%	0.11%	0.07%	0.20%
March	0.45%	0.24%	0.14%	0.08%	0.34%	0.33%	0.18%	0.10%	0.06%	0.19%
April	0.42%	0.27%	0.16%	0.08%	0.30%	0.32%	0.19%	0.11%	0.06%	0.17%
May	0.46%	0.24%	0.15%	0.09%	0.29%	0.31%	0.18%	0.11%	0.07%	0.17%
June	0.41%	0.24%	0.14%	0.08%	0.27%	0.30%	0.17%	0.10%	0.06%	0.14%
July	0.40%	0.22%	0.14%	0.07%	0.29%	0.30%	0.17%	0.09%	0.06%	0.12%
August	0.40%	0.23%	0.13%	0.07%	0.29%	0.31%	0.16%	0.09%	0.05%	0.12%
September	0.39%	0.22%	0.13%	0.08%	0.29%	0.32%	0.16%	0.10%	0.05%	0.11%
October	0.40%	0.23%	0.13%	0.07%	0.28%	0.34%	0.20%	0.10%	0.05%	0.12%
November	0.38%	0.22%	0.12%	0.07%	0.28%	0.32%	0.20%	0.11%	0.06%	0.11%
December	0.37%	0.20%	0.12%	0.06%	0.19%	0.30%	0.18%	0.11%	0.07%	0.10%
Year	2011					2012				
days past due	31-60	61-90	91-120	121-150	> 150	31-60	61-90	91-120	121-150	> 150
January	0.32%	0.19%	0.10%	0.07%	0.14%	0.26%	0.14%	0.07%	0.04%	0.08%
February	0.35%	0.19%	0.11%	0.07%	0.16%	0.26%	0.15%	0.08%	0.04%	0.08%
March	0.30%	0.19%	0.10%	0.07%	0.16%	0.25%	0.14%	0.08%	0.05%	0.08%
April	0.31%	0.19%	0.11%	0.07%	0.15%	0.27%	0.15%	0.08%	0.05%	0.08%
May	0.31%	0.18%	0.10%	0.07%	0.13%	0.25%	0.15%	0.08%	0.05%	0.09%
June	0.31%	0.18%	0.10%	0.06%	0.15%	0.25%	0.15%	0.08%	0.05%	0.09%
July	0.30%	0.18%	0.10%	0.07%	0.15%	0.24%	0.13%	0.08%	0.05%	0.09%
August	0.27%	0.16%	0.10%	0.06%	0.13%	0.24%	0.13%	0.06%	0.04%	0.08%
September	0.25%	0.15%	0.10%	0.06%	0.12%	0.26%	0.14%	0.08%	0.04%	0.08%
October	0.26%	0.14%	0.09%	0.06%	0.12%	0.24%	0.13%	0.07%	0.04%	0.07%
November	0.26%	0.13%	0.08%	0.05%	0.11%	0.22%	0.13%	0.07%	0.04%	0.08%
December	0.25%	0.13%	0.07%	0.04%	0.10%	0.23%	0.13%	0.07%	0.05%	0.08%

Year	2013					2014				
days past due	31-60	61-90	91-120	121-150	> 150	31-60	61-90	91-120	121-150	> 150
January	0.23%	0.12%	0.07%	0.04%	0.07%	0.23%	0.12%	0.06%	0.04%	0.05%
February	0.21%	0.12%	0.07%	0.04%	0.07%	0.23%	0.12%	0.07%	0.04%	0.05%
March	0.22%	0.12%	0.07%	0.04%	0.07%	0.22%	0.11%	0.07%	0.03%	0.05%
April	0.22%	0.11%	0.07%	0.04%	0.06%	0.24%	0.11%	0.07%	0.04%	0.04%
May	0.23%	0.11%	0.07%	0.04%	0.06%	0.24%	0.12%	0.06%	0.03%	0.06%
June	0.22%	0.11%	0.06%	0.04%	0.06%	0.24%	0.12%	0.07%	0.04%	0.05%
July	0.22%	0.10%	0.06%	0.03%	0.05%	0.21%	0.11%	0.06%	0.04%	0.05%
August	0.22%	0.11%	0.06%	0.03%	0.05%	0.22%	0.10%	0.06%	0.03%	0.05%
September	0.23%	0.11%	0.06%	0.03%	0.04%	0.22%	0.11%	0.06%	0.03%	0.05%
October	0.21%	0.11%	0.06%	0.03%	0.04%	0.22%	0.12%	0.06%	0.03%	0.05%
November	0.22%	0.12%	0.06%	0.04%	0.05%	0.23%	0.13%	0.07%	0.04%	0.06%
December	0.23%	0.11%	0.07%	0.04%	0.05%	0.22%	0.13%	0.06%	0.04%	0.06%
Year	2015					2016				
days past due	31-60	61-90	91-120	121-150	> 150	31-60	61-90	91-120	121-150	> 150
January	0.21%	0.10%	0.06%	0.04%	0.05%	0.20%	0.08%	0.04%	0.02%	0.02%
February	0.21%	0.09%	0.05%	0.03%	0.05%	0.20%	0.08%	0.04%	0.02%	0.02%
March	0.20%	0.08%	0.04%	0.02%	0.04%	0.19%	0.08%	0.03%	0.02%	0.02%
April	0.21%	0.09%	0.04%	0.02%	0.04%	0.19%	0.08%	0.04%	0.02%	0.02%
May	0.21%	0.10%	0.05%	0.02%	0.03%	0.20%	0.08%	0.04%	0.02%	0.02%
June	0.23%	0.09%	0.05%	0.02%	0.03%					
July	0.20%	0.10%	0.04%	0.02%	0.04%					
August	0.21%	0.10%	0.04%	0.02%	0.03%					
September	0.20%	0.09%	0.04%	0.03%	0.03%					
October	0.19%	0.09%	0.05%	0.02%	0.03%					
November	0.19%	0.09%	0.05%	0.02%	0.03%					
December	0.18%	0.08%	0.04%	0.02%	0.03%					

Annualised Prepayments – 6-Months Average as of 31 May 2016

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.

Prepayments in % of Total Outstanding Loan Balance	2009	2010	2011	2012	2013	2014	2015	2016
January	13.3%	11.6%	13.6%	13.8%	13.5%	14.1%	13.9%	15.4%
February	13.2%	11.5%	13.4%	13.4%	13.0%	14.0%	14.0%	15.2%
March	13.2%	11.7%	13.8%	13.6%	13.2%	14.3%	14.5%	15.3%
April	12.9%	11.9%	14.0%	12.5%	13.4%	14.3%	14.6%	15.6%
May	12.9%	12.0%	14.5%	13.7%	13.6%	14.6%	14.8%	15.8%
June	13.1%	12.5%	14.9%	14.3%	14.4%	15.1%	15.7%	
July	13.3%	13.2%	15.3%	14.8%	14.9%	15.4%	16.4%	
August	13.2%	13.8%	15.7%	15.2%	15.2%	15.3%	16.8%	
September	12.9%	13.8%	15.3%	14.8%	15.3%	15.1%	16.6%	
October	12.7%	13.8%	15.2%	15.9%	15.3%	15.1%	16.6%	
November	12.6%	14.1%	14.7%	14.6%	15.0%	14.8%	16.7%	
December	12.3%	13.8%	14.2%	13.8%	14.5%	14.4%	16.0%	

Inferential statement of the Issuer

13.

The Issuer states herewith that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. However, this is not a guarantee given by the Issuer and the Issuer as a special purpose entity has only limited resources available as described under the "RISK FACTORS – Credit Aspects of the Transaction and other considerations relating to the Notes – Limited resources of the Issuer".

ASSUMED AMORTISATION OF THE PURCHASED RECEIVABLES AND OF THE NOTES

Assumed Amortisation of the Purchased Receivables if clean-up call option is exercised

This amortisation scenario is based on the assumption (i) that a replenishment takes place over 48 months and (ii) that no losses or delinquencies occur, (iii) that 0 % annualised prepayments occur and (iv) that the clean-up call option is exercised. It should be noted that the actual amortisation of the Purchased Receivables may differ substantially from the amortisation scenario indicated below.

Payment Date fall in	Amortisation Profile of Loan Receivables (EUR)	Scheduled Amortisation (EUR)
Aug-16	1,500,000,000	
Sep-16	1,500,000,000	-
Oct-16	1,500,000,000	-
Nov-16	1,500,000,000	-
Dec-16	1,500,000,000	-
Jan-17	1,500,000,000	-
Feb-17	1,500,000,000	-
Mar-17	1,500,000,000	-
Apr-17	1,500,000,000	-
May-17	1,500,000,000	-
Jun-17	1,500,000,000	-
Jul-17	1,500,000,000	-
Aug-17	1,500,000,000	-
Sep-17	1,500,000,000	-
Oct-17	1,500,000,000	-
Nov-17	1,500,000,000	-
Dec-17	1,500,000,000	-
Jan-18	1,500,000,000	-
Feb-18	1,500,000,000	-
Mar-18	1,500,000,000	-
Apr-18	1,500,000,000	-
May-18	1,500,000,000	-
Jun-18	1,500,000,000	-
Jul-18	1,500,000,000	-
Aug-18	1,500,000,000	-
Sep-18	1,500,000,000	-
Oct-18	1,500,000,000	-
Nov-18	1,500,000,000	-
Dec-18	1,500,000,000	-
Jan-19	1,500,000,000	-
Feb-19	1,500,000,000	-
Mar-19	1,500,000,000	-
Apr-19	1,500,000,000	-
May-19	1,500,000,000	-
Jun-19	1,500,000,000	-
Jul-19	1,500,000,000	-
Aug-19	1,500,000,000	-
Sep-19	1,500,000,000	-
Oct-19	1,500,000,000	-
Nov-19	1,500,000,000	-
Dec-19	1,500,000,000	-
Jan-20	1,500,000,000	-
Feb-20	1,500,000,000	-
Mar-20	1,500,000,000	-
Apr-20	1,500,000,000	-
May-20	1,500,000,000	-
Jun-20	1,500,000,000	-
Jul-20	1,500,000,000	-
Aug-20	1,454,934,520	45,065,480
Sep-20	1,407,877,389	47,057,131
Oct-20	1,361,010,365	46,867,024
Nov-20	1,314,049,182	46,961,182
Dec-20	1,268,332,404	45,716,778

Payment Date fall in	Amortisation Profile of Loan Receivables (EUR)	Scheduled Amortisation (EUR)
Jan-21	1,223,124,694	45,207,710
Feb-21	1,178,445,144	44,679,549
Mar-21	1,135,584,703	42,860,442
Apr-21	1,089,692,892	45,891,810
May-21	1,037,044,759	52,648,134
Jun-21	996,528,494	40,516,264
Jul-21	963,016,241	33,512,253
Aug-21	929,908,972	33,107,269
Sep-21	897,275,153	32,633,819
Oct-21	865,122,455	32,152,699
Nov-21	833,467,137	31,655,318
Dec-21	802,294,890	31,172,246
Jan-22	771,632,397	30,662,494
Feb-22	741,449,891	30,182,506
Mar-22	711,749,652	29,700,239
Apr-22	682,538,754	29,210,898
May-22	653,878,166	28,660,589
Jun-22	625,882,593	27,995,572
Jul-22	598,417,635	27,464,958
Aug-22	571,427,615	26,990,020
Sep-22	544,927,822	26,499,794
Oct-22	519,028,068	25,899,754
Nov-22	493,801,356	25,226,712
Dec-22	469,273,897	24,527,459
Jan-23	445,451,985	23,821,913
Feb-23	422,294,851	23,157,134
Mar-23	399,800,852	22,493,999
Apr-23	377,984,502	21,816,349
May-23	356,909,956	21,074,547
Jun-23	336,730,516	20,179,440
Jul-23	317,264,364	19,466,151
Aug-23	298,450,536	18,813,829
Sep-23	280,297,919	18,152,616
Oct-23	262,909,992	17,387,927
Nov-23	246,271,448	16,638,544
Dec-23	230,393,169	15,878,279
Jan-24	215,263,867	15,129,302
Feb-24	200,832,238	14,431,629
Mar-24	187,086,484	13,745,753
Apr-24	174,059,844	13,026,641
May-24	161,846,582	12,213,262
Jun-24	150,578,714	11,267,868
Jul-24	139,951,094	10,627,620
Aug-24	-	139,951,094
Sep-24	-	-
Oct-24	-	-
Nov-24	-	-
Dec-24	-	-

This amortisation scenario is based on the assumption (i) that a replenishment takes place over 48 months, (ii) that no losses or delinquencies occur, (iii) that 14% annualised prepayments occur and (iv) that the clean-up call option is exercised. It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

Payment Date fall in	Amortisation Profile of Loan Receivables (EUR)	Scheduled Amortisation (EUR)
Aug-16	1,500,000,000	
Sep-16	1,500,000,000	-
Oct-16	1,500,000,000	-
Nov-16	1,500,000,000	-
Dec-16	1,500,000,000	-
Jan-17	1,500,000,000	-
Feb-17	1,500,000,000	-
Mar-17	1,500,000,000	-
Apr-17	1,500,000,000	-
May-17	1,500,000,000	-
Jun-17	1,500,000,000	-
Jul-17	1,500,000,000	-
Aug-17	1,500,000,000	-
Sep-17	1,500,000,000	-
Oct-17	1,500,000,000	-
Nov-17	1,500,000,000	-
Dec-17	1,500,000,000	-
Jan-18	1,500,000,000	-
Feb-18	1,500,000,000	-
Mar-18	1,500,000,000	-
Apr-18	1,500,000,000	-
May-18	1,500,000,000	-
Jun-18	1,500,000,000	-
Jul-18	1,500,000,000	-
Aug-18	1,500,000,000	-
Sep-18	1,500,000,000	-
Oct-18	1,500,000,000	-
Nov-18	1,500,000,000	-
Dec-18	1,500,000,000	-
Jan-19	1,500,000,000	-
Feb-19	1,500,000,000	-
Mar-19	1,500,000,000	-
Apr-19	1,500,000,000	-
May-19	1,500,000,000	-
Jun-19	1,500,000,000	-
Jul-19	1,500,000,000	-
Aug-19	1,500,000,000	-
Sep-19	1,500,000,000	-
Oct-19	1,500,000,000	-
Nov-19	1,500,000,000	-
Dec-19	1,500,000,000	-
Jan-20	1,500,000,000	-
Feb-20	1,500,000,000	-
Mar-20	1,500,000,000	-
Apr-20	1,500,000,000	-
May-20	1,500,000,000	-
Jun-20	1,500,000,000	-
Jul-20	1,500,000,000	-
Aug-20	1,442,316,051	57,683,949
Sep-20	1,384,718,958	57,597,092
Oct-20	1,328,419,919	56,299,039
Nov-20	1,273,239,556	55,180,363
Dec-20	1,219,874,180	53,365,376

Payment Date fall in	Amortisation Profile of Loan Receivables (EUR)	Scheduled Amortisation (EUR)
Jan-21	1,167,903,470	51,970,710
Feb-21	1,117,310,189	50,593,280
Mar-21	1,068,729,466	48,580,724
Apr-21	1,019,667,001	49,062,464
May-21	968,286,571	51,380,430
Jun-21	923,985,022	44,301,549
Jul-21	884,085,365	39,899,656
Aug-21	845,311,378	38,773,988
Sep-21	807,671,191	37,640,186
Oct-21	771,150,496	36,520,695
Nov-21	735,738,330	35,412,166
Dec-21	701,405,116	34,333,214
Jan-22	668,142,124	33,262,993
Feb-22	635,909,400	32,232,724
Mar-22	604,689,070	31,220,330
Apr-22	574,458,139	30,230,931
May-22	545,231,454	29,226,685
Jun-22	517,049,816	28,181,638
Jul-22	489,823,637	27,226,178
Aug-22	463,506,933	26,316,705
Sep-22	438,091,245	25,415,688
Oct-22	413,616,170	24,475,075
Nov-22	390,089,643	23,526,527
Dec-22	367,498,684	22,590,958
Jan-23	345,824,571	21,674,114
Feb-23	325,028,290	20,796,280
Mar-23	305,091,625	19,936,666
Apr-23	285,991,747	19,099,877
May-23	267,744,668	18,247,080
Jun-23	250,416,857	17,327,811
Jul-23	233,880,618	16,536,239
Aug-23	218,081,486	15,799,132
Sep-23	203,013,400	15,068,086
Oct-23	188,726,251	14,287,148
Nov-23	175,186,005	13,540,246
Dec-23	162,387,895	12,798,110
Jan-24	150,306,783	12,081,112
Feb-24	138,901,262	11,405,521
Mar-24	-	138,901,262
Apr-24	-	-
May-24	-	-
Jun-24	-	-
Jul-24	-	-
Aug-24	-	-
Sep-24	-	-
Oct-24	-	-
Nov-24	-	-
Dec-24	-	-

Assumed Amortisation of the Notes if clean-up call option is exercised

This amortisation scenario is based on the assumption (i) that a replenishment takes place over 48 months, (ii) that no losses or delinquencies occur, (iii) that 0% annualised prepayments occur and (iv) that the clean-up call option is exercised. It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

Payment Date fall in	Principal Amount Outstanding Class A	Principal Amount Outstanding Class B	Amortisation Class A Notes (EUR)	Amortisation Class B Notes (EUR)
Aug-16	1,440,000,000	60,000,000		
Sep-16	1,440,000,000	60,000,000	-	-
Oct-16	1,440,000,000	60,000,000	-	-
Nov-16	1,440,000,000	60,000,000	-	-
Dec-16	1,440,000,000	60,000,000	-	-
Jan-17	1,440,000,000	60,000,000	-	-
Feb-17	1,440,000,000	60,000,000	-	-
Mar-17	1,440,000,000	60,000,000	-	-
Apr-17	1,440,000,000	60,000,000	-	-
May-17	1,440,000,000	60,000,000	-	-
Jun-17	1,440,000,000	60,000,000	-	-
Jul-17	1,440,000,000	60,000,000	-	-
Aug-17	1,440,000,000	60,000,000	-	-
Sep-17	1,440,000,000	60,000,000	-	-
Oct-17	1,440,000,000	60,000,000	-	-
Nov-17	1,440,000,000	60,000,000	-	-
Dec-17	1,440,000,000	60,000,000	-	-
Jan-18	1,440,000,000	60,000,000	-	-
Feb-18	1,440,000,000	60,000,000	-	-
Mar-18	1,440,000,000	60,000,000	-	-
Apr-18	1,440,000,000	60,000,000	-	-
May-18	1,440,000,000	60,000,000	-	-
Jun-18	1,440,000,000	60,000,000	-	-
Jul-18	1,440,000,000	60,000,000	-	-
Aug-18	1,440,000,000	60,000,000	-	-
Sep-18	1,440,000,000	60,000,000	-	-
Oct-18	1,440,000,000	60,000,000	-	-
Nov-18	1,440,000,000	60,000,000	-	-
Dec-18	1,440,000,000	60,000,000	-	-
Jan-19	1,440,000,000	60,000,000	-	-
Feb-19	1,440,000,000	60,000,000	-	-
Mar-19	1,440,000,000	60,000,000	-	-
Apr-19	1,440,000,000	60,000,000	-	-
May-19	1,440,000,000	60,000,000	-	-
Jun-19	1,440,000,000	60,000,000	-	-
Jul-19	1,440,000,000	60,000,000	-	-
Aug-19	1,440,000,000	60,000,000	-	-
Sep-19	1,440,000,000	60,000,000	-	-
Oct-19	1,440,000,000	60,000,000	-	-
Nov-19	1,440,000,000	60,000,000	-	-
Dec-19	1,440,000,000	60,000,000	-	-
Jan-20	1,440,000,000	60,000,000	-	-
Feb-20	1,440,000,000	60,000,000	-	-
Mar-20	1,440,000,000	60,000,000	-	-
Apr-20	1,440,000,000	60,000,000	-	-
May-20	1,440,000,000	60,000,000	-	-
Jun-20	1,440,000,000	60,000,000	-	-
Jul-20	1,440,000,000	60,000,000	-	-
Aug-20	1,394,934,520	60,000,000	45,065,480	-
Sep-20	1,347,877,389	60,000,000	47,057,131	-
Oct-20	1,301,010,365	60,000,000	46,867,024	-
Nov-20	1,254,049,182	60,000,000	46,961,182	-
Dec-20	1,208,332,404	60,000,000	45,716,778	-

Payment Date fall in	Principal Amount Outstanding Class A	Principal Amount Outstanding Class B	Amortisation Class A Notes (EUR)	Amortisation Class B Notes (EUR)
Jan-21	1,163,124,694	60,000,000	45,207,710	-
Feb-21	1,118,445,144	60,000,000	44,679,549	-
Mar-21	1,075,584,703	60,000,000	42,860,442	-
Apr-21	1,029,692,892	60,000,000	45,891,810	-
May-21	977,044,759	60,000,000	52,648,134	-
Jun-21	936,528,494	60,000,000	40,516,264	-
Jul-21	903,016,241	60,000,000	33,512,253	-
Aug-21	869,908,972	60,000,000	33,107,269	-
Sep-21	837,275,153	60,000,000	32,633,819	-
Oct-21	805,122,455	60,000,000	32,152,699	-
Nov-21	773,467,137	60,000,000	31,655,318	-
Dec-21	742,294,890	60,000,000	31,172,246	-
Jan-22	711,632,397	60,000,000	30,662,494	-
Feb-22	681,449,891	60,000,000	30,182,506	-
Mar-22	651,749,652	60,000,000	29,700,239	-
Apr-22	622,538,754	60,000,000	29,210,898	-
May-22	593,878,166	60,000,000	28,660,589	-
Jun-22	565,882,593	60,000,000	27,995,572	-
Jul-22	538,417,635	60,000,000	27,464,958	-
Aug-22	511,427,615	60,000,000	26,990,020	-
Sep-22	484,927,822	60,000,000	26,499,794	-
Oct-22	459,028,068	60,000,000	25,899,754	-
Nov-22	433,801,356	60,000,000	25,226,712	-
Dec-22	409,273,897	60,000,000	24,527,459	-
Jan-23	385,451,985	60,000,000	23,821,913	-
Feb-23	362,294,851	60,000,000	23,157,134	-
Mar-23	339,800,852	60,000,000	22,493,999	-
Apr-23	317,984,502	60,000,000	21,816,349	-
May-23	296,909,956	60,000,000	21,074,547	-
Jun-23	276,730,516	60,000,000	20,179,440	-
Jul-23	257,264,364	60,000,000	19,466,151	-
Aug-23	238,450,536	60,000,000	18,813,829	-
Sep-23	220,297,919	60,000,000	18,152,616	-
Oct-23	202,909,992	60,000,000	17,387,927	-
Nov-23	186,271,448	60,000,000	16,638,544	-
Dec-23	170,393,169	60,000,000	15,878,279	-
Jan-24	155,263,867	60,000,000	15,129,302	-
Feb-24	140,832,238	60,000,000	14,431,629	-
Mar-24	127,086,484	60,000,000	13,745,753	-
Apr-24	114,059,844	60,000,000	13,026,641	-
May-24	101,846,582	60,000,000	12,213,262	-
Jun-24	90,578,714	60,000,000	11,267,868	-
Jul-24	79,951,094	60,000,000	10,627,620	-
Aug-24	-	-	79,951,094	60,000,000
Sep-24	-	-	-	-
Oct-24	-	-	-	-
Nov-24	-	-	-	-
Dec-24	-	-	-	-

This amortisation scenario is based on the assumption (i) that a replenishment takes place over 48 months, (ii) that no losses or delinquencies occur, (iii) that 14% prepayments occur and (iv) that the clean-up call option is exercised. It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

Payment Date fall in	Principal Amount Outstanding Class A	Principal Amount Outstanding Class B	Amortisation Class A Notes (EUR)	Amortisation Class B Notes (EUR)
Aug-16	1,440,000,000	60,000,000		
Sep-16	1,440,000,000	60,000,000	-	-
Oct-16	1,440,000,000	60,000,000	-	-
Nov-16	1,440,000,000	60,000,000	-	-
Dec-16	1,440,000,000	60,000,000	-	-
Jan-17	1,440,000,000	60,000,000	-	-
Feb-17	1,440,000,000	60,000,000	-	-
Mar-17	1,440,000,000	60,000,000	-	-
Apr-17	1,440,000,000	60,000,000	-	-
May-17	1,440,000,000	60,000,000	-	-
Jun-17	1,440,000,000	60,000,000	-	-
Jul-17	1,440,000,000	60,000,000	-	-
Aug-17	1,440,000,000	60,000,000	-	-
Sep-17	1,440,000,000	60,000,000	-	-
Oct-17	1,440,000,000	60,000,000	-	-
Nov-17	1,440,000,000	60,000,000	-	-
Dec-17	1,440,000,000	60,000,000	-	-
Jan-18	1,440,000,000	60,000,000	-	-
Feb-18	1,440,000,000	60,000,000	-	-
Mar-18	1,440,000,000	60,000,000	-	-
Apr-18	1,440,000,000	60,000,000	-	-
May-18	1,440,000,000	60,000,000	-	-
Jun-18	1,440,000,000	60,000,000	-	-
Jul-18	1,440,000,000	60,000,000	-	-
Aug-18	1,440,000,000	60,000,000	-	-
Sep-18	1,440,000,000	60,000,000	-	-
Oct-18	1,440,000,000	60,000,000	-	-
Nov-18	1,440,000,000	60,000,000	-	-
Dec-18	1,440,000,000	60,000,000	-	-
Jan-19	1,440,000,000	60,000,000	-	-
Feb-19	1,440,000,000	60,000,000	-	-
Mar-19	1,440,000,000	60,000,000	-	-
Apr-19	1,440,000,000	60,000,000	-	-
May-19	1,440,000,000	60,000,000	-	-
Jun-19	1,440,000,000	60,000,000	-	-
Jul-19	1,440,000,000	60,000,000	-	-
Aug-19	1,440,000,000	60,000,000	-	-
Sep-19	1,440,000,000	60,000,000	-	-
Oct-19	1,440,000,000	60,000,000	-	-
Nov-19	1,440,000,000	60,000,000	-	-
Dec-19	1,440,000,000	60,000,000	-	-
Jan-20	1,440,000,000	60,000,000	-	-
Feb-20	1,440,000,000	60,000,000	-	-
Mar-20	1,440,000,000	60,000,000	-	-
Apr-20	1,440,000,000	60,000,000	-	-
May-20	1,440,000,000	60,000,000	-	-
Jun-20	1,440,000,000	60,000,000	-	-
Jul-20	1,440,000,000	60,000,000	-	-
Aug-20	1,382,316,051	60,000,000	57,683,949	-
Sep-20	1,324,718,958	60,000,000	57,597,092	-
Oct-20	1,268,419,919	60,000,000	56,299,039	-
Nov-20	1,213,239,556	60,000,000	55,180,363	-
Dec-20	1,159,874,180	60,000,000	53,365,376	-

Payment Date fall in	Principal Amount Outstanding Class A	Principal Amount Outstanding Class B	Amortisation Class A Notes (EUR)	Amortisation Class B Notes (EUR)
Jan-21	1,107,903,470	60,000,000	51,970,710	-
Feb-21	1,057,310,189	60,000,000	50,593,280	-
Mar-21	1,008,729,466	60,000,000	48,580,724	-
Apr-21	959,667,001	60,000,000	49,062,464	-
May-21	908,286,571	60,000,000	51,380,430	-
Jun-21	863,985,022	60,000,000	44,301,549	-
Jul-21	824,085,365	60,000,000	39,899,656	-
Aug-21	785,311,378	60,000,000	38,773,988	-
Sep-21	747,671,191	60,000,000	37,640,186	-
Oct-21	711,150,496	60,000,000	36,520,695	-
Nov-21	675,738,330	60,000,000	35,412,166	-
Dec-21	641,405,116	60,000,000	34,333,214	-
Jan-22	608,142,124	60,000,000	33,262,993	-
Feb-22	575,909,400	60,000,000	32,232,724	-
Mar-22	544,689,071	60,000,000	31,220,330	-
Apr-22	514,458,139	60,000,000	30,230,931	-
May-22	485,231,454	60,000,000	29,226,685	-
Jun-22	457,049,816	60,000,000	28,181,638	-
Jul-22	429,823,637	60,000,000	27,226,178	-
Aug-22	403,506,933	60,000,000	26,316,705	-
Sep-22	378,091,245	60,000,000	25,415,688	-
Oct-22	353,616,170	60,000,000	24,475,075	-
Nov-22	330,089,643	60,000,000	23,526,527	-
Dec-22	307,498,684	60,000,000	22,590,958	-
Jan-23	285,824,571	60,000,000	21,674,114	-
Feb-23	265,028,290	60,000,000	20,796,280	-
Mar-23	245,091,625	60,000,000	19,936,666	-
Apr-23	225,991,747	60,000,000	19,099,877	-
May-23	207,744,668	60,000,000	18,247,080	-
Jun-23	190,416,857	60,000,000	17,327,811	-
Jul-23	173,880,618	60,000,000	16,536,239	-
Aug-23	158,081,486	60,000,000	15,799,132	-
Sep-23	143,013,400	60,000,000	15,068,086	-
Oct-23	128,726,251	60,000,000	14,287,148	-
Nov-23	115,186,005	60,000,000	13,540,246	-
Dec-23	102,387,895	60,000,000	12,798,110	-
Jan-24	90,306,783	60,000,000	12,081,112	-
Feb-24	78,901,262	60,000,000	11,405,521	-
Mar-24	-	-	78,901,262	60,000,000
Apr-24	-	-	-	-
May-24	-	-	-	-
Jun-24	-	-	-	-
Jul-24	-	-	-	-
Aug-24	-	-	-	-
Sep-24	-	-	-	-
Oct-24	-	-	-	-
Nov-24	-	-	-	-
Dec-24	-	-	-	-

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 either from the car dealer via the Point-of-Sale-Systems or by the customer's self-disclosure in online business that are b) verified before booking when the mandatory documents (salary slips, car registration documents, etc.) are on hand. If the applicant misses 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 is communicated externally to car dealers or customers or internally to employees of the dealer distribution centres or sales staff.

(ii) *Credit bureau information*

SCHUFA Holding AG (*Schutzgemeinschaft für allgemeine Kreditsicherung*) is the main central data base 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 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 can 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 (point of sale business) or the customer (online business) 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 (point of sale business) or electronically and by mail to the customer (online business). 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 or (online business only) the interest rate will be increased significantly.

If the result of this evaluation process is a "red" or a "yellow", the application can only be approved as an override decision by a specialised unit of senior credit analysts within the Risk Management called Risk Underwriting. Risk Underwriting 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, Risk Underwriting is required to record the reason underlying any such decision in each individual case. Once a final and positive decision 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 corresponding fees. 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 (1st notice of past due). The relevant due payment is charged once again through a "special direct debit" two weeks after the initial due date. Should the debtor fail to pay this instalment, a further computer-generated reminder letter (2nd notice of past due) is sent to the debtor and the missing instalment will be drawn at the next due date again with the following instalment.

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, Restructuring Department and Collection Center), 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, to return to a normal payment behavior. Any arrangements are finally decided within the Collection Business Unit (Restructuring 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 Santander Restructuring Policy, i.e. adjustments of the loan terms including deferral or reduction of the instalments or debt restructuring including waiver of principal. The Restructuring Policy is an organizational framework which describes the usage of the different restructuring 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 Restructuring 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 online car-auction platforms. Access to these auctions is granted to car dealers. The starting prices are set through independent motor vehicle experts who check each car after entering the remarketing 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 Restructuring 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.

Following the termination of the relevant loan, Santander Consumer Bank hands over the responsibility for further collection procedures to an external law firm and external collection agencies. The following activities include extrajudicial efforts to arrange repayment plans as well as judicial processes to initiate the enforcement of the loan receivable, if economically promising. 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 28 July 2016 and registered with the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under HRB 105978 as an entrepreneurial company with limited liability (*Unternehmergesellschaft (haftungsbeschränkt)*) under the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) under the name of SC Germany Auto 2016-2 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 SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany (telephone no. +49 69 643 50 8900), the location at which the Issuer's register of shareholders is kept. The shareholder of the Issuer is Stichting SC Germany Auto 2016-2 which holds one fully paid-in share of EUR 4,500.

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 28 July 2016, 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:

Name	Business Address	Other Principal Activities
Burkhard Leffers	Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany	Managing Director (<i>Geschäftsführer</i>) of SFM Structure Finance Management (Deutschland) GmbH
Andreas Grundhöfer	Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany	Director of SFM Structure Finance Management (Deutschland) 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 28 July 2016, adjusted for the issue of the Notes:

– *Share Capital*

The registered share capital of the Issuer is EUR 4,500. The founding shareholder of the Issuer is Stichting SC Germany Auto 2016-2, which holds one fully paid-in share (*Geschäftsanteil*) of EUR 4,500.

– *Loan Capital*

EUR 1,500,000,000 Notes due July 2032

EUR 15,000,000 of outstanding advances under the Subordinated Loan

EUR 650,000 of outstanding advances under the Funding Loan

The table below sets out the opening balance sheet of the Issuer as of 8 July 2016.

		Assets	Equity and liabilities
		EUR	EUR
Current Assets			
Cash	in	4,500	
Banks			
			Subscribed share capital
			4,500
		EUR 4,500	EUR 4,500

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 28 July 2016, 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. The first fiscal year is a short fiscal year, ending on 31 December of the year of incorporation of the Issuer.

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 28 July 2016, the Issuer has not prepared any financial statements other than the opening balance sheet (which will remain unaudited) and has not declared or paid any dividends as of the date of this Prospectus. The Issuers financial year is the calendar year.

Auditors and Auditor's Reports

The auditors of the Issuer for the business year 2016 are PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft ("**PwC**"). PwC, Moskauer Straße 19, 40227 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. In particular, the opening balance sheet of the Issuer has not been audited.

THE SELLER

Incorporation and Ownership

The Seller, Santander Consumer Bank AG ("**Santander Consumer Bank**"), has its registered office in Mönchengladbach and is registered in the commercial register at the local court (*Amtsgericht*) of Mönchengladbach under number HRB 1747. It is incorporated for an unlimited period of time. The purpose of Santander Consumer Bank is to conduct banking business according to the German Banking Act (*Kreditwesengesetz* - KWG) and to provide financial, advisory and similar services.

The Seller is a credit institution which was founded in 1957 in Mönchengladbach, Germany, under the name of *Curt Briechle KG Absatzfinanzierung* as a sales financing company for cars. Santander Consumer Bank has a full banking licence since 30 October 1967. In 1968, the *Curt Briechle KG Absatzfinanzierung* was transformed into a stock corporation (AG) and renamed *Bankhaus Centrale Credit AG*. In 1987, *Bankhaus Centrale Credit AG* was acquired by Banco Santander, S.A. and renamed *CC-Bank AG*. In 1988, 50% of the shares of *CC-Bank AG* were acquired by The Royal Bank of Scotland plc and were repurchased by Banco Santander, S.A. in 1996 which thereby became the sole shareholder of the company.

In 2002, CC-Bank AG merged with AKB Privat- und Handelsbank which domiciled in Cologne. In 2003, Santander Direkt Bank AG, a member of the Santander Group, with its seat in Frankfurt am Main, merged with CC-Bank AG. This merger was recorded in the commercial register on 15 September 2003. On 31 August 2006, the change of the name into *Santander Consumer Bank AG* was recorded in the commercial register. Santander Consumer Bank acquired the consumer credit business of The Royal Bank of Scotland plc, RBS (RD Europe) GmbH, on 1 July 2008. The merger was recorded in the commercial register on 30 December 2008. Furthermore, in April 2009 Santander Consumer Bank acquired and merged with GE Money Bank GmbH. The merger was recorded in the commercial register on 1 July 2009.

With effect from 31 January 2011, Santander Consumer Bank acquired the German retail and SME (small and medium-sized enterprises) business of SEB AG ("**SEB**") in Germany. The company has been operating since 1 February 2011 under the name of Santander Bank, a branch of Santander Consumer Bank (hereinafter referred to as Santander Bank). By integrating SEB's retail and SME business, the Seller has strengthened its retail banking business and expanded its product range. Following the acquisition, Santander Consumer Bank has established itself as one of the largest banks in the German retail banking sector with around 6.1 million clients (as of end of December 2015) in Germany.

Today, the Seller's entire share capital of EUR 30,002,000 is held by Santander Consumer Holding GmbH, a limited liability company, based in Mönchengladbach. At year-end, all profits are transferred to Santander Consumer Holding GmbH, from where they are transferred to the parent company, Santander Consumer Finance S.A. ("**SCF**"), a subsidiary of Banco Santander, S.A.. Possible losses are fully covered by the parent group (Santander Consumer Holding GmbH, SCF and Banco Santander, S.A.), after possible reserves from Santander Consumer Bank have been fully utilized.

Business Activities

Santander Consumer Bank conducts banking business subject to the supervision of the German Financial Federal Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**") in co-operation with the German central bank (*Bundesbank*) and in accordance with the German Banking Act. Since 4 November 2014, the Seller has been monitored by the ECB according to the uniform European Single Supervisory Mechanism (SSM). Santander Consumer Bank is part of the SCF division headed by SCF which is one of the major suppliers of consumer financing in Europe.

The Seller carries out its business under three brands:

- Santander Consumer Bank: Credit to consumers in the areas:

- Car Financing
 - Durable Goods Financing
 - Retail Banking Business
- Santander Bank: Serving investment-oriented customers, offering mortgage-backed financing for retail banking customers as well as services for business customers;
 - Santander Direkt Bank: Online bank for Internet-savvy customers.

The activities of the Seller in the three business areas "Car Financing", "Durable Goods Financing" and "Retail Banking Business" are described in more detail below.

Business Area Car Financing

For Santander Consumer Bank, car financing is a central business area. Car financing consists of the two business units "Motor Vehicles" (the "**Retail Loans**") for new and used cars, motorcycles and caravans and "Stock Financing" (stock financing for dealerships). The Retail Loans are included in the Portfolio.

In the car financing business, Santander Consumer Bank has for many years been the largest partner for manufacturer-independent financing (so-called non-captive industry) for cars, motorcycles and (motor) caravans in Germany. The Seller also acts as the exclusive financing partner of selected car makes (so-called captive industry) such as Mazda and Volvo. Exclusive partnerships with motorcycle manufacturers and manufacturers of recreational vehicles, such as Kawasaki, Harley Davidson and Dethleffs, supplement the car finance offer. Santander Consumer Bank intensifies its market penetration in Germany by consolidating its captive partnerships with manufacturers and importers and their dealer networks.

Business Area Durable Goods Financing

The Seller is a major provider of consumer goods financing services in Germany. The Seller works closely with dealers in the durable goods financing business who increasingly use financing of consumer goods as a marketing tool. The main sales drivers are the areas of entertainment electronics, computers and furniture. Furthermore, Santander Consumer Bank offers full-service financing and e-commerce solutions for web shops. A key product is the so-called "ComfortCard", a form of loyalty card which includes a credit line with a predetermined limit and additional insurance services. The durable goods financing is not included in the Portfolio.

Business Area Retail Banking Business

The Seller offers a range of classic retail banking products to private customers, comprising current and savings accounts, consumer credit and loans, deposit and insurance business. With 324 branches in Germany (as of the end of December 2015), the Seller targets loan-oriented private clients but also has a focus on the market for deposit business. Santander Bank offers the whole range of banking products like savings, insurances and consumer loans and, in addition, also funds, asset management, structured investment products as well as the mortgage finance business. Whereas the relatively loan-oriented retail banking business is conducted by Santander Consumer Bank, Santander Bank focuses on the business with investment-oriented customers, who require more in-depth advice and the mortgage finance business. The retail banking business is not included in the Portfolio.

Origination

Santander Consumer Bank originates its "Motor Vehicles" business through car dealers in Germany acting as intermediaries and through its internet website.

General Characteristics of Retail Loans

Retail Loan Amount

The amount of the Retail Loan is generally smaller than the purchase price of other 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 agreements with the car dealers. However, the car dealers have the possibility to offer a higher interest rate 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 a Payment Protection Insurance (*Ratenschutzversicherung*) with the Retail Loan as a package deal on a non-compulsory basis. A Payment 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 or unemployment of the Debtor. In addition, Santander Consumer Bank offers a Gap Insurance (*Gap-Versicherung*) which covers under certain conditions the difference between purchase price and current value of the motor vehicle. Furthermore, Santander Consumer Bank offers a Repair Cost Insurance (*Reparaturkostenversicherung*) which covers repair costs for the repair of certain important components of the Financed Vehicle such as engine, gears and steering.

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 by consent of Santander Consumer Bank or in accordance with the applicable section 489 paragraph 1 No. 2 of the German Civil Code (Section 489 Abs. 1 Nr. 2 BGB).

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 CASH ADMINISTRATOR, THE CALCULATION AGENT
AND THE PRINCIPAL PAYING AGENT**

The Principal Paying Agent, Calculation Agent and Cash Manager is The Bank of New York Mellon (formerly The Bank of New York), acting through its London Branch, One Canada Square, London, E14 5 AL, United Kingdom.

THE BANK OF NEW YORK MELLON (formerly The Bank of New York)

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 & Wales with FC No 005522 and BR No 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 35 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 \$26 trillion in assets under custody and administration and more than \$1.4 trillion in assets under management.

Additional information is available at bnymellon.com.

The foregoing information regarding The Bank of New York Mellon, acting through its London Branch under the heading "The Principal Paying Agent, Calculation Agent and Cash Manager" has been provided by the Bank of New York Mellon, acting through its London Branch and the Issuer assumes no responsibility therefor.

THE CORPORATE ADMINISTRATOR

Pursuant to the Corporate Administration Agreement, SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany will act as corporate administrator in respect of the Issuer.

SFM Structured Finance Management (Deutschland) GmbH was established in 2005 to provide independent directors and corporate administration services for the securitisation and structured finance industry in Germany.

The foregoing information regarding the Corporate Administrator and the Data Trustee under the heading "THE CORPORATE ADMINISTRATOR" has been provided by SFM Structured Finance Management (Deutschland) GmbH and the Issuer has accurately reproduced such information but assumes no further responsibility therefor.

THE TRANSACTION SECURITY TRUSTEE

The Transaction Security Trustee is SFM Trustees Limited.

SFM Trustees Limited (registered number 7359549) is a private limited company incorporated under the laws of England and Wales, having its registered office at 35 Great St. Helen's, London EC3A 6AP, United Kingdom, Tel. +44 20 7398 6300. SFM Trustees Limited will be appointed to provide trustee services to the Issuer pursuant to the Transaction Security Agreement. SFM Trustees Limited acting through its directors will provide the trustee services to the Noteholders pursuant to the Transaction Security Agreement.

SFM Trustees Limited has served and is currently serving as trustee for numerous securitisation transactions and programmes.

The foregoing information regarding the status of incorporation and the business activities of the Transaction Security Trustee under the heading "THE TRANSACTION SECURITY TRUSTEE" has been provided by the Transaction Security Trustee itself and the Issuer assumes no responsibility therefore.

THE DATA TRUSTEE

The Data Trustee is SFM Trustees GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany, Tel. +49 69 643 50 8900.

The foregoing information regarding the Data Trustee under the heading "THE DATA TRUSTEE" has been provided by SFM Trustees GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany, Tel. +49 69 643 50 8900 and the Issuer assumes no responsibility therefor, except for the correct reproduction of the provided information.

THE LUXEMBOURG LISTING AGENT

The Luxembourg Listing Agent is The Bank of New York Mellon (Luxembourg) S.A.

The Bank of New York Mellon (Luxembourg) S.A. was incorporated in the Grand Duchy of Luxembourg as a société anonyme on 15 December 1998 under the Luxembourg Law of 10th August 1915 on commercial companies, as amended, and has its registered office at 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg. It is an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation.

On 20 January 1999 The Bank of New York Mellon (Luxembourg) S.A. received its banking licence in accordance with the Luxembourg Law of 5 April 1993 on the financial sector, as amended, and has engaged in banking activities since then. On 19 October 2006 The Bank of New York Mellon (Luxembourg) S.A. has enhanced its banking licence to cover as well the activities of administrative agent of the financial sector.

The Bank of New York Mellon (Luxembourg) S.A. is supervised by the Luxembourg financial regulator, the *Commission de Surveillance du Secteur Financier*.

The foregoing information regarding the Luxembourg Listing Agent under the heading "THE LUXEMBOURG LISTING AGENT" has been provided by The Bank of New York Mellon (Luxembourg) S.A. 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 to which the Seller will transfer the Commingling Reserve Amount following the occurrence of a Commingling Reserve Trigger Event. The Issuer will maintain the Set-Off Reserve Account to which the Seller will transfer the Set-Off Reserve Amount following the occurrence of a Set-Off Reserve Trigger Event. The Issuer will maintain the Purchase Shortfall Account (together with the Transaction Account, the Commingling Reserve Account and the Set-Off Reserve Account the "**Accounts**" and each, an "**Account**") to which the Seller will transfer the Purchase Shortfall Amount on the relevant Purchase Date. Each Account will be kept as a current account at the Account Bank, Banco Santander, S.A., Filiale 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, the Set-Off Reserve Account and the Purchase Shortfall Account. Neither the balance on the Transaction Account, nor the balance on the Commingling Reserve Account, nor the balance on the Set-Off Reserve Account nor the balance on the Purchase Shortfall Account nor any balance on any other Account may be utilised for any type of investments and all Accounts are solely cash accounts.

Pursuant to the Transaction Security Agreement, all claims of the Issuer in respect of each Account are pledged 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 7.7 (*Pre-Enforcement Priority of Payments*) of the Terms and Conditions of the Notes 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.

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, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account has been opened with the Account Bank on or prior to the first 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, the Commingling Reserve Account, the Set-Off Reserve Account or the Purchase Shortfall 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 and the Purchase Shortfall Account is part of the Available Distribution Amount or the Credit, as applicable. The interest earned on the amounts credited to the Commingling Reserve Account and the interest earned on the amounts credited to the Set-Off Reserve Account is, in each case, 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.

Under the Accounts Agreement, the Account Bank waives any first priority pledge or other lien, including its standard contract terms pledge, it may have with respect to the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account, respectively, and further waives any right it has or may acquire to combine, consolidate or merge the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account or the Purchase Shortfall 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, the Commingling Reserve Account, the Set-Off Reserve Account or the Purchase Shortfall 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.

If at any time an Account Bank Downgrade occurs, the Issuer will be required, no later than thirty (30) calendar days after the Account Bank Downgrade, to terminate the account relationship with the Account Bank and to transfer any amounts credited to any Account (including, for the avoidance of doubt, the Reserve Fund), at no cost to the Issuer, to an alternative bank with at least the Account Bank Required Rating.

"Account Bank Required Rating" shall mean, with respect to the Account Bank, that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least A-2 (or its replacement) by S&P and the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB (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 the Account Bank, the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB+ (or its replacement) by S&P and (ii) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB (low) (or its replacement) by DBRS or DBRS Critical Obligations Rating of the Account Bank are assigned a rating of at least BBB (or its replacement) by DBRS.

"Account Bank Downgrade" means that (i) the Account Bank ceases to have the Account Bank Required Rating or (ii) the relevant debt obligations of the Account Bank are no longer rated by any of the Rating Agencies.

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 and church tax, if applicable) 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 and church tax, if applicable. 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 (in lieu of the flat taxation) if the resulting income tax burden (excluding the solidarity surcharge) is lower than 25%; the non-deductibility of income-related expenses for Private Investment Income is also applicable under the income tax assessment. 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 determined on the basis of general rules applicable to them. Amounts overwithheld will entitle the Noteholder to a refund, based on an assessment to tax.

For Disbursing Agents, an electronic information system as regards church withholding tax applies with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the Noteholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In case of a blocking notice the Noteholder is obliged to include the Private Investment Income for church tax purposes in its tax return.

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 (*Schenkungssteuer*) 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 wealth tax is not levied in Germany.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria applies instead a withholding system in relation to such payments, deducting tax at a rate of 35% (unless during that transitional period it elects to provide information in accordance with the EU Savings Directive).

On 10 November 2015 the Council of the European Union has repealed the EU Savings Directive. With exemption of Austria the EU Savings Directive is therefore no longer applicable as of 1 January 2016.

Notwithstanding the aforementioned abolishment, certain administrative requirements, as for example delivery and exchange of information in respect of as well as the withholding of taxes in respect of payments prior to 1 January 2016 will still apply. In Austria the EU Savings Directive shall be abolished at the latest as of 1 January 2017. Under certain requirements the abolishment may already apply as of 1 October 2016.

Common Reporting Standard

The Organisation for Economic Co-operation and Development has developed a new global standard for the annual automatic exchange of financial information between tax authorities (the "**CRS**"). Germany is a signatory jurisdiction to the CRS and intends to conduct its first exchange of information with tax authorities of other signatory jurisdictions in September 2017, as regards reportable financial information gathered in relation to fiscal year 2016.

The CRS has been implemented into German domestic law via the law dated 21 December 2015 concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU.

The regulation may impose obligations on the Issuer and its shareholder / Noteholders, if the Issuer is actually regarded as a reporting financial institution under the CRS, so that the latter could be required to conduct due diligence and obtain (among other things) confirmation of the tax residency (through the issuance of self-certifications forms by the shareholder / Noteholders), tax identification number and CRS classification of the shareholder / Noteholders in order to fulfil its own legal obligations from 1 January 2016.

SUBSCRIPTION AND SALE

Subscription of the Notes

Pursuant to the Subscription Agreement, the Manager has agreed, subject to certain conditions, to subscribe, or to procure subscriptions, for the Class A Notes. The Seller, has agreed, subject to certain conditions, to subscribe for the Class B Notes. The Issuer has agreed to pay the Manager a combined management, underwriting and placement commission on the Notes, as agreed between the parties to the Subscription Agreement. The Issuer has further agreed to reimburse the 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 Manager.

In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

The Subscription Agreement entitles the Manager to terminate their obligations thereunder in certain circumstances prior to payment of the purchase price of the Notes. The Issuer has agreed to indemnify the Manager against certain liabilities in connection with the offer and sale of the Notes.

Selling Restrictions

United States of America and its Territories

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. The Manager represents and agrees that it has not offered or sold, and will not offer or sell, any Note constituting part of its allotment within the United States except in accordance with Rule 903 under Regulation S under the Securities Act. Accordingly, The Manager further represents and agrees that neither 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 any Note.

In addition, before forty (40) calendar days after commencement of the offering, an offer or sale of Notes within the United States by a dealer or other person that is not participating in the offering may violate the registration requirements of the Securities Act.

The Manager (i) acknowledges that 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 in certain transactions exempt from the registration requirements of the Securities Act; (ii) represents and agrees that it has not offered, sold or delivered any Notes, and will not offer, sell or deliver any Notes, (x) as part of its distribution at any time or (y) otherwise before forty (40) calendar days after the later of the commencement of the offering and the issue date, except in accordance with Rule 903 under Regulation S under the Securities Act; (iii) further represents and agrees that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act, and (iv) also agrees that, at or prior to confirmation of any 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 distribution compliance 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 forty (40) calendar days after the later of the commencement of the offering and the issue date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act."

Terms used in this clause have the meanings given to them in Regulation S under the Securities Act.

Notes will be issued in accordance with the provisions of United States Treasury Regulation section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form as the TEFRA D Rules, as applicable, for purposes of Section 4701 of the U.S. Internal Revenue Code) (the "**TEFRA D Rules**").

Further, the Manager represents and agrees that:

- (a) except to the extent permitted under the TEFRA D Rules, (i) 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 (ii) 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 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 is 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 United States Treasury Regulation section 1.163-5(c)(2)(i)(D)(6) (or successor rules in substantially the same form);
- (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) on such affiliate's behalf; or (ii) agrees that it will obtain from such affiliate for the benefit of the purchaser of the Notes and Issuer the representations and agreements contained in sub-clauses (a), (b) and (c) above; and
- (e) it will obtain for the benefit of the Issuer the representations and agreements contained in sub-clauses (a), (b), (c) and (d) above from any person other than its affiliate with whom it enters into a written contract, as defined in United States Treasury Regulation section 1.163-5(c)(2)(i)(D)(4) (or substantially identical successor provisions) for the offer and sale during the restricted period of Notes.

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

The Manager represents, warrants and agrees 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 United Kingdom Financial Services and Markets Act ("**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

The Manager represents, warrants and agrees that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France within the meaning of article L.411-1 of the French Monetary and Financial Code (*Code Monétaire et Financier*), 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 (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (B) qualified investors (*investisseurs qualifiés*) investing for their own account and/or (C) a restricted circle of investors (*cercle restreint d'investisseurs*) investing for their own account as defined in and in accordance with articles L.411-1, L.411-2 and D.411-1 to D.411-4 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. The 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 the 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 1,500,000,000. 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 Manager 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 Class A Notes in an aggregate principal amount of EUR 1,440,000,000 and Class B Notes in an aggregate principal amount of EUR 60,000,000, in each case issued by SC Germany Auto 2016-2 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 25 July 2016.

Litigation

Neither the Issuer is, or has been since its incorporation, nor the Seller is, or has during the last twelve (12) months prior to the date of this Prospectus 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 thirty (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.

Material Change

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 the 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., as the initial listing agent for the Luxembourg Stock Exchange.

Publication of Documents, Websites referred to in this Prospectus

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).

The contents of any website referred to in this Prospectus does not form part of the Prospectus.

Availability of Documents

Prior to the listing of the Notes on the Luxembourg Stock Exchange, the constitutional documents of the Issuer are available at the specific office of the Issuer for inspection and copies of these documents may be obtained, free of charge, upon request.

Certain loan level data (on a no-name basis) is available for inspection, free of charge, at the registered office of the Seller at Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany during customary business hours upon request. Such data may also be obtained, free of charge, upon request from the Seller in electronic form following the due execution of a non-disclosure agreement.

Upon listing of the Notes on the Luxembourg Stock Exchange, copies of the constitutive documents of the Issuer 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. 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.

Post-issuance Transaction Information

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 falling on a date after the expiration of the Replenishment Period, 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 falling on a date after the expiration of the Replenishment Period, 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 7.4 (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 Interest Determination Date preceding the relevant Payment Date.

Clearing Codes

Class A Notes

WKN: A2BN4U
ISIN: XS1446535053
Common Code: 144653505

Class B Notes

WKN: A2BN4V
ISIN: XS1446535301
Common Code: 144653530

INDEX OF DEFINED TERMS

€	6
2010 PD AMENDING DIRECTIVE	11
ABS	41
Accession Agreement	136
Account	91, 223
Account Bank	91
Account Bank Downgrade	68, 117, 224
Account Bank Required Rating	68, 117, 224
Accounts	223
Accounts Agreement	91, 223
Additional Receivable	91
Adverse Claim	91
Agency Agreement	75
Aggregate Outstanding Note Principal Amount	91
Aggregate Outstanding Principal Amount	91
AIFMD	6
AIFMR	6
AIFMs	43
Appendix A	75
Appendix B	75
Appendix C	75
Appendix D	75, 206
Assigned Security	112
Authorised Person	139
Available Distribution Amount	26, 91
BaFin	214
Balloon Loan	174
Beneficiary	93
Business Day	4, 78
Calculation Agent	15, 75, 218
Capitalised Service Fee	26, 72, 147
Cash Administrator	15, 75, 218
centre of main interests	116
Chairperson	107
Class	1, 74
Class A Noteholder	93
Class A Notes	1, 16, 74
Class A Notes Interest	80
Class A Notes Common Safekeeper	3, 74
Class A Notes Principal	81, 93
Class A Principal Amount	79, 93
Class A Target Principal Amount	93
Class B Noteholder	94
Class B Notes	1, 16, 74
Class B Notes Common Safekeeper	3, 74
Class B Notes Interest	80
Class B Notes Principal	81, 93
Class B Principal Amount	79, 93
Class B Target Principal Amount	94
Class Principal Amount	79, 94
Class Target Principal Amount	94
Clearing Systems	3, 35
Clearstream Luxembourg	3
Collateral	20, 76, 94, 114
Collection Period	94
Collections	94
Commingling Required Rating	23, 70, 95, 161
Commingling Reserve Account	22, 70, 95, 161

Commingling Reserve Amount	23, 70, 95, 161
Commingling Reserve Excess Amount	23, 70, 95, 162
Commingling Reserve Trigger Event	23, 70, 95, 162
Committee	41
Common Safekeeper	3
Concentration Limit	174
Constant Prepayment Rate	170
Corporate Administration Agreement	95
Corporate Administrator	95
CRAIII	45
CRA Regulation	44
CRD IV	42
Credit	122
Credit and Collection Policy	95, 206
CRR	5, 42
CRS	227
Cumulative Loss Ratio	96
Cut-Off Date	96
Data Trust Agreement	96
Data Trustee	96
DBRS	4, 96
Debtor	96
Debtors	21, 96
Decision	55
Deemed Collection	96
Defaulted Receivable	97
Delinquent Receivable	97
Detailed Investor Report	149
Directive	52
Disbursing Agent	226
Disputed Receivable	97
Distance Marketing Provisions	173
Draft Directive	51
Early Amortisation Event	97
Early Redemption Date	82
ECB	41
Effective Interest Rate	98
Eligibility Criteria	172
eligible institution	127
Eligible Receivable	98
Enhanced Cooperation	51
establishment	117
EStG	48
EU Savings Directive	227
EUR	6
euro	6
Euro	6
Euroclear	3
Eurosystem eligible collateral	41
Excess Portion	98
Excess Profit	48
Exchange Date	74
FATCA	52
Financed Vehicle	98
Financed Vehicles	1
Framework	42
FSMA	11, 229
Funding Loan	16
Funding Loan Agreement	98

Funding Loan Provider	15, 98
Gap Insurance	98
Geoban	161
Germany	3, 15, 74
GewStDV	49
Global Note	3
Global Notes	3, 74
HGB	47
ICSDs	35
IGAs	52
Instructions	139
Insurance Agreement	98
Interest Amount	80, 99
Interest Determination Date	80
Interest Period	4, 80
Interest Rate	80, 99
Interest Shortfall	80, 99
International Central Securities Depositories	35
Issuer	1, 74
Issuer Event of Default	32, 77
KStG	48
LCR Delegated Regulation	42
Legal Maturity Date	4, 81
limitation on payments	133
limited recourse	133
List of Registered CRAs	40
Loan Contract	99
Loan Contracts	21
Loan Instalment	99
Losses	139
Luxembourg Stock Exchange	99
Manager	1, 99
market discipline	42
Material Payment Obligation	32, 105
Monthly Report	99
New Corporate Administrator	169
New Issuer	87
New Transaction Security Trustee	127
non-petition	133
Note Issuance Date	1, 74
Note Principal Amount	79, 99
Noteholder	4
Noteholders	4, 74
Noteholders' Representative	88
Notes	1, 74
Notification Events	145
OFFER OF NOTES TO THE PUBLIC	11
Outstanding Principal Amount	99
Paying Agent	86
Payment Date	4, 78
Payment Protection Insurance	99
Permanent Global Note	3, 74
Portfolio	1
Post-Enforcement Priority of Payments	76, 122
Pre-Enforcement Priority of Payments	83
Principal Amount	100
Principal Deficiency Trigger Event	100
Principal Paying Agent	75, 85
Private Investment Income	225

Prospectus Directive	1
PROSPECTUS DIRECTIVE	11
Purchase Date	100
Purchase Shortfall Account	100, 117
Purchase Shortfall Amount	100
Purchase Shortfall Event	18, 97, 100
Purchased Receivable	100
Purchased Receivables	1
Purchaser	100
PwC	212
qualified majority	88
Rating Agencies	4, 100
RBI AG	1
Receivable	100
Receivables Purchase Agreement	16, 101
Records	101
Related Collateral	1, 101
RELEVANT IMPLEMENTATION DATE	10
Relevant Insurance Policy	60
RELEVANT MEMBER STATE	10
Repair Cost Insurance	101
Replacement Beneficiary	136
Replenishment Available Amount	102
Replenishment Period	81, 102
Replenishment Termination Option	18, 97
Required Reserve Amount	102
Reserve Fund	21, 102
Retail Loans	215
Retained Class B Notes	5
retained third party	124
SAG	55
S&P	4, 102
Santander AutoCare Insurance	102
Santander Consumer Bank	102, 214
Santander Safe Insurance	102
SCF	214
Scheduled Collections	24, 102, 161
Scheduled Maturity Date	4, 81
SEB	214
Securities Act	228
SECURITIES ACT	9
Seller	1, 102
Seller Deposits	26, 72, 102
Servicer	103
Servicer Disruption Date	103
Servicer Termination Event	103, 164
Services	153
Servicing Agreement	21, 72, 103
Set-Off Required Rating	25, 71, 103
Set-Off Reserve Account	24, 71, 104, 118, 146
Set-Off Reserve Amount	25, 71, 104, 146
Set-Off Reserve Excess Amount	24, 72, 104, 147
Set-Off Reserve Trigger Event	24, 71, 105
Solvency II	6
Solvency II Delegated Regulation	6
Specified Date	105
Statement	51
Subordinated Loan	22, 73

Subordinated Loan Agreement	105
Subordinated Loan Provider	22, 105
Subscription Agreement	105
Successor Bank	117
supervisory review process	42
TARGET2	4, 78
Tax Loss Carry-Forward	48
taxes	86
TEFRA D Rules	229
TEFRA D RULES	10
Temporary Global Note	3, 74
Termination Event	31, 105
Terms and Conditions	17, 74
Transaction Account	26, 106, 118
Transaction Cost Fee	16, 165
Transaction Documents	106
Transaction Secured Obligations	115
Transaction Security Agreement	1, 75, 106
Transaction Security Documents	106
Transaction Security Trustee	1, 76
Transaction Security Trustee Claim	111
United Kingdom	230
UNITED KINGDOM	11
United States	74
Used Vehicle	174
UStAE	49
VAT	49

ISSUER

SC Germany Auto 2016-2 UG (haftungsbeschränkt)
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DATA TRUSTEE

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