



Registration of a Charge

Company name: **ORBITA FUNDING 2017-1 PLC**

Company number: **10944699**



X6K7DA88

Received for Electronic Filing: **29/11/2017**

Details of Charge

Date of creation: **23/11/2017**

Charge code: **1094 4699 0002**

Persons entitled: **CITICORP TRUSTEE COMPANY LIMITED, CITIGROUP CENTRE, CANADA SQUARE, LONDON E14 5LB, AS TRUSTEE (AS TRUSTEE FOR EACH OF THE SECURED CREDITORS)**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC**

**COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

CLIFFORD CHANCE LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10944699

Charge code: 1094 4699 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd November 2017 and created by ORBITA FUNDING 2017-1 PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th November 2017 .

Given at Companies House, Cardiff on 1st December 2017

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

ORBITA FUNDING 2017-1 PLC
AS ISSUER

CLOSE BROTHERS LIMITED
AS SELLER, SERVICER AND SUBORDINATED LOAN PROVIDER

CITICORP TRUSTEE COMPANY LIMITED
AS TRUSTEE

CITIBANK, N.A., LONDON BRANCH
AS REGISTRAR, CASH MANAGER, PRINCIPAL PAYING AGENT, AGENT BANK
AND ACCOUNT BANK

INTERTRUST MANAGEMENT LIMITED
AS CORPORATE SERVICES PROVIDER

AND

LLOYDS BANK PLC
AS SWAP COUNTERPARTY

DEED OF CHARGE

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THIS DEED is dated 23 November 2017 and made

BETWEEN:

- (1) **ORBITA FUNDING 2017-1 PLC**, a company incorporated in England and Wales with limited liability (registered number 10944699) whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the "**Issuer**");
- (2) **CLOSE BROTHERS LIMITED**, a private company with limited liability (registered number 195626) incorporated under the laws of England and Wales, with its registered office at 10 Crown Place, London EC2A 4FT (the "**Seller**", the "**Servicer**" and the "**Subordinated Loan Provider**");
- (3) **CITICORP TRUSTEE COMPANY LIMITED** whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacity as the "**Trustee**", which expression shall include such company and all other persons or companies for the time being acting as trustee (or co-trustee) pursuant to the terms of the Trust Deed and the Deed of Charge).
- (4) **CITIBANK, N.A., LONDON BRANCH** (registered number BR0010018), whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacities as the "**Registrar**", "**Cash Manager**", "**Principal Paying Agent**", "**Agent Bank**" and the "**Account Bank**");
- (5) **INTERTRUST MANAGEMENT LIMITED**, a company incorporated in England and Wales with limited liability (registered number 03853947), and having its registered office at 35 Great St. Helen's, London, EC3A 6AP (the "**Corporate Services Provider**"); and
- (6) **LLOYDS BANK PLC**, a public company incorporated under the laws of England, registered number 00002065, with its registered office at 25 Gresham Street, London, EC2V 7HN (in its capacity as "**Swap Counterparty**").

BACKGROUND:

- (A) On or about the date of this Deed, the Issuer will issue the Notes and the Issuer and the other parties hereto will enter into the Transaction Documents in order to consummate the transactions described in the Prospectus.
- (B) The Issuer has agreed to provide the Security to secure the Secured Liabilities.
- (C) The Trustee has agreed to hold the benefit of the Security on trust for the benefit of the Secured Creditors subject to the terms and conditions of this Deed.
- (D) It is intended that this document takes effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

IT IS AGREED as follows:

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

Capitalised terms in this Agreement shall, except where the context otherwise requires and except where otherwise defined in this Agreement, have the meaning given to them in the master definitions schedule executed by, among others, the Seller and the Issuer on or about the date hereof (the "**Master Definitions Schedule**").

1.2 Interpretation

(a) The interpretation provisions set out in the Master Definitions Schedule shall be expressly and specifically incorporated into this Agreement as though they were set out in full in this document, with any necessary changes. In the event of any conflict between the provisions of this Agreement and the Master Definitions Schedule, the Master Definitions Schedule shall prevail.

(b) This Deed is the Deed of Charge referred to in the Master Definitions Schedule.

1.3 References in this Deed to clauses are, unless the context otherwise requires, references to clauses of this Deed.

1.4 References in this Deed to paragraphs are, unless the context otherwise requires, references to paragraphs in this Deed.

1.5 In this Deed:

(a) "**Party**" means a party to this Deed;

(b) the term "**this Deed**" means this Deed and any deed executed in accordance with, or expressed to be supplemental to, this Deed;

(c) any covenant or undertaking of the Issuer under this Deed (other than a payment obligation) shall remain in force during the Security Period;

(d) the terms of the other Transaction Documents are incorporated in this Deed to the extent required to give effect thereto and/or to ensure that any purported disposition contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989;

(e) unless the context otherwise requires, a reference to a Charged Property includes the proceeds of sale of any Charged Property;

(f) unless the context otherwise requires, the term "**all of its assets**" includes, with respect to the relevant entity, all of its undertaking and all of its property, assets and rights whatsoever and wheresoever present and future; and

- (g) the term "**full title guarantee**" will be construed in accordance with the LP (MP) Act but so that the covenants implied by the LP (MP) Act in respect of the Security do not include:
 - (i) the words "other than any charges, encumbrances or rights which that person does not and could not reasonably be expected to know about" in section 3(1)(b) of the LP (MP) Act; and
 - (ii) section 6(2) of the LP (MP) Act.

2. SECURITY TRUST

2.1 Declaration of Trust

The Trustee holds all of the covenants, undertakings, Security Interests and other rights and benefits made or given under this Deed and the other Transaction Documents on trust for itself and the other Secured Creditors upon and subject to the terms and conditions of this Deed.

3. CREATION OF SECURITY

3.1 General

- (a) All the Security:
 - (i) is created in favour of the Trustee for itself and as trustee on behalf of the other Secured Creditors;
 - (ii) is created over the present and future assets of the Issuer;
 - (iii) is security for the payment or discharge of the Secured Liabilities; and
 - (iv) is made with full title guarantee (or, in relation to any rights or assets situated in Scotland or otherwise governed by Scots law, with absolute warrandice and, in relation to the Scottish Trust Property, as holder of the beneficial interest therein or, in relation to any rights or assets situated in Northern Ireland or otherwise governed by Northern Irish law, as beneficial owner).
- (b) The term "**all of its rights**" as used in this Clause 3 includes, unless the context requires otherwise:
 - (i) the benefit of all covenants, undertakings, representations, warranties and indemnities;
 - (ii) all powers and remedies of enforcement and/or protection;
 - (iii) all rights to receive payment of all amounts assured or payable (or to become payable) (subject, in the case of payments under the Swap Agreement, after giving effect to all applicable netting provisions therein, to such provisions, including Section 2(c) and Section 6(c) of the Swap Agreement), all rights to serve notices and/or to make

demands and all rights to take such steps as are required to cause payment to become due and payable; and

- (iv) all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof,

in each case, in respect of the relevant Charged Property.

3.2 Purchased Receivables

The Issuer charges by way of a first fixed charge all of its right, title, interest and benefit, present and future, in, to, under and pursuant to the Purchased Receivables and their Related Rights, in and to all monies, rights, powers and property distributed or derived from, or accrued in or related to the Issuer's interest in the Purchased Receivables, and all of its powers relative thereto.

3.3 Charged Documents

The Issuer assigns absolutely, subject to a proviso for re-assignment on redemption (or, to the extent not assignable, charges by way of a first fixed charge), all of its rights in respect of the Charged Documents which, in the case of the Swap Agreement, is subject to the netting and set-off provisions contained in Section 2(c) and Section 6 of the Swap Agreement, as amended by the schedule thereto.

3.4 Issuer Bank Accounts and Collection Account Declaration of Trust

- (a) The Issuer assigns absolutely, subject to a proviso for re-assignment on redemption (or, to the extent not assignable, charges by way of a first fixed charge), all of its rights in respect of:
 - (i) any amount standing from time to time to the credit of the Issuer Bank Accounts;
 - (ii) all interest paid or payable in relation to those amounts; and
 - (iii) all debts represented by those amounts.
- (b) The Issuer charges by way of a first fixed charge all of its right, title, benefit and interest, present and future, in the property held in the Collection Account Declaration of Trust.

3.5 Authorised Investments

The Issuer charges by way of a first fixed charge all of its rights in respect of:

- (a) the Authorised Investments made or purchased from time to time by or on behalf of the Issuer (whether owned by it or held by any nominee on its behalf); and
- (b) all interest, moneys and proceeds paid or payable in relation to those Authorised Investments.

3.6 Scottish Supplemental Charge

- (a) The Issuer undertakes immediately following the execution and intimation and delivery to it of any Scottish Declaration of Trust and any Scottish Vehicle Sales Proceeds Floating Charge pursuant to clauses 2.1, 2.2 or 2.14 of the Receivables Sale and Purchase Agreement, to execute and deliver to the Trustee a Scottish Supplemental Charge relative thereto substantially in the form set out in Schedule 2 (*Form of Scottish Supplemental Charge*) to this Deed. The Seller and the Trustee hereby undertake to execute and deliver such Scottish Supplemental Charge.
- (b) The Issuer undertakes to the Trustee at the time of delivery of the Scottish Supplemental Charge in terms of Clause 3.6(a) above simultaneously to deliver to the Trustee the Scottish Declaration of Trust and (as applicable) the Scottish Vehicle Sales Proceeds Floating Charge specified therein.

3.7 Miscellaneous

The Issuer charges by way of a first fixed charge all of its rights in respect of:

- (a) the benefit of all authorisations (statutory or otherwise) held in connection with its use of any Charged Property; and
- (b) any compensation which may be payable to it in respect of those authorisations.

3.8 Floating charge

- (a) The Issuer charges, by way of a first floating charge, all of its assets (including, without limitation, its uncalled capital) other than any assets at any time otherwise effectively charged or assigned by way of fixed charge or assignment under this Clause (but excepting from the foregoing exclusion all of the Issuer's undertaking, property and assets situated in Scotland or the rights to which are governed by Scots law or situated in Northern Ireland or the rights to which are governed by Northern Irish law, all of which are charged by the floating charge hereby created).
- (b) Except as provided below (and so far as permitted by applicable law), the Trustee may, by notice to the Issuer, convert the floating charge created under this Clause into a fixed charge as regards any of the Issuer's assets subject to the floating charge specified in that notice, if:
 - (i) an Event of Default has occurred and is continuing;
 - (ii) the Trustee has been notified in writing that those assets or any part thereof are/is in danger of being seized or sold under any form of distress, diligence, attachment, execution or other legal process or are/is otherwise in jeopardy; and/or
 - (iii) the Trustee has been notified in writing of a circumstance which does or is likely to prejudice, imperil or threaten the Security.

- (c) Except as provided below (and so far as permitted by applicable law), the floating charge created by this Clause will automatically convert into a fixed charge as regards:
 - (i) all of the Issuer's assets subject to the floating charge, upon the service of a Note Acceleration Notice; and/or
 - (ii) any assets of the Issuer subject to the floating charge, if those assets (contrary to the covenants and undertakings contained in the Transaction Documents):
 - (A) are or become subject to a Security Interest in favour of any person other than the Trustee; or
 - (B) are or become the subject of a sale, transfer or other disposition, immediately prior to that Security Interest arising or that sale, transfer or other disposition being made.
- (d) The floating charge created by this Clause may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,
 under Section 1A of the Insolvency Act 1986 and equivalent Article 14A and Schedule A1 of the Insolvency Order 1989 (if applicable).
- (e) The floating charge created by this Clause is a "**qualifying floating charge**" for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986 and equivalent Paragraph 15 of Schedule B1 of the Insolvency Order 1989 (if applicable).

4. ACKNOWLEDGEMENTS

4.1 Security

- (a) This Deed constitutes irrevocable notice in writing to each Secured Creditor of the assignment of all of the Issuer's rights in respect of the Charged Documents under Clause 3.3 (*Charged Documents*). The Issuer authorises and instructs each of the Secured Creditors (other than the Trustee), in relation to the Issuer's rights (but not its obligations) under the relevant Charged Document(s), to deal with the Trustee without reference to the Issuer.
- (b) Each Secured Creditor (other than the Trustee) acknowledges and consents to the assignment referred to in paragraph (a) above and confirms that:
 - (i) it will deal only with the Trustee in relation to the Issuer's rights (but not its obligations) under the relevant Charged Document(s) without any reference to the Issuer; and

- (ii) as of the date of this Deed it has not received from any other person notice of any assignment, assignation or charge of any Charged Property.
- (c) Each Secured Creditor (other than the Trustee) acknowledges the Security and covenants to the Trustee not to do anything inconsistent with the Security or knowingly to prejudice that security or any of the Charged Property (or the Trustee's interest in that property) **provided that**, subject to Clause 5 (*Restrictions on Exercise of Certain Rights*), this Deed does not limit the rights of any of the Secured Creditors under the Transaction Documents.

4.2 Accession of New Secured Creditors

The parties hereto agree and acknowledge that an entity may become a Secured Creditor and accede to the terms of this Deed by execution of a Deed of Charge Accession Undertaking with the Issuer and the Trustee, in the form scheduled to Schedule 3 (*Deed of Charge Accession Undertaking*) to this Deed.

4.3 Charged Documents

Without prejudice to any other rights of the Trustee and subject to the terms and conditions of the Charged Documents, the parties acknowledge that the Trustee, but not the Issuer, may, prior to the enforcement of the Security, from time to time and at any time exercise, or refrain from exercising, all rights, powers, authorities, discretions and remedies under or in respect of the Charged Documents in accordance with this Deed.

4.4 Transaction Documents

Each Secured Creditor acknowledges that it is bound by, and deemed to have notice of, all of the provisions of the Transaction Documents as if it was a party to each Transaction Document.

4.5 Payments to the Issuer

Notwithstanding the Security but subject as provided otherwise in this Deed, each of the parties acknowledges that each Secured Creditor and each other party to any Transaction Document may continue to make all payments becoming due to the Issuer under any Transaction Document in the manner envisaged by that document until receipt of written notice from the Trustee or any Receiver requiring payments to be made otherwise.

5. RESTRICTIONS ON EXERCISE OF CERTAIN RIGHTS

5.1 Payments to Issuer Bank Accounts

At all times prior to the release, re-assignment, retrocession and/or discharge under Clause 15 (*Release*) of this Deed, the Issuer will, save as otherwise provided in the Transaction Documents or unless the Trustee otherwise agrees in writing, procure that all amounts received by the Issuer under or in respect of the Transaction Documents will be credited to the relevant Issuer Bank Accounts in accordance with the terms of the Transaction Documents.

5.2 No withdrawals from Issuer Bank Accounts

No payment, transfer and/or withdrawal may be made from any of the Issuer Bank Accounts other than as expressly permitted in accordance with the terms of this Deed, the Account Bank Agreement, the Servicing Agreement or the Cash Management Agreement or with the prior written consent of the Trustee.

5.3 No enforcement by Secured Creditors

- (a) Except as provided below, only the Trustee may pursue the remedies available under the general law or under the Transaction Documents to enforce the Security and no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Security. Each Secured Creditor (other than the Trustee) agrees and acknowledges to each of the Issuer and the Trustee, and the Trustee agrees with and acknowledges to the Issuer, that:
 - (i) none of the Secured Creditors (nor any person on their behalf, other than the Trustee where appropriate) are entitled, otherwise than as permitted by the Transaction Documents, to direct the Trustee to enforce the Security or take any proceedings or action against the Issuer to enforce or realise the Security;
 - (ii) none of the Secured Creditors (other than the Trustee) shall have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to any of such Secured Creditors;
 - (iii) until the date falling two years after the Final Discharge Date (as defined in the Master Definitions Schedule) none of the Secured Creditors nor any person on their behalf shall initiate or join any person in initiating an Insolvency Event or the appointment of an Insolvency Official in relation to the Issuer other than a Receiver or an administrator appointed under Clause 10 (*Receiver*) of this Deed; and
 - (iv) none of the Secured Creditors shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.
- (b) If the Trustee, having become bound under the terms of the Conditions, the Trust Deed or this Deed, as the case may be, so to do, has failed to serve a Note Acceleration Notice or to enforce the Security within a reasonable period and that failure is continuing or, if there are no Notes outstanding, then each of the Secured Creditors (other than the Noteholders, to whom the provisions of Condition 10 (*Enforcement*) shall apply) will be entitled to take any steps or proceedings against the Issuer for the purpose of recovering any of the Secured Liabilities or enforcing any rights arising out of the Transaction Documents as it considers necessary other than any steps or proceedings:

- (i) in respect of procuring the winding-up, administration or liquidation of the Issuer; and/or
- (ii) which would result in the breach of Clause 6 (*Payments out of the Issuer Bank Accounts Prior to Acceleration*) and/or Clause 7 (*Payments out of the Issuer Bank Accounts Upon Acceleration*) and/or any term of the other Transaction Documents.

5.4 Limited Recourse

- (a) If at any time following:
 - (i) the occurrence of either:
 - (A) the Final Maturity Date or any earlier date upon which all of the Notes of each class are due and payable; or
 - (B) the service of an Note Acceleration Notice; and
 - (ii) Realisation (defined below) of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Priority of Payments; and

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable to any Secured Creditor then the amount remaining to be paid (after such application in full of the amounts first referred to in (a)(ii) above) to each such Secured Creditor shall, on the day following such application in full of the amounts referred to in (a)(ii) above, cease to be due and payable by the Issuer. For the purpose of this Clause 5.4, "**Realisation**" means, in relation to any Charged Property, the deriving, to the fullest extent practicable, of proceeds from or in respect of such Charged Property including (without limitation) through sale or through performance by an obligor in accordance with the provisions of the Transaction Documents.

- (b) The provisions of this Clause 5.4 shall survive the termination of this Deed.

5.5 Amounts received by Secured Creditors

Each Secured Creditor agrees that if any amount is received by it (including by way of set-off) in respect of any Secured Liability owed to it other than in accordance with the provisions of this Deed, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of this Deed shall be received and held by it as trustee for the Trustee and shall be paid over to the Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of this Deed, **provided however that** this Clause 5 shall have effect only to the extent that it does not constitute or create and is not deemed to constitute or create any mortgage, charge or other Security Interest of any kind.

6. PAYMENTS OUT OF THE ISSUER BANK ACCOUNTS PRIOR TO ACCELERATION

6.1 Application

- (a) No payment, transfer and/or withdrawal may be made from any of the Issuer Bank Accounts:
 - (i) at any time upon and after enforcement of the Security without the prior written consent of the Trustee; and/or
 - (ii) under this Clause at any time upon and after a Note Acceleration Notice has been served without the prior written consent of the Trustee.
- (b) The Secured Creditors acknowledge that:
 - (i) any Swap Collateral credited by the Swap Counterparty to any Swap Collateral Account shall be held solely to collateralise the obligations of the Swap Counterparty under the Swap Agreement and amounts standing to the credit thereto including any interest paid or payable in relation to such Swap Collateral shall be applied in accordance with the terms of this Deed, the Cash Management Agreement, any Swap Collateral Custody Agreement and the Swap Agreement;
 - (ii) any Replacement Swap Premium received by the Issuer shall firstly be paid directly to the outgoing Swap Counterparty to which a Swap Termination Payment is owed by the Issuer and only after such amount owing is discharged in full shall the remainder of such Replacement Swap Premium be applied as Available Revenue Receipts;
 - (iii) any swap termination payment received by the Issuer from the outgoing Swap Counterparty shall firstly be applied to pay amounts in respect of any premium due to be paid by the Issuer to the replacement Swap Counterparty and thereafter shall be applied as Available Revenue Receipts; and
 - (iv) any Swap Tax Credit received by the Issuer from a tax authority in any jurisdiction, will be applied directly to the Swap Counterparty in accordance with the terms of the relevant Swap Agreement.

6.2 Priority of Payments – Pre-Acceleration Revenue Priority of Payments

Notwithstanding the Security but subject to Clause 6.1 (*Application*) and Clause 6.4 (*Authorised Investments*), the Issuer (or the Cash Manager on its behalf) will apply Available Revenue Receipts on each Interest Payment Date (or on another date in respect of payments made in relation to a Permitted Withdrawal if those payments are due on that other date) to be applied in accordance with the order of priority (in each case, only to the extent that payments of a higher order of priority have been made in full) as set out in Schedule 2 (*Cash Management and Maintenance of Ledgers*) to the Cash Management Agreement.

6.3 Priority of Payments – Pre-Acceleration Principal Priority of Payments

Notwithstanding the Security but subject to Clause 6.1 (*Application*) and Clause 6.4 (*Authorised Investments*), the Issuer (or the Cash Manager on its behalf) will apply Available Principal Receipts on each Interest Payment Date to be applied in accordance with the order of priority (in each case, only to the extent that payments of a higher order of priority have been made in full) as set out in Schedule 2 (*Cash Management and Maintenance of Ledgers*) to the Cash Management Agreement.

6.4 Authorised Investments

- (a) Notwithstanding the Security but subject to Clause 6.1 (*Application*), the Issuer may withdraw amounts standing to the credit of the Issuer Bank Accounts from time to time for the purpose of acquiring Authorised Investments in accordance with the terms of the Trust Deed and/or the Cash Management Agreement. All amounts received in respect of any Authorised Investments (including any amounts received as a result of a disposal under paragraph (b) below) will be deposited into the Transaction Account.
- (b) Notwithstanding the Security, the Issuer may sell or redeem or otherwise dispose of any Authorised Investments on any day prior to the enforcement of the Security subject to the terms of this Deed and the Cash Management Agreement.

6.5 Swap Collateral

In all cases (including after the occurrence of an Event of Default in respect of the Notes) any Swap Collateral and Excess Swap Collateral shall not be paid in accordance with the relevant Priority of Payments and shall be applied solely in accordance with the provisions of the Swap Agreement in relation to the application of Swap Collateral. For the avoidance of doubt, only Swap Collateral shall be used to collateralise the obligations of the Swap Counterparty pursuant to the Swap Agreement.

7. PAYMENTS OUT OF THE ISSUER BANK ACCOUNTS UPON ACCELERATION

7.1 Priority of payments - upon acceleration

The Trustee will apply amounts, other than amounts representing:

- (i) any Excess Swap Collateral (which shall be returned directly to the Swap Counterparty in accordance with the Swap Agreement);
- (ii) any Replacement Swap Premium (only to the extent it is applied directly to pay a Swap Termination Payment due and payable by the Issuer to the outgoing Swap Counterparty);
- (iii) any Swap Tax Credits, which shall be returned directly to the Swap Counterparty in accordance with the Cash Management Agreement; and

(iv) in respect of the Swap Counterparty, prior to the designation of an early termination date under a Swap Agreement and the resulting application of the Swap Collateral by way of netting or set-off pursuant to the terms of the Swap Agreement, an amount equal to the value of all Swap Collateral provided by the Swap Counterparty to the Issuer pursuant to the Swap Agreement (and any interest or distributions in respect thereof), received or recovered following enforcement of the Security in the following order of priority (in each case, only to the extent that payments of a higher order of priority have been made in full) (the "**Post-Acceleration Priority of Payments**"):

- (a) first, pro rata and pari passu, to pay fees, costs, charges, liabilities, expenses (including legal fees and expenses) and any other amounts due to the Trustee (including by way of indemnity) or any Appointee appointed by the Trustee, together with interest and any amount in respect of VAT (if any) on those amounts and any other amounts then due or to become due and payable to the Trustee under the provisions of the Trust Deed and the Deed of Charge;
- (b) second, pro rata and pari passu, to pay amounts due to:
 - (i) the Agent Bank and the Paying Agents, together with interest and any amount in respect of VAT (if any) on those amounts and any fees, costs, charges, liabilities, expenses (including legal fees and expenses) and any other amounts due (including by way of indemnity) or to become due and payable to them under the provisions of the Agency Agreement;
 - (ii) the Cash Manager, together with interest and any amount in respect of VAT (if any) on those amounts, and any fees, costs, charges, liabilities, expenses (including legal fees and expenses) and any other amounts due (including by way of indemnity) or to become due and payable to them, under the Cash Management Agreement;
 - (iii) the Servicer, together with any amount in respect of VAT (if any) on those amounts under the Servicing Agreement;
 - (iv) the Corporate Services Provider, together with any amount in respect of VAT (if any) on those amounts under the Corporate Services Agreement;
 - (v) the Account Bank, together with interest and any amount in respect of VAT (if any) on those amounts, and any fees, costs, charges, liabilities, expenses (including legal fees and expenses) and any other amounts due (including by way of indemnity) or to become due and payable to them, under the Account Bank Agreement;
 - (vi) to any party who is not a party to any Transaction Document to which the Issuer has delegated obligations in respect of EMIR (including any reporting or portfolio reconciliation obligations) or in respect of any agreements relating to EMIR according to the respective amounts due by the Issuer;

- (vii) pay the Administrator Incentive Recovery Fee (if any); and
- (viii) the Registrar, together with interest and any amount in respect of VAT (if any) on those amounts, and any fees, costs, charges, liabilities, expenses (including legal fees and expenses) and any other amounts due (including by way of indemnity) or to become due during the following Interest Period to the Registrar under the Agency Agreement;
- (c) third, to pay all amounts (if any) due and payable to the Swap Counterparty under the Swap Agreement (including termination payments but excluding any Subordinated Swap Amounts);
- (d) fourth, to pay, pro rata and pari passu amounts in respect of interest and principal due and payable on the Class A Notes until the Class A Notes are redeemed in full;
- (e) fifth, to pay, pro rata and pari passu amounts in respect of interest and principal due and payable on the Subordinated Notes until the Subordinated Notes are redeemed in full;
- (f) sixth, to pay any Subordinated Swap Amounts due and payable to the Swap Counterparty;
- (g) seventh, towards payment of all amounts due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (h) eighth, to pay an amount equal to the Issuer Profit Amount to be retained by the Issuer and to pay any corporation tax not otherwise able to be paid from amounts deposited in the Issuer Retained Profit Ledger; and
- (i) ninth, the surplus, if any, toward payment of any Deferred Purchase Price due to the Seller pursuant to the terms of the Receivables Sale and Purchase Agreement.

8. ENFORCEMENT BY THE TRUSTEE

8.1 Mandatory Enforcement

- (a) The Trustee may not, and will not be bound to, take any steps, institute any proceedings, exercise its rights and/or take any other action under or in connection with any of the Transaction Documents (including, without limitation, enforcing or realising the Security and/or lodging an appeal in any proceedings) unless the Trustee is directed to do so by the Noteholders in accordance with the provisions of the Trust Deed and the Conditions or, if there are no Notes outstanding, all of the other Secured Creditors, (in each case, the "**Instructing Secured Creditors**") **provided that** the Trustee may at all times, whether or not so directed, take such action in respect of any right, power or discretion which is personal to the Trustee or is to preserve or protect the Trustee's position or is of a purely administrative nature.
- (b) Upon being directed in accordance with paragraph (a) above, the Trustee will not be bound to take the relevant action(s) in the manner instructed by the

Instructing Secured Creditors unless the Trustee has been prefunded and/or indemnified and/or secured to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing and, for this purpose, the Trustee may demand, prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify it.

- (c) The Trustee shall not be liable to any Secured Creditor or to the Issuer for any action it may take in accordance with any instructions received pursuant to paragraph (a) above. The Trustee shall be entitled to seek clarification from the relevant Secured Creditors with regard to such instructions and may in its discretion elect not to act and shall not be liable for any delay in acting pending receipt of such clarification to its satisfaction from such Secured Creditors.

8.2 Administrative Receiver

- (a) Subject to Clause 8.1 (*Mandatory Enforcement*) and paragraph (b) below, the Trustee must (to the extent possible) enforce the Security by appointing an administrative receiver in respect of the Issuer if it has actual notice of:

- (i) an application for the appointment of an administrator in respect of the Issuer; or
- (ii) the giving of a notice of intention to appoint an administrator in respect of the Issuer,

and that appointment shall take effect not later than the final day by which it must take effect in order to prevent an administration proceeding.

- (b) The Trustee is not liable for any failure to appoint an administrative receiver in respect of the Issuer, save in the case of its own gross negligence, wilful default or fraud and, for the avoidance of doubt:

- (i) nothing in this Clause 8.2 shall be construed so as to impose on the Trustee any obligation to indemnify any administrative receiver appointed by it pursuant to this Clause 8.2 except to the extent of (and from) the cash and assets comprising the Security held by the Trustee at such time and available for such purpose; and
- (ii) the Trustee shall have no Liability if, having used its reasonable endeavours, it is unable to find a person who is willing to be appointed as an administrative receiver on the terms as to indemnification referred to in paragraph (b)(i) above.

- (c) The Issuer waives any claims against the Trustee in respect of any appointment made pursuant to this Clause.

9. ENFORCEMENT OF SECURITY

9.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the 1925 Act (and/or to the extent the laws of Northern Ireland might be applicable, Section 20 of the 1881 Act) (restricting the power of sale) and Section 93 of the 1925 Act (and/or to the extent the laws of Northern Ireland might be applicable, Section 17 of the 1881 Act) (restricting the right of consolidation) do not apply to the Security Interests comprised in the Security.

9.2 Event of Default

The Security will become immediately enforceable upon the delivery of a Note Acceleration Notice or, if there are no Notes outstanding, upon failure by the Issuer to pay any other Secured Liability on its due date (subject to any applicable grace period).

9.3 Privileges

The Trustee and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the 1925 Act (and/or to the extent the laws of Northern Ireland might be applicable, the Conveyancing Acts 1881-1911) on mortgagees and receivers duly appointed under the 1925 Act, except that Section 103 of the 1925 Act (and/or to the extent the laws of Northern Ireland might be applicable, Section 20 of the 1881 Act) does not apply.

9.4 Power of Sale

The power of sale and other powers conferred by Section 101 of the 1925 Act, (and/or to the extent the laws of Northern Ireland might be applicable, Section 19 of the 1881 Act and Section 4 of the 1911 Act), as extended and varied by this Deed, will be immediately exercisable at any time after the Security has become enforceable.

9.5 Extension of the 1925 Act

- (a) The statutory powers of leasing conferred on the Trustee are extended so as to authorise the Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Trustee may think fit and without the need to comply with any provision of Section 99 or 100 of the 1925 Act (and/or to the extent the laws of Northern Ireland might be applicable, Section 18 of the 1881 Act and Section 3 of the 1911 Act).
- (b) The statutory powers of sale and the other powers conferred on the Trustee by Section 101(1) and (2) of the 1925 Act (and/or to the extent the laws of Northern Ireland might be applicable, Section 19 of the 1881 Act and Section 4 of the 1911 Act) are extended so as to authorise the Trustee (upon such terms as the Trustee may think fit and in accordance with the terms of this Deed) to:

- (i) make demand in the name of the other Secured Creditors or in its own right for any moneys and liabilities in respect of the Charged Property; and
- (ii) do all or any of the things or exercise all or any of the powers referred to in Clause 11 (*Powers of Receiver*) as if each of them was expressly conferred on the Trustee by this Deed.

9.6 Mortgagee in possession

- (a) Neither the Trustee nor any Receiver will be liable, by reason of the Security or entering into possession of any Charged Property, to account as mortgagee or security holder in possession or for any loss on realisation or for any default or omission for which a mortgagee or security holder in possession might be liable. If and whenever the Trustee or any Receiver enters into possession of any Charged Property, it will be entitled at any time to go out of such possession.
- (b) Each of the Trustee, the other Secured Creditors and any Receiver will not take any action (other than, in the case of the other Secured Creditors, with the Trustee's prior written consent) which would be likely to lead to the Trustee or the other Secured Creditors becoming a mortgagee or security holder in possession in respect of any Charged Property.

9.7 Protection of third parties

No person (including a purchaser) dealing with the Trustee or any Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities remain outstanding or have become payable;
- (b) whether any power which the Trustee or that Receiver is purporting to exercise has become exercisable or is being properly exercised; or
- (c) how any money paid to the Trustee or to that Receiver is to be applied,

and the protections afforded to purchasers from a mortgagee by Section 104 and 107 of the 1925 Act (and/or to the extent the laws of Northern Ireland might be applicable, Section 21 and 22 of the 1881 Act and Section 5 of the 1911 Act) and to persons dealing with an administrative receiver by Section 42(3) of the Insolvency Act 1986 (and, where applicable, Article 52 of the Insolvency Order 1989) will apply.

9.8 Contingencies

If the Security is enforced at a time when no amount is due in respect of the Secured Liabilities or any of the Secured Liabilities are contingent or future, the Trustee or any Receiver may pay the proceeds of any recoveries effected by it into any interest-bearing account to be held by it as security and applied in accordance with the terms of this Deed and the Cash Management Agreement.

10. RECEIVER

10.1 Appointment of Receiver

- (a) Except as provided below, the Trustee may appoint any one or more persons to be a Receiver of all or any part of the Charged Property if the Security has become enforceable.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the 1925 Act) (and/or to the extent the laws of Northern Ireland might be applicable, Section 24(1) of the 1881 Act) does not apply to this Deed.
- (d) The Trustee is not entitled to appoint a Receiver solely as a result of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,

under Section 1A of the Insolvency Act 1986 and (where applicable) Article 14A or Schedule A1 of the Insolvency Order 1989.

10.2 Removal

The Trustee may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated. The Trustee may apply to the court for an order removing an administrative receiver.

10.3 Remuneration

The Trustee may fix the remuneration of any Receiver appointed by it and the maximum rate specified in Section 109(6) of the 1925 Act (and/or to the extent the laws of Northern Ireland might be applicable, Section 24(6) of the 1881 Act) will not apply. The Issuer will pay the remuneration of any Receiver in accordance with the terms and in the manner agreed from time to time between the relevant Receiver and the Trustee, subject to the terms and conditions of this Deed. The amount of such remuneration shall form part of the Secured Liabilities of the Issuer under this Deed and shall accordingly be secured on the Charged Property under the Security created by or pursuant to this Deed.

10.4 Agent of the Issuer

- (a) A Receiver will be deemed to be the agent of the Issuer for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the 1925 Act (and/or to the extent the laws of Northern Ireland might be applicable, the Conveyancing Acts 1881-1911).

The Issuer alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for Liabilities incurred by a Receiver.

- (b) If a liquidator of the Issuer is appointed, the Receiver will act in its own right as principal and not as agent of the Trustee.
- (c) The Issuer alone shall be responsible for any Receiver's acts, omissions, defaults, misconduct and negligence and none of the Trustee or any other Secured Creditor shall incur any Liability for such acts, omissions, defaults, misconduct or negligence.

10.5 Relationship with Trustee

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after the Security becomes enforceable be exercised by the Trustee in relation to any Charged Property without first appointing a Receiver and notwithstanding the appointment of a Receiver.

11. POWERS OF RECEIVER

11.1 General

- (a) A Receiver shall have all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law; this includes:
 - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 (and/or to the extent the laws of Northern Ireland might be applicable, the Conveyancing Acts 1881 – 1911 and the Insolvency Order 1989); and
 - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the 1925 Act and the Insolvency Act 1986 (and/or to the extent the laws of Northern Ireland might be applicable, the Conveyancing Acts 1881 – 1911 and the Insolvency Order 1989).
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

11.2 Possession

A Receiver may take immediate possession of, get in and collect any Charged Property.

11.3 Carry on business

A Receiver may carry on any business of the Issuer in any manner he thinks fit.

11.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (b) A Receiver may discharge any person appointed by the Issuer.

11.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Charged Property either in priority to the Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

11.6 Sale of Assets

- (a) A Receiver may sell, exchange, convert into money and realise any Charged Property by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.

11.7 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Issuer or relating in any way to any Charged Property, **provided that**, any such claim has priority to or ranks *pari passu* with this Deed.

11.8 Legal Actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Charged Property which he thinks fit.

11.9 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Charged Property.

11.10 Subsidiaries

A Receiver may form a Subsidiary of the Issuer and transfer to that Subsidiary any Charged Property.

11.11 Delegation

A Receiver may delegate his powers in accordance with this Deed.

11.12 Lending

A Receiver may lend money or advance credit to any customer of the Issuer.

11.13 Protection of Assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which the Issuer might do in the ordinary conduct of its business to protect or improve any Charged Property;
- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

11.14 Uncalled Capital

A Receiver may call up or require the directors of the Issuer to call up any uncalled capital of the Issuer.

11.15 Payment of Expenses

A Receiver may pay and discharge, out of the profits and income of the Charged Property and any moneys made by it in carrying on the business of the Issuer, the expenses incurred by it in connection with the carrying on and management of that business or in the exercise of any of the powers conferred by this Clause or otherwise in respect of the Charged Property and all other expenses which it shall think fit to pay and will apply the residue of those profits and income in accordance with the terms of this Deed.

11.16 Other Powers

A Receiver may:

- (a) do all other acts and things which he may consider desirable or necessary for realising any Charged Property or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Charged Property all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Charged Property; and
- (c) use the name of the Issuer for any of the above purposes.

12. ISSUER POWER OF ATTORNEY

Immediately upon execution of this Deed, the Issuer will execute and deliver to the Trustee the Issuer Power of Attorney. The Trustee confirms that it may exercise the powers conferred under the Issuer Power of Attorney if:

- (a) the Security has become enforceable;
- (b) it considers such action necessary for the protection or preservation of the Attorney's (as defined in the Power of Attorney) interests and rights in and to the Charged Property; and/or
- (c) it considers such action ought to be done under the covenants, undertakings and provisions contained in this Deed.

13. FURTHER ASSURANCES

13.1 The Issuer must, at its own expense, take whatever action the Trustee or a Receiver may require for:

- (a) creating, perfecting or protecting any security intended to be created by or pursuant to this Deed; or
- (b) facilitating the realisation of any Charged Property, or the exercise of any right, power or discretion exercisable, by the Trustee or any Receiver or any of its delegates or sub-delegates in respect of any Charged Property.

This includes:

- (i) the execution of any document including any transfer, conveyance, assignment, assignation or assurance of any property, whether to the Trustee or to its nominee; or
- (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Trustee may think expedient and/or desirable.

13.2 Scottish Trust Property

Where the Charged Property includes Scottish Trust Property, the Issuer and the Seller hereby covenant and agree with and undertake to the Trustee that, if at any time after the Security shall have become enforceable the Trustee or any Receiver shall so require, they will join together in directing the Servicer or the Seller to sell or dispose of all or any part of the Scottish Trust Property on terms previously approved by the Trustee and/or in causing the Scottish Trust to be wound up or performed and they will take all such actions and execute all such documents as may be necessary to effect such sale or disposal or winding up or performance and the distribution or transfer of the Scottish Trust Property or any part thereof in accordance with the terms of the relevant Scottish Declaration of Trust and this Deed. The Seller and the Issuer hereby acknowledge and consent to the foregoing as trustee and beneficiary respectively in terms of the relevant Scottish Declaration of Trust.

13.3 Merger

Any corporation into which the Trustee may be merged or converted, or any corporation with which the Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee is a party and sells or otherwise transfers all or substantially all the assets or the business of the Trustee will, on the date when the merger, conversion, consolidation, sale or transfer becomes effective, be the successor Trustee under this Deed, to the extent permitted by applicable laws, without the execution or filing of any paper or any further act on the part of the parties hereto and after the said effective date, all references in this Deed to the Trustee shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion or consolidation shall promptly be given to the Issuer by the Trustee.

14. ADDITIONAL PROVISIONS RELATING TO THE SECURITY

14.1 Continuing Security

The Security will remain in force as continuing security for the Secured Liabilities notwithstanding any settlement of account or the existence at any time of a credit balance on any Issuer Bank Accounts or other account or any other act, event or matter.

14.2 No merger

The Security is in addition to, and will not be merged in, or in any way exclude or prejudice any other Security Interest or other right which the Trustee or any other Secured Creditor may now or at any time have (or would apart from the Security have) as regards the Issuer or any other person in respect of the Secured Liabilities.

14.3 Avoidance of Security or Payment

- (a) If an amount paid to the Trustee, the Noteholders or any of the other Secured Creditors under a Transaction Document is capable of being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (b) Any settlement, discharge or release between the Issuer and the Trustee (or any Receiver) will be conditional upon no security or payment granted or made to the Trustee (or any Receiver, as the case may be) by the Issuer or any other person being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force.
- (c) If any security or payment is avoided or reduced in the circumstances described in paragraph (a) above, then the Trustee (or any Receiver, as the case may be) will be entitled to recover the value or amount of such security or payment from the Issuer as if the relevant settlement, discharge or release had not occurred.

14.4 Retention of Security

- (a) If the Trustee has grounds for believing that the Issuer may be unable to pay its debts as they fall due as at the date of any payment made by the Issuer to the Trustee, the Noteholders or any of the other Secured Creditors, then the Trustee may retain the Security until the expiry of a period of (subject to paragraph (b) below) one month plus the statutory period within which any assurance, security, guarantee or payment can be avoided or invalidated after the payment and discharge in full of all Secured Liabilities notwithstanding any release, settlement, discharge or arrangement which may be given or made by the Trustee on, or as a consequence of, such payment or discharge of liability.
- (b) If, at any time within the period referred to in paragraph (a) above, any person presents a petition, or files documents with a court or any registrar for the winding-up or administration of the Issuer or any analogous proceedings are commenced by or against the Issuer, the Trustee may continue to retain the Security for such further period as it may determine and the Security will be deemed to continue to be held as security for the payment and discharge to the Trustee of all of the Secured Liabilities.

14.5 Change of name, etc.

This Deed will remain valid and enforceable notwithstanding any change in the name, composition or constitution of the Trustee or the Issuer or any merger, amalgamation or consolidation by the Trustee or the Issuer with any other corporation.

14.6 Enforceability of Security

- (a) The Trustee shall not be responsible for, or have any duty to make any investigation in respect of, or be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting, maintaining or perfecting the security constituted by this Deed or the priority thereof or the right or title of any person in or to the assets comprised therein by registering under any applicable registration laws in any territory any notice or other entry prescribed by or pursuant to the provisions of any such laws or failure to call for delivery of documents of title to such security or to require any further assurances in relation to any assets or property comprised in the Charged Property or any security constituted under this Deed.
- (b) The Trustee assumes no responsibility for the validity, sufficiency, adequacy, appropriateness or enforceability of the security purported to be created by this Deed.

15. RELEASE

15.1 Upon discharge of Secured Liabilities

At the end of the Security Period, the Trustee will, at the request and cost of the Issuer, take whatever action is necessary to release the Charged Property from the Security to, or to the order of, the Issuer.

15.2 Authorised Investments

Upon the Issuer or the Cash Manager (acting on the direction of the Issuer) on its behalf making a disposal of an Authorised Investment charged under this Deed and **provided that** the proceeds of such disposal are paid into the Transaction Account in accordance with the terms of the Cash Management Agreement, that Authorised Investment will be deemed to be released from the Security.

15.3 Contracts

Upon the Issuer making a disposal of a Purchased Receivable and its Related Security charged under this Deed by repurchase by the Seller in accordance with the terms of the Receivables Sale and Purchase Agreement, the Trustee will, at the request and cost of the Issuer, take whatever action is necessary to release that Purchased Receivable and its Related Security from the Security.

15.4 Issuer Bank Accounts

For the avoidance of doubt, all amounts:

- (a) which the Cash Manager (on behalf of the Issuer and the Trustee or its Appointees) is permitted to withdraw from the Transaction Account pursuant to Clause 6.2 (*Priority of Payments – Pre-Acceleration Revenue Priority of Payments*); or
- (b) paid from the Swap Collateral Account by the Cash Manager (on behalf of the Issuer) to the Swap Counterparty in accordance with the Swap Agreement,

will be deemed to be released from the Security upon the relevant withdrawal **provided that**, where the relevant amount is transferred to another Issuer Bank Account, it will become subject to the Security in respect of that other Issuer Bank Account.

15.5 No liability for loss

The Trustee will not be liable to the Issuer or any other person for any loss, costs, claims or Liabilities arising in connection with its acting upon a request made under this Clause and/or any release made under this Clause.

16. ISSUER REPRESENTATIONS AND WARRANTIES

16.1 Title

The Issuer represents and warrants to the Trustee that it is the beneficial owner of the Charged Property and the Charged Property is free of any Security Interests (except for those created by or under this Deed) and any other rights or interests (including any licences) in favour of third parties.

16.2 No restriction

The Issuer represents and warrants to the Trustee that, as at the Closing Date, none of its property, assets and/or undertaking are subject to any restriction (whether contractual or otherwise) that may render the Security Interests granted by the Issuer under this Deed ineffective or which otherwise prohibit the grant of such Security Interests.

16.3 Steps taken

The Issuer represents and warrants to the Trustee that it has taken all necessary steps to enable it to create the Security in accordance with this Deed and has taken no actions or steps which will or may prejudice its rights, title and interest in, to and under the Charged Property.

16.4 Charged Documents

The Issuer represents and warrants to the Trustee that:

- (a) each Charged Document is its legally binding, valid and enforceable obligation;
- (b) it is not in default of any of its obligations under any Charged Document;
- (c) there is no prohibition on assignment in any Charged Document;
- (d) its entry into and performance of this Deed will not conflict with any term of any Charged Document; and
- (e) the Swap Agreement will be treated for accounting purposes as a derivative under Financial Reporting Standard 25, issued in December 2004 by the Accounting Standards Board, or any subsequent accounting standard dealing with transactions which are derivatives under Financial Reporting Standard 25, as amended from time to time.

16.5 Nature of security

The Issuer represents and warrants to the Trustee that this Deed creates those Security Interests it purports to create and is not liable to be amended or otherwise set aside on its liquidation or administration or otherwise.

16.6 Centre of main interests and establishment

The Issuer represents and warrants to the Trustee that its "centre of main interests" for the purposes of the Insolvency Regulation, the Recast Insolvency Regulation and the UNCITRAL Implementing Regulations is in England and Wales and it does not have any "establishment" (as defined in the Insolvency Regulation, the Recast Insolvency Regulation and the UNCITRAL Implementing Regulations) other than in England and Wales.

16.7 No overseas company registration

The Issuer represents and warrants to the Trustee that it has not filed a return with the Registrar of Companies for England and Wales (under its full legal name as registered in the jurisdiction of its incorporation (being Orbita Funding 2017-1 plc) or under any alternative name) with particulars in respect of one or more UK establishments pursuant to the Overseas Companies Regulations 2009 (SI 2009/1801) and no related particulars in respect of the Issuer have been entered on the Register of Companies.

16.8 Tax

The Issuer represents and warrants that:

- (a) the only amounts that will be retained by the Issuer have been and will be its profit and amounts reasonably required to provide for losses or expenses arising from its business or amounts to maintain or enhance its creditworthiness;
- (b) in respect of all amounts received by the Issuer pursuant to any Transaction Document, the Issuer has a corresponding obligation to pay out within 18 months an equal amount by way of cost or expense owing to a third party less an amount equal to its profit and amounts reasonably required to provide for losses or expenses arising from its business or amounts to maintain or enhance its creditworthiness;
- (c) it is not, and is not liable to be, registered (or part of any registration) for VAT immediately prior to the issuance of the Notes and the associated transactions entered into by the Issuer in connection therewith; and
- (d) it is not treated as a member of any VAT Group.

16.9 The Issuer represents and warrants that the obtaining of a tax advantage (as defined in section 1139 of the Corporation Tax Act 2010) for any person is not the main or one of the main purposes for the Issuer in entering into the Transaction Documents to which it is a party.

16.10 The Issuer represents and warrants that the Swap Agreement is treated by the Issuer as a derivative for accounting purposes.

16.11 The Issuer represents and warrants that it is incorporated in the UK and since its incorporation, the Issuer has not engaged in any activities, has had no income, material assets or liabilities, no employees and no interest in any tangible fixed assets, and has neither paid any dividends nor made any distributions since incorporation and

has not traded or engaged in any activity since its incorporation other than (in the case of each of the foregoing):

- (a) those incidental to its registration as a public limited company under the Companies Act 2006;
- (b) those comprising or arising out of or in connection with the authorisation, execution and performance of those of the Transaction Documents to which it is a party and the activities referred to in or contemplated by such documents; and
- (c) its application for registration under the Data Protection Act 1998.

16.12 Times for making representations and warranties

- (a) The representations and warranties set out in this Deed (including in this Clause) are made on the date of this Deed.
- (b) Unless a representation and warranty is expressed to be given at a specific date, each representation and warranty under this Deed is deemed to be repeated by the Issuer on each date during the Security Period.
- (c) When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

17. ISSUER COVENANTS

17.1 The Issuer covenants to the Trustee that it will not, save with the prior written consent of the Trustee, so long as any of the Secured Liabilities remain outstanding:

- (a) create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertaking (other than for the avoidance of doubt, any security created pursuant to the Deed of Charge);
- (b) (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage (including without limitation activities of the Issuer in connection with its regulatory obligations under EMIR as a consequence of entering into the Swap Agreement); or (ii) have any subsidiaries (as defined in the Companies Act 2006), any subsidiary undertakings (as defined in the Companies Act 2006) or any employees or premises;
- (c) transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (d) pay any dividend or make any other distribution (other than from amounts standing to the credit of its Issuer Retained Profit Ledger) to its shareholders or issue any further shares;

- (e) incur any financial indebtedness (other than the Secured Liabilities) or give any guarantee in respect of any financial indebtedness or of any other obligation of any person;
- (f) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (g) permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;
- (h) have an interest in any bank account other than the Issuer Bank Accounts, unless such account or interest therein is charged to the Trustee on terms acceptable to it;
- (i) prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the TSC Regulations.
- (j) apply to become part of any VAT Group;
- (k) voluntarily become registered (or part of any registration) for VAT in the UK; and
- (l) offer or consent to surrender to any company any amounts which are available for surrender by way of group relief within Part 5 of the Corporation Tax Act 2010.

17.2 Registration of Security

The Issuer covenants to the Trustee that it will make a filing with the Registrar of Companies of duly completed Form MR01 in respect of itself together with a certified copy of this Deed of Charge and the Scottish Supplemental Charge within the applicable time limit.

17.3 Centre of main interests and establishment

The Issuer covenants to the Trustee that it will conduct its business and affairs such that, at all relevant times, its "centre of main interests" for the purposes of the Insolvency Regulation, the Recast Insolvency Regulation and the UNCITRAL Implementing Regulations will be and remain in England and Wales and that it will not have any "establishment" (as defined in the Insolvency Regulation, the Recast Insolvency Regulation and the UNCITRAL Implementing Regulations) other than in England and Wales.

17.4 Tax

So long as any of the Notes remains outstanding, the Issuer covenants with the Trustee that it will:

- (a) remain solely resident for tax purposes in the United Kingdom and will not be treated as a resident outside the United Kingdom by virtue of the application of section 18 of the Corporation Tax Act 2009;
- (b) not carry on any trade or business or enter into any transaction, agreement or arrangement other than as contemplated by the Transaction Documents and the related activities described therein; and
- (c) at all times, ensure that its assets constitute "financial assets" as defined in the TSC Regulations.

18. EVIDENCE OF INDEBTEDNESS

In any action, proceedings or claim relating to this Deed or the Security, any statement (which will contain information in reasonable detail in support thereof) as to:

- (a) any amount due to any Secured Creditor;
- (b) all or any part of the Secured Liabilities; or
- (c) any amounts which have been notified to the Trustee as being amounts due to any Secured Creditor,

in each case, which is certified as being correct by an officer of the Trustee or an officer of the relevant Secured Creditor will be conclusive evidence that such amount is in fact due and payable.

19. RIGHTS CUMULATIVE

The respective rights of the Trustee and any Receiver under this Deed:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any right is not a waiver of that right.

20. SEVERABILITY

If a term of this Deed is or becomes illegal, invalid or unenforceable in any jurisdiction, that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Deed; or

- (b) the legality, validity or enforceability in any other jurisdiction of that or any other term of this Deed.

21. COUNTERPARTS

This Deed may be executed and delivered in any number of counterparts (including by facsimile), all of which, taken together, shall constitute one and the same deed and any Party may enter into the same by executing and delivering a counterpart (including by facsimile).

22. NOTICES

22.1 In writing

Any communication in connection with this Deed must be in writing and, unless otherwise stated, may be given in person, by post or by fax. Unless it is agreed to the contrary, any consent or agreement required under this Deed must be given in writing.

22.2 Party details

The contact details of each Party for all communications in connection with this Deed are as set out below:

- | | | |
|-----|---|---|
| (a) | Issuer: | Orbita Funding 2017-1 PLC
35 Great St. Helen's,
London EC3A 6AP |
| | For the attention of:
Telephone:
Facsimile:
Email: | The Directors
+44 20 7398 6300
+44 20 7398 6325
directors-uk@intertrustgroup.com |
| (b) | Seller, Servicer and Subordinated Loan Provider: | Close Brothers Limited
10 Crown Place,
London EC2A 4FT |
| | For the attention of:
Email: | Kevin McShane / Nick Bourne
Kevin.McShane@closebrothers.com
Nick.Bourne@closebrothers.com |
| (c) | Trustee: | Citicorp Trustee Company Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB |
| | For the attention of:
Facsimile:
Email: | Agency & Trust
020 7500 5877
Abs.mbsadmin@Citi.com |

(d) **Registrar, Cash Manager, Agent Bank, Principal Paying Agent and Account Bank:** Citibank N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

For the attention of: ABS/MBS team
Facsimile: 020 7500 5877
Email: Abs.mbsadmin@Citi.com

(e) **Corporate Services Provider:** Intertrust Management Limited
35 Great St. Helen's,
London EC3A 6AP

For the attention of: The Directors
Telephone: +44 20 7398 6300
Facsimile: +44 20 7398 6325

(f) **Swap Counterparty:** Lloyds Bank plc
Faryners House
25 Monument Street
London
EC3R 8BQ

22.3 Changes

Any Party may change its contact details by giving five Business Days' notice to the other Parties.

22.4 Effectiveness

- (a) Except as provided below, any notice in connection with this Deed will be deemed to be given as follows:
- (i) if delivered in person, at the time of the delivery;
 - (ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope; and
 - (iii) if by fax or email, when received in legible form.
- (b) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

22.5 Disclosure to the Rating Agencies

The Trustee shall, as soon as practicable following receipt of a request in writing from any Rating Agency, provide such Rating Agency with a copy of any notice, written

information or report sent or made available by the Trustee to the Secured Creditors except to the extent that such notice, information or report contains information which is confidential to third parties or which the Trustee is otherwise prohibited from disclosing to such Rating Agency.

23. LANGUAGE

- (a) Any notice given in connection with this Deed must be in English.
- (b) Any other document provided in connection with this Deed must be:
 - (i) in English; or
 - (ii) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other official document.

24. LAW AND JURISDICTION

24.1 Governing Law

This Deed (and any non-contractual obligations arising out of or in connection with it) shall be governed by, and construed in accordance with, English law other than Clauses 3.6 (*Scottish Trust Security*) and 4.3 (*Scottish Declaration of Trust*), which along with any terms of this Deed particular to Scots law which shall be governed by and construed in accordance with Scots law and any terms of this Deed particular to the law of Northern Ireland which shall be governed by and construed in accordance with Northern Irish law.

24.2 Submission to jurisdiction

The Issuer irrevocably agrees for the benefit of the Trustee and the other Secured Creditors that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute relating to any non-contractual obligations in connection with this Deed) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee and the other Secured Creditors may take any suit, action or proceeding arising out of or in connection with this Deed (together referred to as "**Proceedings**") against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

25. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a Party has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these presents, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

26. FSMA

Notwithstanding anything in these presents or any other Transaction Document to the contrary, the Trustee shall not do, or be authorised or required to do, anything which

might constitute a regulated activity for the purpose of FSMA, unless it is authorised under FSMA to do so or is exempt.

The Trustee shall have the discretion at any time:

- (a) to delegate any of the functions which fall to be performed by an authorised person under FSMA to any other agent or person which also has the necessary authorisations and licences; and
- (b) to apply for authorisation under FSMA and perform any or all such functions itself if, in its absolute discretion, it considers necessary, desirable or appropriate to do so.

The Trustee will exercise its powers and authority under this Deed in the manner provided for herein and in the Trust Deed and, in so acting, the Trustee shall have the protections, immunities, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Trust Deed and the other Transaction Documents.

THIS DEED has been executed as a deed by each of the Parties and delivered on the date stated at the beginning of this Deed.

SIGNATORIES

Issuer

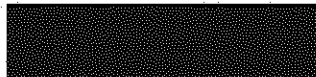
EXECUTED and DELIVERED)
as a **DEED** by)
ORBITA FUNDING 2017-1 PLC)



Helena
Whitaker per pro Intertrust Directors 1 Limited, as Director

in the presence of:

Ciara Beades



Signature of witness



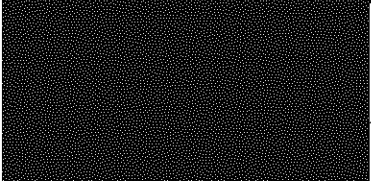
Ciara Beades Name of witness

10 Upper Bank Street Address of witness

London E14 5SJ

Corporate Services Provider

EXECUTED and **DELIVERED**)
as a **DEED** by)
INTERTRUST MANAGEMENT LIMITED)
acting by two directors)
or a director and a secretary)

Helena Whitaker 
 Director
 Director/Secretary
Martin Olcese

Trustee

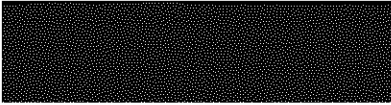
EXECUTED and DELIVERED as a DEED)
for and on behalf of)
CITICORP TRUSTEE COMPANY)
LIMITED)
acting by its duly authorised attorney)

Davide Pluchino

Authorised Attorney

in the presence of:

Ciara Beades



Signature of witness

Ciara Beades

Name of witness

Paralegal

Address of witness

Clifford Chance LLP

10 Upper Bank Street

London E14 5JJ

SIGNATORIES

SERVICER, SELLER AND SUBORDINATED LOAN PROVIDER

EXECUTED and DELIVERED as)
a DEED by CLOSE BROTHERS)
LIMITED acting by:)
a director/authorised signatory)

Malcolm Hook




Signature of Director/Authorised Signatory

MALCOLM HOOK

Name of Director/Authorised Signatory

in the presence of:

Olufunmilayo Baikie



Signature of witness

Name of witness

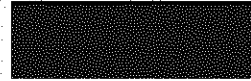
OLUFUNMILAYO BAIKIE
10 Upper Bank Street
London
E14 5JJ

Address of witness

**REGISTRAR, PRINCIPAL PAYING AGENT, CASH MANAGER, AGENT BANK
AND ACCOUNT BANK**

EXECUTED and DELIVERED as a DEED)
for and on behalf of)
CITIBANK N.A., LONDON BRANCH)
acting by its duly delegated signatory)

Stuart N. Hoare

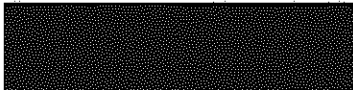


Stuart N. Hoare
Vice President

Delegated Signatory:

in the presence of:

Ciara Beades



Signature of witness

Ciara Beades

Name of witness

Paralegal

Address of witness

Clifford Chance LLP

10 Upper Bank Street

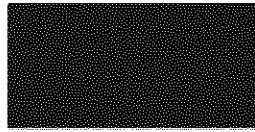
London E14 5JJ

SWAP COUNTERPARTY

EXECUTED and **DELIVERED**
as a **DEED** by
LLOYDS BANK PLC
acting by its duly authorised signatories:

Paul Robertson

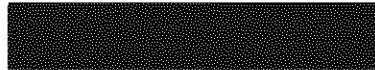
)
)
)
)
)



Paul Robertson

Authorised Signatory

Daniel Hanmer



Authorised Signatory

SCHEDULE 1
FORM OF ISSUER POWER OF ATTORNEY

THIS POWER OF ATTORNEY is made on [•] 2017 by **ORBITA FUNDING 2017-1 PLC** (registered number 10944699) and having its registered office at 35 Great St. Helen's, London EC3A 6AP (the "**Principal**").

WHEREAS

- (1) By virtue of a deed of charge and assignment dated [•] (the "**Deed of Charge**") and made between, *inter alios*, the Principal and the Trustee provision was made under Clause 12 (*Issuer Power of Attorney*) for the execution by the Principal of this Power of Attorney.
- (2) Words and phrases used in this Power of Attorney shall (save where expressed to the contrary) have the same meanings as the words and phrases in the Deed of Charge.

NOW THIS POWER OF ATTORNEY WITNESSES

1. The Principal, by way of security for the performance of the covenants and undertakings on the part of the Principal contained in the Deed of Charge, hereby irrevocably appoints Citicorp Trustee Company Limited and any other person or persons for the time being the trustee or trustees of and under the Deed of Charge (the "**Attorney**") and any Receiver (including any administrative receiver) and any manager (together, the "**Receiver**") appointed from time to time by the Attorney or on its behalf to be its true and lawful attorney with full power and authority of the Principal in its name or otherwise for and in the Principal's name or otherwise jointly and severally to do any act or thing in the circumstances set out in Clause 12 (*Issuer Power of Attorney*) of the Deed of Charge including (without limitation):
 - (a) to do every act or thing which the Attorney or Receiver may deem to be necessary, proper or expedient for fully and effectually vesting, transferring or assigning the Security and/or the Charged Property or any part thereof and/or the Principal's estate, right, title, benefit and/or interest therein or thereto in or to the Attorney and its successors in title or other person or persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as the Principal could have done; and/or
 - (b) to do every act or thing which the Attorney or Receiver considers in each case *bona fide* necessary for the protection or preservation of the Attorney's interests and rights in and to the Charged Property; and/or
 - (c) the Attorney shall have the power by writing under its hand by an officer of the Attorney (including every Receiver appointed under the Deed of Charge) from time to time to appoint a substitute attorney (each a "**Substitute**") who shall have the power to act on behalf of the Principal as if that Substitute shall have been originally appointed Attorney by this Power of Attorney and/or to revoke any such appointment at any time without assigning any reason therefore.

2. (a) In favour of the Attorney, any Receiver and/or Substitute, or a person dealing with any of them and the successors and assigns of such a person, all acts done and documents executed or signed by the Attorney, a Receiver or a Substitute in the purported exercise of any power conferred by this Power of Attorney shall for all purposes be valid and binding on the Principal and its successors and assigns.
- (b) The Principal irrevocably and unconditionally undertakes to indemnify the Attorney and each Receiver and/or Substitute appointed from time to time by the Attorney and their respective estates against all actions, proceedings, claims, costs, expenses and Liabilities of every description arising from the exercise, or the purported exercise, of any of the powers conferred by this Power of Attorney.
- (c) The provisions of this Clause 2 shall continue in force after the revocation or termination, howsoever arising, of this Power of Attorney.
3. The laws of England shall apply to this Power of Attorney and the interpretation thereof and to all acts of the Attorney and each Receiver and/or Substitute carried out or purported to be carried out under the terms hereof.
4. The Principal hereby agrees at all times hereafter to ratify and confirm whatsoever the said Attorney or its attorney or attorneys or any Receiver or Substitute shall lawfully do or cause to be done in and concerning the Security and/or the Charged Property.

IN WITNESS WHEREOF this Power of Attorney has been EXECUTED and delivered as a DEED by the Principal the day and year first before written.

EXECUTED and DELIVERED)
as a **DEED** by)
ORBITA FUNDING 2017-1 PLC)

_____ per pro Intertrust Directors 1 Limited, as Director

_____ per pro Intertrust Directors 2 Limited, as Director

SCHEDULE 2
FORM OF SCOTTISH SUPPLEMENTAL CHARGE

ASSIGNATION IN SECURITY

by

- (1) **ORBITA FUNDING 2017-1 PLC**, a company incorporated in England and Wales with limited liability (registered number 10944699) whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the "**Issuer**")

In favour of

- (2) **CITICORP TRUSTEE COMPANY LIMITED** (company number 00235914 whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacity as the "**Trustee**", which expression shall include such company and all other persons or companies for the time being acting as security trustee (or co-trustee) pursuant to the terms of the Trust Deed and the Deed of Charge)

with intimation to and acknowledgment by

- (3) **CLOSE BROTHERS LIMITED**, a private company with limited liability (registered number 195626) incorporated under the laws of England and Wales, with its registered office at 10 Crown Place, London EC2A 4FT (the "**Seller**").

WHEREAS

- (A) This deed is supplemental to a deed of charge dated [•] 2017 entered into by, among others, the Issuer, the Seller and the Trustee (the "**Deed of Charge**").
- (B) Pursuant to the Receivables Sale and Purchase Agreement, the Seller has sold, transferred and assigned to the Issuer all beneficial rights to certain Purchased Receivables. Some of such Receivables are Scottish (the "**relevant Scottish Purchased Receivables**").
- (C) Legal title to the relevant Scottish Purchased Receivables is and will continue to be held by and vested in the Seller.
- (D) Pursuant to clause [2.1][2.2] of the Receivables Sale and Purchase Agreement, a declaration of trust forming part of a Transfer Notice dated [•] (the "**Scottish Declaration of Trust**") has been granted by the Seller in favour of the Issuer and delivered, in terms of which the relevant Scottish Purchased Receivables and other related Ancillary Rights as more fully specified therein (the "**Scottish Trust Property**") are held in trust by the Seller for the Issuer.
- (E) The Seller has confirmed that it holds the beneficial interest in the Scottish Trust Property for the Issuer.
- (F) [Pursuant to clause 2.14 [(*Sale and Assignment*)] of the Receivables Sale and Purchase Agreement, a Scots law governed floating charge dated [•] (the "**Scottish Vehicle Sales Proceeds Floating Charge**") has been granted by the Seller in favour

of the Issuer in terms of which Scottish Vehicle Sales Proceeds are charged by the Seller in favour of the Issuer.]¹

- (G) [Pursuant to Clause 3.6 (*Scottish Trust and Scottish Vehicle Sales Proceeds Floating Charge Security*) of the Deed of Charge, the Issuer now proposes to assign by way of security to the Trustee its rights under the Scottish Declaration of Trust [and the Scottish Vehicle Sales Proceeds Floating Charge]².

WITNESSES

1. The master definitions schedule signed by, amongst others, the Issuer, the Seller and the Trustee and dated on or about [•] (the "**Master Definitions Schedule**") is expressly and specifically incorporated into this deed and, accordingly, the expressions defined in the Master Definitions Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this deed, including the recitals hereto and this deed shall be construed in accordance with the interpretation provisions set out in the Master Definitions Schedule.
2. This deed is a Scottish Supplemental Charge referred to in the Master Definitions Schedule.
3. The Issuer, as holder of the beneficial interest or (as applicable) the security holder's interest therein, with absolute warrandice and subject to Clause 15 (*Release*) of the Deed of Charge, (to the extent not already assigned pursuant to the Deed of Charge) hereby assigns to and in favour of the Trustee by way of first fixed security for the payment or discharge of the Secured Liabilities:
 - (a) all its right, title, interest and benefit, present and future, in, under and pursuant to the Scottish Declaration of Trust; [and]
 - (b) all its right, title, interest and benefit, present and future, in and to the Scottish Trust Property including the benefit of all covenants, undertakings, representations, warranties and indemnities in respect thereof, all powers and remedies of enforcement and/or protection thereunder, all rights to receive payment of all amounts assured or payable (or to become payable) thereunder, all rights to serve notices and/or to make demands and all rights to take such steps as are required to cause payment to become due and payable thereunder and all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof; [and]³
 - (c) [all its right, title, interest and benefit, present and future, in, under and pursuant to the Scottish Vehicle Sales Proceeds Floating Charge,]⁴

surrogating and substituting the Trustee in its full right and place therein and thereto.

¹ Drafting Note – this wording only needed for the initial Scottish Supplemental Charge.

² Drafting Note – this wording only needed for the initial Scottish Supplemental Charge.

³ Drafting Note – this wording only needed for the initial Scottish Supplemental Charge.

⁴ Drafting Note – this wording only needed for the initial Scottish Supplemental Charge.

4. The Issuer hereby confirms that all the obligations, undertakings, covenants, rights and powers specified and contained in the Deed of Charge which relate to the property referred to in and the security and other rights and powers created under and pursuant to the Deed of Charge shall be deemed to be repeated herein and shall apply *mutatis mutandis* to the property referred to in Clause 3 hereof and the security and other rights and powers created under and pursuant hereto and that the whole remaining terms of the Deed of Charge shall, except in so far as inconsistent herewith apply *mutatis mutandis* hereto **provided always that** this deed shall be without prejudice to the Deed of Charge and all of the rights, powers obligations and immunities comprised therein and arising pursuant thereto, which shall remain in full force and effect notwithstanding this deed.
5. The Trustee will exercise its powers and authority under this Deed in the manner provided for in the Deed of Charge and in the Trust Deed and, in so acting, the Trustee shall have the protection, immunities, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Trust Deed and the other Transaction Documents.
6. The Issuer and the Trustee hereby intimate the assignment made in terms of Clause 3 hereof to the Seller, and the Seller by its execution hereof acknowledges such intimation.
7. This deed may be executed in any number of counterparts and by each of the parties on separate counterparts.
- 7.1 Where executed in counterparts:
 - (a) this deed will not take effect until each of the counterparts has been delivered;
 - (b) each counterpart will be held as undelivered until the parties agree a date on which the counterparts are to be treated as delivered; and
 - (c) the date of delivery may be inserted in the testing clause in the blank provided for the effective date of this deed.

8. This deed will be governed and construed in accordance with the laws of Scotland.

IN WITNESS WHEREOF this deed is executed in counterpart by the parties as undernoted, and having an effective date of _____:

SUBSCRIBED for and on behalf of the said
ORBITA FUNDING 2017-1 PLC

acting by two directors

per pro Intertrust Directors 1 Limited

per pro Intertrust Directors 2 Limited

at:

on:

Subscribed for and on behalf of

CLOSE BROTHERS LIMITED

by
(Director/Authorised Signatory)

Date:

in the presence of:

.....
Witness signature

.....
Witness name

.....
Witness address

Subscribed for and on behalf of

**CITICORP TRUSTEE COMPANY
LIMITED**

by
(Authorised Attorney)

Date:

in the presence of:

.....
Witness signature

.....
Witness name

.....
Witness address

SCHEDULE 3
FORM OF DEED OF CHARGE ACCESSION UNDERTAKING

THIS DEED is made on [•]

BETWEEN:

- (1) **ORBITA FUNDING 2017-1 PLC**, a company incorporated in England and Wales with limited liability (registered number 10944699), and having its registered office at 35 Great St. Helen's, London EC3A 6AP (the "**Issuer**");
- (2) **CITICORP TRUSTEE COMPANY LIMITED** whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacity as the "**Trustee**", which expression shall include such company and all other persons or companies for the time being acting as trustee (or co-trustee) pursuant to the terms of the Trust Deed and the Deed of Charge); and
- (3) [[•] incorporated and registered in [•] with company number [•] whose registered office address is at [•]] (acting in its capacity as the [•], the "**New Secured Creditor**").

WHEREAS:

- (A) Pursuant to the terms of a [*describe agreement*] (the "[**Agreement**]") dated [*date*] made between, *inter alios*, the Issuer and the New Secured Creditor, the Issuer has agreed [*describe nature of the obligations of the Issuer under the Agreement*].
- (B) The Issuer has agreed to provide the Trustee with the benefit of any security described in the Deed of Charge to secure the Issuer's obligations to the Secured Creditors.
- (C) The New Secured Creditor has agreed to enter into this Deed to accede to the provisions of the Deed of Charge.

IT IS HEREBY AGREED as follows:

1. INTERPRETATION

The master definitions schedule signed between, *inter alios*, the Issuer and the Trustee dated on or about the Closing Date (as the same may be amended, varied or supplemented from time to time with the consent of the parties hereto) (the "**Master Definitions Schedule**") is expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the Recitals hereto and this Deed shall be construed in accordance with the interpretation provisions set therein.

2. REPRESENTATIONS AND WARRANTIES

The New Secured Creditor hereby represents and warrants to the Trustee and each of the Secured Creditors in respect of itself that as of the date of this Deed:

- (a) pursuant to the terms of the [Agreement], the Issuer has [*describe in relation to the Agreement*]; and
- (b) the [Agreement] expressly provides that all amounts due from the Issuer thereunder are to be secured by the Deed of Charge.

3. ACCESSION

- (a) In consideration of the New Secured Creditor being accepted as a Secured Creditor for the purposes of the Deed of Charge by the parties thereto as from the date of this Deed, the New Secured Creditor:
 - (i) confirms that as from the date hereof, it intends to be a party to the Deed of Charge as a Secured Creditor;
 - (ii) undertakes to comply with and be bound by all of the provisions of the Master Definitions Schedule and the Deed of Charge in its capacity as a Secured Creditor, as if it had been an original party thereto;
 - (iii) undertakes to perform and comply with and be bound by all of the provisions of the Deed of Charge in its capacity as a Secured Creditor, as if it had been an original party thereto; and
 - (iv) agrees that the Trustee shall be the Trustee for all Secured Creditors upon and subject to the terms set out in the Deed of Charge.

4. SCOPE OF THE DEED OF CHARGE

The Issuer, the New Secured Creditor and the Trustee hereby agree that for relevant purposes under the Deed of Charge and the Master Definitions Schedule:

- (a) the Agreement shall be treated as a Transaction Document; and
- (b) the New Secured Creditor shall be treated as a Secured Creditor.

5. APPLICATION

Prior to and following enforcement of the Security all amounts at any time held by the Issuer, the Cash Manager or the Trustee in respect of the security created under or pursuant to this Deed shall be held and/or applied by such person subject to and in accordance with the relevant provisions of the Cash Management Agreement and the Deed of Charge.

6. NOTICES AND DEMANDS

Any notice or communication under or in connection with this Deed, the Deed of Charge or the Master Definitions Schedule shall be given in the manner and at the times set out in Clause 22 (*Notices*) of the Deed of Charge or at such other address as the recipient may have notified to the other parties hereto and/or thereto in writing.

The address referred to in this Clause 6 (Notices and Demands) for the New Secured Creditor is:

[•]

Address: [•]

For the attention of: [•]

Facsimile: [•]

or such other address and/or numbers as the New Secured Creditor may notify to the parties to the Deed of Charge in accordance with the provisions thereof.

27. LAW AND JURISDICTION

27.1 Governing Law

This Deed (and any non-contractual obligations arising out of or in connection with it) shall be governed by, and construed in accordance with, English law.

27.2 Submission to jurisdiction

The Issuer irrevocably agrees for the benefit of the Trustee that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute relating to any non-contractual obligations in connection with this Deed) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee may take any suit, action or proceeding arising out of or in connection with this Deed (together referred to as "**Proceedings**") against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

IN WITNESS WHEREOF the parties hereto have caused this Deed to be duly executed and delivered as a deed the day and year first before written.

New Secured Creditor

EXECUTED as a DEED by)
[•])
acting by [•])
)
)
)

Issuer

EXECUTED and DELIVERED)
as a **DEED** by)
ORBITA FUNDING 2017-1 PLC)

_____ per pro Intertrust Directors 1 Limited, as Director

_____ per pro Intertrust Directors 2 Limited, as Director

Trustee

EXECUTED and DELIVERED as a DEED)
for and on behalf of)
CITICORP TRUSTEE COMPANY)
LIMITED)
acting by its duly authorised attorney) _____
Authorised Attorney

in the presence of:

_____ Signature of witness

_____ Name of witness

_____ Address of witness

Appendix

Definitions and Construction

THIS MASTER DEFINITIONS SCHEDULE is made on 23 November 2017

BETWEEN:

- (1) **CLOSE BROTHERS LIMITED**, a private company with limited liability (registered number 195626) incorporated under the laws of England and Wales, with its registered office at 10 Crown Place, London EC2A 4FT (in its capacity as the **"Seller"**, **"Servicer"** and **"Subordinated Loan Provider"**);
- (2) **ORBITA FUNDING 2017-1 PLC** (registered number 10944699), a public limited company incorporated under the laws of England and Wales whose registered address is at 35 Great St. Helen's, London EC3A 6AP (the **"Issuer"**);
- (3) **ORBITA HOLDINGS LIMITED** (registered number 8489151), a limited company incorporated under the laws of England and Wales whose registered office is at c/o Intertrust Management Limited, 35 Great St. Helen's, London EC3A 6AP (**"Holdings"**);
- (4) **CITIBANK, N.A., LONDON BRANCH** (registered number BR0010018), whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacity as the **"Registrar"**, **"Cash Manager"**, **"Agent Bank"**, **"Account Bank"** and **"Principal Paying Agent"**);
- (5) **LLOYDS BANK PLC**, a public company incorporated under the laws of England, registered number 00002065, with its registered office at 25 Gresham Street, London, EC2V 7HN (in its capacity as **"Swap Counterparty"**);
- (6) **CITICORP TRUSTEE COMPANY LIMITED** whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (in its capacity as **"Trustee"** and any additional or replacement trustee appointed from time to time); and
- (7) **INTERTRUST MANAGEMENT LIMITED** (registered number 3853947), a limited company incorporated under the laws of England and Wales whose registered office is at 35 Great St. Helen's, London EC3A 6AP (in its capacity as **"Corporate Services Provider"**).

IT IS HEREBY AGREED as follows:

1. DEFINITIONS

In any agreement, instrument or deed expressly and specifically incorporating by reference this Master Definitions Schedule, the undersigned hereby agree that the following words and expressions shall, unless otherwise defined therein or unless the context otherwise requires, have the following meanings:

"1881 Act" means the Conveyancing and Law of Property Act 1881;

"1911 Act" means the Conveyancing Act 1911;

"1925 Act" means the Law of Property Act 1925;

"Account Bank" means, as at the Closing Date, Citibank, N.A., London Branch together with any additional or replacement account banks from time to time;

"Account Bank Agreement" means the account bank agreement dated on or about the Closing Date among the Issuer, the Cash Manager, the Account Bank, the Servicer and the Trustee;

"Account Bank Ratings" means all of the following ratings:

- (a) short-term, unsecured, unguaranteed and unsubordinated debt obligations rating of at least F1 by Fitch;
- (b) long-term, unsecured and unsubordinated debt or counterparty obligations ratings of at least A by Fitch; and
- (c) long-term bank deposit rating of at least A3 by Moody's,

or such other Required Rating;

"Account Mandate" means the Issuer Account Mandate, the Swap Collateral Account Mandates and any other bank mandate provided by the Issuer to the Account Bank from time to time;

"Additional Account" means any account opened in the name of the Issuer from time to time other than the Transaction Account and any Swap Collateral Account;

"Additional Cut-Off Date" means the last day of the Calculation Period;

"Additional Portfolio" means any Receivables purchased (or to be purchased) by the Issuer from the Seller during the Revolving Period after the Closing Date;

"Additional Portfolio Schedule" means a schedule describing details of the relevant Additional Portfolio, substantially in the form set out in Schedule 2 to the Receivables Sale and Purchase Agreement;

"Additional Portfolio Purchase Date" means (i) each Interest Payment Date during the Revolving Period excluding the Closing Date, (ii) any other Business Day during the Revolving Period on which an Additional Portfolio is purchased by the Issuer from the Seller, or (iii) any Revised Purchase Date (as applicable);

"Additional Portfolio Purchase Price" means the amount, determined as at the Additional Portfolio Purchase Date, as being an amount equal to the aggregate Outstanding Principal Balance due from Obligors under the Related Contracts during the period beginning on (but excluding) the Additional Cut-Off Date and ending on (and including) the maturity date of such Related Contract plus any acceptance fees or option fees that are due but unpaid and any due but unpaid interest;

"Administrator Incentive Recovery Fee" means the fee (inclusive of VAT) payable to the Insolvency Official of the Seller following an Insolvency Event of the Seller in relation to the sale of the relevant Vehicles in an amount equal to (i) the reasonable costs and expenses of such insolvency official (including any Irrecoverable VAT in respect thereof) incurred in relation to the sale of such Vehicles plus (ii) a percentage

of the corresponding vehicle realisation proceeds to be (x) 1 per cent. of the relevant vehicle realisation proceeds or (y) at any time thereafter, as may be agreed by the Servicer with the Insolvency Official of the Seller pursuant to the Servicing Agreement (up to a maximum amount of 1 per cent. of the relevant Vehicle realisation proceeds);

"Adverse Claim" means a mortgage, standard security, charge, pledge, assignation, assignation in security, attachment, lien, trust or encumbrance or security interest of any nature, or other right or claim in, of or on any Person's assets or properties in favour of any other Person (including, but not limited to, any retention of the claims by any Person);

"Affiliate" in relation to any corporate entity, means a holding company or subsidiary of such corporate entity or a subsidiary of the holding company of such corporate entity; and the terms **"holding company"** and **"subsidiary"** shall have the meaning given to them by the Companies Act 2006;

"Agency Agreement" means the agency agreement dated on or about the Closing Date among, *inter alios*, the Issuer, the Paying Agents, the Agent Bank and the Trustee;

"Agent Bank" means the person appointed as agent bank from time to time under the Agency Agreement who, as at the Closing Date, is Citibank, N.A., London Branch;

"Agents" means the Paying Agents, the Registrar and the Agent Bank or, where the context requires, any of them;

"AIFM Regulation" means Regulation (EU) No 231/2013 (as amended);

"Amount Financed" means with respect to a Purchased Receivable, the aggregate amount advanced in respect of such Receivable toward the purchase price of the Vehicle, less, in respect of such Purchased Receivable, payments received from the relevant Obligor prior to the relevant Cut-Off Date allocable to Principal Element;

"Annual Percentage Rate" or **"APR"** means, with respect to a Receivable, the annual rate of finance charges stated in such Receivable;

"Applicable Authority" means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction, domestic or foreign;

"Applicable Force Majeure Event" means any event (including but not limited to an act of God, fire, epidemic, explosion, floods, earthquakes, typhoons; riot, civil commotion or unrest, insurrection, terrorism, war, strikes or lockouts; nationalisation, expropriation, redenomination or other related governmental actions; any Applicable Law of an Applicable Authority or supranational body; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations, market conditions affecting the execution or settlement of transactions or the value of assets; and breakdown, failure or malfunction of any telecommunications, computer services or systems, or other cause) beyond the control of any party to this Agreement which restricts or prohibits the performance of the obligations of such party contemplated by this Agreement;

"Applicable Law" means any law or regulation including, but not limited to: (a) any domestic or foreign statute or regulation; (b) any rule or practice of any Applicable Authority, stock exchange or self-regulatory organisation with which each Party is bound or accustomed to comply; and (c) any agreement entered into by the Parties and any Applicable Authority or between any two or more Applicable Authorities;

"Appointee" means any attorney, manager, agent, delegate, nominee, custodian, Receiver or other person appointed by the Trustee under the Trust Deed or the Deed of Charge;

"Arrangers" means (i) HSBC Bank plc and (ii) Lloyds Bank plc and **"Arranger"** means any of them;

"Authorised Investments" means:

- (a) Sterling gilt-edged securities;
- (b) investments in money market funds that maintain (A) in the case of Fitch, a rating of at least AAmmf or the highest money market fund ratings from at least two other global rating agencies (including the rating of Moody's required pursuant to (B) below) and (B) in the case of Moody's a rating of at least Aaa-mf, provided that such investments do not constitute securitisation positions; and
- (c) Sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper), provided that in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and such investments (i) have a maturity date on or before the immediately following Interest Payment Date, (ii) may be broken or demanded by the Issuer (with no reduction in the value of such investment and at no cost to the Issuer) on or before the next following Interest Payment Date (iii) do not include any contractual provisions that would permit a redemption of such authorised investments in an amount less than the amount paid for such investments by the Issuer and (iv) (other than in the case of paragraph (b) above) are rated at least: (x) (A) F1 by Fitch (if such investments have a remaining maturity of less than 30 days); or (B) F1+ by Fitch (if such investments have a remaining maturity of equal to or greater than 30 days); and (y) P-1 by Moody's and AA- by Fitch and A2 (long-term deposit rating) by Moody's if the investments have a long-term rating);

"Authorised Signatory" means any person legally entitled to sign on behalf of that party;

"Available Principal Receipts" means an amount equal to the sum of:

- (a) all Principal Receipts received by the Issuer during the immediately preceding Calculation Period;
- (b) the amounts, if any, to be credited to the Principal Deficiency Ledger pursuant to items (h) and (i) of the Pre-Acceleration Revenue Priority of Payments on the relevant Interest Payment Date;

- (c) the amount standing to the credit of the Liquidity Facility Reserve Ledger, if any, to be applied as Available Principal Receipts (pursuant to the Pre-Acceleration Revenue Priority of Payments) to redeem in full the Class A Notes on the Final Class A Interest Payment Date;
- (d) where the Seller repurchases the Final Receivables in accordance with the terms of the Receivables Sale and Purchase Agreement in respect of an exercise by the Issuer of the Clean Up Call, such amount of the Final Repurchase Price received by the Issuer on such Interest Payment Date representing the Outstanding Principal Balance of the Final Receivables as at such Interest Payment Date;
- (e) an amount equal to any Principal Recoveries in respect of the immediately preceding Calculation Period; and
- (f) any amount standing to the credit of the Replenishment Ledger;

"Available Revenue Receipts" for each Interest Payment Date will be calculated by the Cash Manager on or before the immediately preceding Calculation Date and will be an amount equal to the sum of:

- (a) all Revenue Receipts received by the Issuer during the immediately preceding Calculation Period;
- (b) interest received during the immediately preceding Calculation Period on the Issuer Bank Accounts (other than any Swap Collateral Account) and any income received during the immediately preceding Calculation Period relating to any Authorised Investments purchased from amounts standing to the credit of the Issuer Bank Accounts (other than any Swap Collateral Account);
- (c) all amounts then standing to the credit of the Liquidity Reserve Ledger;
- (d) amounts to be received by the Issuer under the Swap Agreement (other than (i) any early termination amount received by the Issuer under the Swap Agreement to the extent it is to be applied in acquiring a replacement swap transaction, (ii) Excess Swap Collateral or Swap Collateral, except to the extent that the value of Swap Collateral has been applied, pursuant to the provisions of the Swap Agreement, to reduce the amount that would otherwise be payable by the Swap Counterparty to the Issuer on early termination of the swap transaction under the Swap Agreement and, to the extent so applied in reduction of the amount otherwise payable by the Swap Counterparty, such Swap Collateral is not to be applied in acquiring a replacement swap transaction, (iii) any Replacement Swap Premium, but only to the extent applied directly to any termination payment due and payable by the Issuer to the Swap Counterparty and (iv) amounts in respect of Swap Tax Credits on such Interest Payment Date);
- (e) notwithstanding item (d) above, (i) any early termination amount received from the Swap Counterparty in excess of the amount required and applied by the Issuer to purchase one or more replacement Swap Agreements, and (ii) any Replacement Swap Premium received from a replacement Swap Counterparty

in excess of the amount required and applied to pay any outgoing Swap Counterparty;

- (f) the aggregate of all Available Principal Receipts (if any) which are (i) applied to make up any Revenue Deficiency on the relevant Interest Payment Date (only to the extent required after calculating any Revenue Deficiency) and (ii) any Surplus Available Principal Receipts;
- (g) any Start-up Costs Proceeds advanced under the Subordinated Loan to the extent that the Cash Manager determines that such amounts are not required to be applied to make payments in respect of any initial costs of the Issuer;
- (h) where the Seller repurchases the Final Receivables in accordance with the terms of the Receivables Sale and Purchase Agreement in respect of an exercise by the Issuer of the Clean Up Call, such amount of the Final Repurchase Price received by the Issuer on such Interest Payment Date representing amounts other than the Outstanding Principal Balance of the Final Receivables as at such Interest Payment Date; and
- (i) any Income Recoveries received in respect of the previous Calculation Period,

but, for the avoidance of doubt, excluding any Issuer Profit Amount retained by the Issuer on any prior Interest Payment Date and any amounts which have been applied as Permitted Withdrawals by the Issuer during the immediately preceding Calculation Period;

"Average Delinquency Ratio" means, as at any Interest Payment Date, the simple average of the Delinquency Ratios as at such Interest Payment Date and the immediately preceding two (2) Interest Payment Dates, provided that if fewer than two (2) Interest Payment Dates have occurred prior to such Interest Payment Date, the Average Delinquency Ratio on such Interest Payment Date shall be the simple average of the Delinquency Ratios as at such Interest Payment Date and the previous Interest Payment Date (if any);

"Base Rate Modification" has the meaning given to that term in Condition 11.7(g) (*Meeting of Noteholders, Modification and Waiver*);

"Base Rate Modification Certificate" has the meaning given to that term in Condition 11.7(g)(i) (*Meeting of Noteholders, Modification and Waiver*);

"Basic Terms Modification" means each of the following:

- (a) a modification of the date of maturity of any Notes or any other term which would have the effect of postponing any day for payment of interest thereon; or
- (b) reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes (other than any change to the effective rate of interest payable on the Class A Notes effected in accordance with Condition 11.7(g) and 11.7(h)); or
- (c) altering the currency of payment of such Notes; or

- (d) altering the quorum or majority required in relation to passing a Basic Terms Modification;

"Block Voting Instruction" has the meaning given to it in Schedule 3 to the Trust Deed;

"Book-Entry Interests" means the beneficial interests in the Global Notes;

"Business Day" means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"Calculation Date" means, the date falling 3 Business Days prior to each Interest Payment Date;

"Calculation Period" means the period from (and including) the first day of each calendar month to (but excluding) the first day of the following month;

"Capital Requirements Regulation" means Regulation (EU) No 575/2013;

"Cash Management Agreement" means the cash management agreement dated on or about the Closing Date among the Issuer, the Cash Manager, the Servicer the Account Bank and the Trustee;

"Cash Management Services" means the services set out in clause 3 of the Cash Management Agreement;

"Cash Manager" means the person appointed as cash manager from time to time under the Cash Management Agreement, which on the Closing Date is Citibank, N.A., London Branch;

"Cash Manager Termination Event" means any of:

- (a) a default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by it under the Cash Management Agreement and such default (where capable of remedy) continues unremedied for a period of five Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or the Trustee, as the case may be, requiring the same to be remedied; or
- (b) a default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which in the opinion of the Trustee is materially prejudicial to the interests of the Secured Creditors and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default (where capable of remedy) and receipt by the Cash Manager of written notice from the Issuer or the Trustee, as applicable, requiring the same to be remedied (where capable of remedy); or
- (c) it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement; or

(d) an Insolvency Event occurs in relation to the Cash Manager;

"**CBL**" means Close Brothers Limited;

"**CBL Trigger Event**" means CBL ceases to have at least the following ratings:

- (a) short-term, unsecured, unguaranteed and unsubordinated debt obligations rating of at least F1 by Fitch;
- (b) long-term, unsecured and unsubordinated debt or counterparty obligations ratings of at least A by Fitch; and
- (c) long-term, unsecured and unsubordinated debt or counterparty obligations ratings of at least A2 by Moody's;

"**CCA Compensation Amount**" means the amount, calculated by the Servicer in accordance with the Servicing Agreement to compensate the Issuer for any loss caused as a result of a breach of the Receivables Warranties arising as a result of any Purchased Receivables or Related Contract (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA or subject to a right to cancel or a right to withdraw under the CCA;

"**CCA Compensation Payment**" means the payment made by the Seller to the Issuer to compensate the Issuer for any loss caused as a result of any Purchased Receivable or the Related Contract (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA or subject to a right to cancel or a right to withdraw under the CCA as an amount equal to the CCA Compensation Amount;

"**CCA**" or "**Consumer Credit Act**" means the Consumer Credit Act 1974, as amended;

"**Central Bank**" means the Central Bank of Ireland;

"**Charged Documents**" means the Transaction Documents to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party (other than the Deed of Charge, the Trust Deed, each Scottish Declaration of Trust, each Scottish Supplemental Charge and the Scottish Vehicle Sales Proceeds Floating Charge);

"**Charged Property**" means all assets and property of the Issuer which is subject to the security created by the Issuer in favour of the Trustee for it and the other Secured Creditors pursuant to the Deed of Charge;

"**Citi Organisation**" means Citigroup, Inc., Citibank, N.A., Citibank International Plc, their branches, subsidiaries and affiliates and anyone who succeeds them or to whom they assign their rights other than Citibank, N.A., London Branch;

"**Class**" means the Class A Notes and/or the Subordinated Notes;

"**Class A Noteholder**" means the persons who are for the time being the holders of the Class A Notes;

"Class A Notes" means the £261,400,000 Class A Asset Backed Floating Rate Notes due 2024;

"Class A Notes Interest Amount" means the amount of interest payable in respect of the Class A Notes;

"Class A Notes Principal Amount" means the Principal Amount Outstanding in respect of all Class A Notes on any date;

"Class A Permanent Global Note" has the meaning given to such term in the Conditions;

"Class A Principal Deficiency Sub-ledger" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class A Notes;

"Class A Temporary Global Note" has the meaning given to such term in the Conditions;

"Clean Up Call" means the optional call granted pursuant to Condition 6.2(b);

"Clearing System" means Euroclear and Clearstream, Luxembourg;

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme;

"Closing Date" means 23 November 2017 or such later date as may be agreed between the Issuer, the Seller and the Joint Lead Managers;

"Code" means the U.S. Internal Revenue Code of 1986, as amended;

"Collection Account" means the accounts held in the name of the Servicer into which amounts received in respect of the Purchased Receivables will be paid;

"Collection Account Bank" means, as at the Closing Date, The Royal Bank of Scotland plc acting through its office at 250 Bishopsgate London EC2M 4AA together with any additional or replacement collection account bank appointed from time to time.

"Collection Account Declaration of Trust" means the collections account declaration of trust dated 9 June 2016, as supplemented by the second supplemental deed to the amended and restated collections account declaration of trust dated on or about the Closing Date between, among others, the Seller and the Issuer, whereby the Seller declares a trust over all amounts standing to the credit of the Collection Account;

"Collections" means, in respect of each Purchased Receivable, all amounts of cash received by the Servicer in respect of Purchased Receivables deriving from such Related Contract or Related Rights from the Obligor or a third party on and from the relevant Cut-Off Date and, for the avoidance of doubt, any amounts representing the Vehicle Sales Proceeds (less an amount equal to any Excluded VAT Receivables Amount);

"Common Safekeeper" means, in relation to the Class A Notes, the common safekeeper, as elected by the Principal Paying Agent pursuant to clause 2.6 of the Agency Agreement;

"Concentration Limit Tests" means, in respect of a Purchased Receivable, each of the following (which, for the avoidance of doubt, may be determined without double-counting):

- (a) (in relation to a New LCV Receivable or a Used LCV Receivable) its Outstanding Principal Balance when aggregated with the Outstanding Principal Balance of all other Purchased Receivables arising under Contracts pursuant to which amounts are payable in respect of New LCV Receivables or Used LCV Receivables does not exceed the LCV Receivables Concentration Limit;
- (b) (in relation to a New MC Receivable or a Used MC Receivable) its Outstanding Principal Balance when aggregated with the Outstanding Principal Balance of all other Purchased Receivables arising under Contracts pursuant to which amounts are payable in respect of New MC Receivables or Used MC Receivables does not exceed the MC Receivables Concentration Limit;
- (c) the acquisition of such Purchased Receivable will not cause the Outstanding Principal Balance of the Purchased Receivables resulting from Contracts entered into with the largest corporate Obligor to be greater than the lesser of (i) 0.25 per cent. of the aggregate Outstanding Principal Balance of the Purchased Receivables in the Portfolio, and (ii) £2,000,000;
- (d) the acquisition of such Purchased Receivable will not cause the Outstanding Principal Balance of the Purchased Receivables resulting from Contracts entered into with the 10 largest corporate Obligors to be greater than the lesser of (i) 0.75 per cent. of the aggregate Outstanding Principal Balance of the Purchased Receivables in the Portfolio, and (ii) £7,500,000;
- (e) the acquisition of such Purchased Receivable will not cause the Outstanding Principal Balance of the Purchased Receivables resulting from Contracts entered into with the largest individual Obligor to be greater than the lesser of (i) 0.25 per cent. of the aggregate Outstanding Principal Balance of the Purchased Receivables in the Portfolio, and (ii) £500,000;
- (f) the acquisition of such Purchased Receivable will not cause the Outstanding Principal Balance of the Purchased Receivables resulting from Contracts entered into with the 10 largest individual Obligors to be greater than 0.60 per cent. of the aggregate Outstanding Principal Balance of the Purchased Receivables in the Portfolio;
- (g) (in relation to a PCP Receivable) its Outstanding Principal Balance when aggregated with the Outstanding Principal Balance of all other Purchased Receivables which are PCP Receivables does not exceed the PCP Receivables Concentration Limit;

- (h) the weighted average of its Contract Yield and the Contract Yields of all other Purchased Receivables is not less than 8.5 per cent.;
- (i) (in relation to a PCP Receivable) its PCP Residual Value when aggregated with the PCP Residual Value in respect of all PCP Contracts in the Portfolio does not exceed 15 per cent. of the aggregate Outstanding Principal Balance of the Purchased Receivables in the Portfolio;

"Conditional Sale Contract" means an agreement between the Seller and an Obligor for the sale of a vehicle under which the purchase price or part of it is payable by instalments, and the title in the vehicle is to remain in the Seller (notwithstanding that the Obligor is to be in possession of the vehicle) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled;

"Conditions Precedent" means the conditions precedent set out in Appendix 1 (Conditions Precedent) of the Receivables Sale and Purchase Agreement;

"Conditions" means the terms and conditions of the Notes set out in the Trust Deed and as may be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly and references in the Conditions to paragraphs shall be construed as paragraphs of such Conditions;

"Consumer Credit Act" or **"CCA"** means the Consumer Credit Act 1974, as amended;

"Conveyancing Acts 1881 – 1911" means the 1881 Act and the 1911 Act;

"Contract" means any Hire Purchase Contract or a Conditional Sale Contract from which any Receivable derives;

"Contract Yield" means, with respect to a Receivable, the current rate of finance charges remaining in respect of such Receivable;

"Corporate Services Agreement" means the agreement dated on or about the Closing Date among, *inter alios*, the Issuer, Holdings, the Trustee, the Share Trustee and the Corporate Services Provider;

"Corporate Services Provider" means, as at the Closing Date, Intertrust Management Limited whose registered office is at 35 Great St. Helen's, London EC3A 6AP, in its capacity as such under the Corporate Services Agreement;

"CRA" means the Consumer Rights Act 2015;

"CRA Regulation" means Regulation (EU) No. 1060/2009 (as amended);

"Credit and Collection Procedures" means the origination, credit and collection procedures and underwriting criteria employed by the Servicer from time to time in relation to the provision of Services;

"CRR" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 21, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012;

"CRS" means the global standard for automatic and multilateral exchange of financial information between tax authorities published by the OECD (commonly referred to as the "common reporting standard");

"Cumulative Loss Test Date" means each of the Interest Payment Dates falling prior to the Revolving Period Termination Date;

"Cumulative Loss Trigger" means 3 per cent.;

"Cumulative Loss Ratio" means as at any Interest Payment Date, the ratio, expressed as a percentage, calculated by dividing:

- (a) the sum of (i) the aggregate of the Outstanding Principal Balances (less any Vehicle Sale Proceeds or other recoveries received by the Seller) of all Purchased Receivables which were Defaulted Receivables or Voluntarily Terminated Receivables on the immediately preceding Calculation Date, and (ii) the aggregate of the Outstanding Principal Balances (less any Vehicle Sale Proceeds or other recoveries received by the Seller) of all Receivables which have been repurchased by the Seller pursuant to Clause 7 (*Remedies and Repurchase*) of the Receivables Sale and Purchase Agreement at any time prior to the immediately preceding Calculation Date and which were Defaulted Receivables or Voluntarily Terminated Receivables on the date of such repurchase, in each case as at the close of business on the Calculation Date immediately preceding such Interest Payment Date; by
- (b) the sum of (i) the aggregate Outstanding Principal Balance of the Portfolio as at the Closing Date and (ii) the aggregate of the Outstanding Principal Balances (as at the Calculation Date immediately preceding the date of sale to the Issuer) of all Receivables sold to the Issuer on or after the Closing Date pursuant to Clause 2.2 (*Sale of Additional Portfolios*) of the Receivables Sale and Purchase Agreement;

"Cut-Off Date" means the Initial Cut-Off Date or an Additional Cut-Off Date;

"DAC" means EU Council Directive 2014/107/EU of 9 December 2014 on mandatory automatic exchange of information in the field of taxation (commonly referred to as the "directive on administrative co-operation");

"Data Protection Act", "DPA" or "Act" means the Data Protection Act 1998;

"Dealer" means a sole trader, partnership or company from whom the Seller purchases a motor vehicle to form the subject of a Contract;

"Deed of Charge" means the deed of charge dated the Closing Date between the Issuer, the Trustee and certain of the Secured Creditors;

"Defaulted Receivable" means, at any time, any Purchased Receivable which is accounted for as defaulted by the Servicer in accordance with the Credit and Collection Procedures;

"Deferred Purchase Price" means the consideration payable to the Seller in respect of the Receivables sold to the Issuer, which is due and payable under the terms of the

Receivables Sale and Purchase Agreement in accordance with the relevant Priority of Payments in an amount equal to (prior to the service of a Note Acceleration Notice) Available Revenue Receipts to be applied on each Interest Payment Date less all amounts due in respect of items (a) to (n) of the Pre-Acceleration Revenue Priority of Payments and (following service of a Note Acceleration Notice) all amounts available to the Issuer to be applied in accordance with the Post-Acceleration Priority of Payments less all amounts due in respect of items (a) to (h) of the Post-Acceleration Priority of Payments, plus in each case the Permitted Withdrawals;

"Definitive Notes" means any Class A Notes issued in definitive bearer form and serially numbered pursuant to Condition 1.3 and any Subordinated Note;

"Delinquency Ratio" means as at any Interest Payment Date, the ratio, expressed as a percentage, calculated by dividing:

- (a) the aggregate of the Outstanding Principal Balances of all Purchased Receivables which were Delinquent Receivables; by
- (b) the aggregate Outstanding Principal Balance of the Portfolio,

in each case as at the close of business on the Calculation Date immediately preceding such Interest Payment Date;

"Delinquent Receivable" means any Receivable, which is not a Defaulted Receivable or a Voluntary Terminated Receivable, in which amounts in aggregate equal to at least one and a half Monthly Payments have not been paid on their due dates and which remain unpaid on the date of the most recent scheduled monthly payment instalment;

"Direct Debiting Arrangements" means the procedures adopted in accordance with the rules of the Association for Payment Clearing Services;

"DMR" means the Financial Services (Distance Marketing) Regulations 2004, as amended;

"EEA" means the European Economic Area;

"Eligible Contract" means, at any time, a Contract which satisfies each of the following criteria:

- (a) the Obligor in respect of which is an individual who has provided as his or her most recent billing address an address in the United Kingdom or is a corporate entity that has its registered address in the United Kingdom and if the Obligor is a limited company it was at the time of origination incorporated in England and Wales, Scotland or Northern Ireland;
- (b) such Contract expressly provides that payments made by the Obligor are to be made by direct debit in level (save in relation to final payments) and fixed monthly instalments (provided that payments made by credit card, debit card, cheque or cash may be accepted by the Seller pursuant to the arrears collection procedure specified by the applicable provisions of the Credit and Collection Procedures);

- (c) such Contract is governed by English law, Scots law or Northern Irish law and has been duly entered into by the Obligor or the Obligor's authorised representative thereunder;
- (d) such Contract has been originated in the Seller's ordinary course of business; and in material compliance with the applicable requirements of the Credit and Collection Procedures without any conduct constituting fraud;
- (e) such Contract is (A) in the form of one of the Seller's Standard Documents or (B) has been entered into by the Seller on terms that are substantially similar to the Seller's Standard Documents or as otherwise agreed with the Issuer and the Trustee;
- (f) since the origination of such Contract there has been no waiver, variation or amendment in respect of the original terms of such Contract which may have an effect on the amount, enforceability or collectability of the relevant Receivable unless such waiver, variation or amendment was made in accordance with the Credit and Collection Procedures;
- (g) (i) as far as the Seller is aware, the relevant individual Obligor is not bankrupt, (ii) such individual Obligor is not shown on the Seller's records as dead and (iii) to the best of the Seller's knowledge and belief, each Obligor is not suspected of fraud;
- (h) in the case of any corporate Obligor, a search on Experian (or equivalent) has been performed and has revealed no Insolvency Event in respect of such Obligor;
- (i) in relation to any Contract regulated by the CCA:
 - (i) to the extent necessary to make such contract enforceable, such Contract has been entered into and executed in accordance with the relevant provisions of the CCA including, without prejudice to the generality of the foregoing, those provisions governing antecedent negotiations which were conducted in such a way that the relevant Obligor's stated obligations to pay thereunder are not prejudiced;
 - (ii) the form, terms and related procedures (including, without limitation, any pre and post contractual information requirements) of such Contract comply in all material respects with any applicable requirements of the CCA;
 - (iii) no order has been made in respect of such Contract under Section 140B of the CCA and the Seller is not aware of such order;
 - (iv) no grounds exist which will give rise to the making of an order under Section 140B of the CCA in relation to such Contract after the relevant Purchase Date;
 - (v) the Seller has at all relevant times held (in relation to Contracts originated prior to 1 April 2014) a licence under the CCA to carry on consumer credit business and (in relation to Contract originated on or

after 1 April 2014) FCA permission or authorisation to carry on credit related regulated activity and continues to hold and will maintain at all material times the said FCA permission or authorisation; and

- (vi) so far as the Seller is aware (i) each Dealer and (ii) each other person who carried on in relation to a Contract any "credit brokerage", as defined in section 142(2) of the CCA (in relation to Contracts originated prior to 1 April 2014) or article 36A of the RAO (in relation to Contracts originated on or after 1 April 2014), has at all relevant times held a licence under the CCA and/or FCA authorisation or permission to carry out on credit brokerage;
- (j) in relation to any Contract to which the UTCCR, or the CRA, as applicable, applies, none of the terms of such Contract is unfair pursuant to the UTCCR, or the CRA, as applicable, to the extent that such unfairness would have a material adverse effect on the enforceability or collectability of any Contract;
- (k) in the event that such Contract qualifies as a "distance contract" (as defined in the DMR), the provisions of such regulations have been complied with in respect of such Contract or such failure to comply does not have a material adverse effect on the enforceability or collectability of any Contract;
- (l) the disclosure of information relating to the relevant Obligor as contemplated by, and for the purposes envisaged by, the Receivables Sale and Purchase Agreement is not contrary to relevant data protection legislation or such failure to comply does not have a material adverse effect on the enforceability or collectability of any Contract;
- (m) it has been entered into by the Seller as sole principal (and not as agent);
- (n) it has an original term to maturity of not less than 6 months and not more than 61 months (or, in the case of any PCP Contract, not more than 49 months);
- (o) it has an APR not more than 30 per cent.;
- (p) the original amount financed is equal to or greater than £500 and less than or equal to £80,000;
- (q) it requires the customer to take out comprehensive motor insurance and to assign to the Seller the proceeds of any claim upon the loss, theft or damage beyond repair of the financed vehicle;
- (r) it does not give rise to (and is not linked to any agreement that may give rise to) any liability on the Seller to pay money or to perform any onerous act, including, without limitation in relation to insurance, maintenance or servicing of the financed vehicle (other than with respect to any claims an Obligor may have against the Seller as a result of Section 56 of the CCA); and
- (s) no payments under the Contract are subject to withholding or deduction for or on account of any tax;

"Eligible Issuer" has the meaning given to it in clause 22.2 of the Corporate Services Agreement;

"Eligible Receivable" means a Purchased Receivable which satisfies each of the following criteria:

- (a) such Purchased Receivable arises under an Eligible Contract relating to the supply of a new or used car, motorcycle or (other than in relation to PCP Receivables) light commercial vehicle;
- (b) such Purchased Receivable is in full force and effect and constitutes the legal, valid, binding and enforceable obligation of the Obligor in respect thereof, subject only to (i) applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting the enforcement of the rights of creditors generally and (ii) the effect of principles of equity, if applicable;
- (c) such Purchased Receivable is freely transferable and is not subject to a dispute or any right of rescission, set off, counterclaim, termination or analogous right and no other defence (including defences arising out of violations of usury laws) exists or, as far as the Seller is aware, has been threatened except by virtue of Section 56 or 75 of the CCA;
- (d) a Concentration Limit Test is not breached in respect of such Purchased Receivable (for the avoidance of doubt, only those Purchased Receivables, the aggregate Outstanding Principal Balance of which are in excess of the relevant Concentration Limit Test, will be deemed not to be Eligible Receivables);
- (e) such Purchased Receivable is due from an Obligor who does not have a credit assessment indicating, based on the Seller's underwriting policy, a significant risk that contractually agreed payments will not be made;
- (f) in respect of which the Obligor has made at least one full payment to the Seller;
- (g) such Purchased Receivable is denominated in Sterling;
- (h) such Purchased Receivable is not more than one Monthly Payment in arrears;
- (i) such Purchased Receivable does not have a Loan to Value Ratio greater than 100 per cent.;
- (j) none of the Contracts were entered into simultaneously with, or linked to, products that Obligors, when entering into a Contract, agreed to take out and which were explicitly financed by the Contracts and which may give rise to any potential for set-off between the Obligor and the Seller;
- (k) no Vehicle has been repossessed by the Seller and the Seller has not given any notice, nor applied for any court order, under the CCA, in order to repossess a Vehicle as at the Cut-Off Date; and
- (l) neither the Purchased Receivable nor any Related Rights is or includes stock or a marketable security (as such terms are defined for the purposes of section

122 of the Stamp Act 1891), a chargeable security (as such term is defined for the purposes of section 99 of the Finance Act 1986) or a chargeable interest (as such term is defined for the purposes of section 48 of the Finance Act 2003);

"EMIR" means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (as amended, modified and/or restated from time to time) and/or any supplementing regulations, provisions or regulatory or implementing technical standards (each as amended, modified and/or restated from time to time) being effected under or in connection with Regulation (EU) No 648/2012;

"English Receivables" means those Purchased Receivables contained in the Portfolio where the address of the Obligor as set out in the Contract at the time of origination is in England and Wales;

"Euroclear" means Euroclear Bank S.A./N.V.;

"Event of Default" has the meaning given to it in Condition 9.1;

"Excess Amount" means a payment credited to the Transaction Account which represents an amount received from an Obligor in excess of the amount payable under the relevant Contract;

"Excess Recoveries Amount" means an amount equal to any amounts received by the Issuer which is in excess of the aggregate of amounts due by an Obligor in respect of a Purchased Receivable (including related fees and costs associated with any Recoveries) either as a result of any indemnity amounts received from Dealers, insurers or other third parties or following a Purchased Receivable becoming a Defaulted Receivable, a Returned PCP Receivable or a Voluntarily Terminated Receivable (including, but not limited to, any Vehicle Sales Proceeds);

"Excess Swap Collateral" means an amount equal to the value of the Swap Collateral (or the applicable part thereof) which is in excess of the Swap Counterparty's liability (prior to any netting in respect of the Swap Collateral) under the Swap Agreement as at the date of termination of the Swap Agreement or which it is otherwise entitled to have returned to it under the terms of the Swap Agreement;

"Excluded Amounts" means:

- (a) default interest and fees for, and expenses, charges and costs, if any, arising as a consequence of late payment and any subsequent enforcement actions;
- (b) administrative fees (including, but not limited to, plate change fees);
- (c) excess mileage charges; and
- (d) charges in respect of damages for any Voluntarily Terminated Receivable;

"Excluded VAT Receivables Amount" means such part of the proceeds of the sale of a Vehicle as represents VAT, save to the extent that a reduction in the amount of VAT for which the Seller is required to account to HMRC in respect of such Vehicle

arises in connection with the repossession and sale of such vehicle whether pursuant to Regulation 38 of the Value Added Tax Regulations 1995 or otherwise;

"Extraordinary Resolution" means (a) a resolution passed by the Noteholders at a Meeting duly convened and held in accordance with the Trust Deed by a majority consisting not less than three-fourths of the eligible persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting not less than three-fourths of the votes cast on such poll or (b) a resolution in writing signed by or on behalf of the Noteholders of not less than three-fourths in aggregate Principal Amount Outstanding of the Notes which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders;

"FCA" means the Financial Conduct Authority;

"FCA Rules" means the rules established by the FCA in the FCA's Handbook of rules and guidance from time to time;

"FATCA" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; and
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the United States Internal Revenue Service, the government of the United States of America or any governmental or taxation authority in any other jurisdiction;

"FATCA Withholding" means any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code, or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto;

"Final Class A Interest Payment Date" means the Interest Payment Date on which, following the application of the Pre-Acceleration Revenue Priority of Payments, the amount standing to the credit of the Liquidity Reserve is equal to or exceeds the Liquidity Reserve Required Amount on such Interest Payment Date and is greater than or equal to the aggregate of the Principal Amount Outstanding of the Class A Notes on such Interest Payment Date;

"Final Discharge Date" means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied that all the Secured Liabilities have been paid or discharged in full;

"Final Maturity Date" means the Interest Payment Date falling in October 2024;

"Final Receivables" means on any Interest Payment Date, all Purchased Receivables then owned by the Issuer;

"Final Redemption Date" means the Final Maturity Date or, if earlier, the date on which the Principal Amount Outstanding under the Notes has been repaid in full by the Issuer;

"Final Repurchase Price" means an amount equal to the higher of (i) the sum of (A) the Outstanding Principal Balance of such Final Receivables at the end of the immediately preceding Calculation Period and (B) all other amounts accrued due and payable under the Contracts from which the Final Receivables derive on or prior to the end of the immediately preceding Calculation Period which have not been paid and (ii) all amounts required to be paid on such Interest Payment Date in accordance with the relevant Priority of Payments (taking into account the redemption of the Notes in full) other than amounts due to the Seller in respect of Deferred Purchase Price less any Available Revenue Receipts and Available Principal Receipts to be applied on such Interest Payment Date;

"Fitch" means Fitch Ratings Ltd, or any successor to its ratings business;

"Fixed Rate Day Count Fraction" has the meaning given to it in Condition 4.4;

"Floating Rate Day Count Fraction" has the meaning given to it in Condition 4.4;

"Force Majeure Event" means an event beyond the reasonable control of the person affected including, without limitation, strike, lock out, labour dispute, act of God, war, riot, civil commotion, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, fire, flood and/or storm and other circumstances affecting the supply of good or services;

"FSMA" means the Financial Services and Markets Act 2000, as amended;

"Global Notes" has the meaning given to that term in Condition 1.1;

"Hire Purchase Contract" means an agreement between the Seller and an Obligor, other than a Conditional Sale Contract, under which:

- (a) a vehicle is bailed or (in Scotland) hired in return for periodical payments by the Obligor; and
- (b) the title in the vehicle will pass to the Obligor if the terms of the agreement are complied with and one or more of the following occurs: (i) the exercise of an option to purchase by the Obligor, (ii) the doing of any other specified act by any party to the agreement, or (iii) the happening of any other specified event;

"HMRC" means Her Majesty's Revenue & Customs;

"Holdings" means Orbita Holdings Limited, a limited liability company incorporated under the laws of England and Wales with registered number 8489151 and whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

"Income Element" means, in relation to each Purchased Receivable, all amounts to be received from or on behalf of the Obligor in respect of such Purchased Receivable other than any amounts received in respect of any Principal Element of that Purchased Receivable and including, for the avoidance of doubt, all fees (including, but not limited to, acceptance fees and option fees but excluding any fees that are Excluded Amounts) and the interest charge in relation to the borrowings received in respect of the Purchased Receivables;

"Income Recoveries" means, on a Calculation Date, any amount received (including, for the avoidance of doubt, any Vehicle Sale Proceeds) and allocable to the Income Element of any Purchased Receivable pursuant to the relevant computer system in the immediately preceding Calculation Period in relation to a Defaulted Receivable, a Returned PCP Receivable or a Voluntarily Terminated Receivable that is a Purchased Receivable;

"Initial Cut-Off Date" means 31 October 2017;

"Initial Optional Repurchase Payment" means in respect of a Defaulted Receivable, Voluntarily Terminated Receivable or Returned PCP Receivable, an amount, calculated by the Servicer, equal to (i) the Outstanding Principal Balance of the applicable Defaulted Receivable, Voluntarily Terminated Receivable or Returned PCP Receivable as at the Initial Cut-Off Date (in respect of the Initial Portfolio) or the relevant Additional Cut-Off Date (in respect of any Additional Portfolio), less any amounts received by the Issuer in respect of any Principal Element relating to such Purchased Receivable plus any accrued income in respect thereof as at the date of the repurchase; multiplied by (ii) 12 per cent.;

"Initial Portfolio" means the portfolio consisting of Receivables purchased (or to be purchased) by the Issuer from the Seller on the Closing Date;

"Initial Portfolio Schedule" means a schedule describing details of the Initial Portfolio, substantially in the form set out in Schedule 2 to the Receivables Sale and Purchase Agreement;

"Initial Principal Amount" means the Principal Amount Outstanding of a Note at the Closing Date;

"Initial Purchase Price" means the amount, determined as at the Closing Date, as being an amount equal to the sum of: (a) the aggregate Outstanding Principal Balance due from Obligors under the Related Contracts during the period beginning on (but excluding) the Closing Date and ending on (and including) the maturity date of such Related Contract plus any acceptance fees or option fees that are due but unpaid and any due but unpaid interest; and (b) the amount of Collections received by the Seller from (but excluding) the Initial Cut-Off Date to (and including) the Closing Date.

"Interest Rate Swap Ledger" means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement;

"Insolvency Act" means the Insolvency Act 1986;

"Insolvency Event" means in respect of a relevant entity (each a **"Relevant Entity"**):

- (a) an order is made or an effective resolution passed for the winding up of the Relevant Entity, except a winding up for the purposes of or pursuant to an amalgamation or reconstruction, the terms of which have previously been approved by the Trustee; or
- (b) the Relevant Entity, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (a) above, ceases or through an authorised action of its board of directors, threatens to cease to carry on all or substantially all of its business or admits its inability to pay debts as they fall due or is unable to pay its debts within the meaning of Section 123(1) of the Insolvency Act (other than, except in the case of the Issuer, subsection 123(1)(a)) or 123(2) of the Insolvency Act or, where applicable, Section 222 to 224 of the Insolvency Act; or
- (c) proceedings, corporate action or other steps shall be initiated against the Relevant Entity under any applicable liquidation, insolvency, sequestration, diligence, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) and (except in the case of presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) such proceedings are not, in the reasonable opinion of the Trustee, being disputed in good faith with a reasonable prospect of success or an administration order shall be granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official shall be appointed in relation to the Relevant Entity or in relation to the whole or any substantial part of the undertaking or assets of the Relevant Entity, or an encumbrancer (other than the Issuer or the Trustee) shall take possession of the whole or any substantial part of the undertaking or assets of the Relevant Entity, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Relevant Entity and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within thirty days of its commencement, or the Relevant Entity (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness; or
- (d) any event occurs which, under English law or any applicable law, has an analogous effect to any of the events referred to in paragraphs (a), (b) or (c) above;

"Insolvency Official" means, in respect of any company, a liquidator, provisional liquidator, administrator (whether appointed by the court or otherwise), bank administrator, bank liquidator, administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction;

"Insolvency Order 1989" means the Insolvency (Northern Ireland) Order 1989 (as amended);

"Insolvency Proceedings" means the winding-up, dissolution, sequestration, company voluntary arrangement or administration of a company or corporation and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or of any jurisdiction in which such company or corporation carries on business, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief from creditors or the appointment of an Insolvency Official;

"Interest Amount" has the meaning given to it in Condition 4.4;

"Interest Determination Date" has the meaning given to it in Condition 4.3(d)(ii);

"Interest Payment Date" means the 16th day of each calendar month, except if such day is not a Business Day, in which case it shall be the next succeeding Business Day unless such day falls in the next month, in which case it shall be the preceding Business Day. The first Interest Payment Date shall fall on 16 December 2017 (subject to adjustment in accordance with the Modified Following Business Day Convention);

"Interest Period" means each period from (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date provided that the first Interest Period shall be the period from (and including) the Closing Date and ending on (but excluding) the Interest Payment Date falling in December 2017;

"Interest Rate" has the meaning given to it in Condition 4.3(b);

"Interest Rate Swap Ledger" means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement;

"Irish Listing Agent" means Arthur Cox Listing Services Limited;

"Irish Stock Exchange" means the Irish Stock Exchange;

"Irrecoverable VAT" means any amount in respect of VAT incurred by a party to a Transaction Document (for the purposes of this definition, a **"Relevant Party"**) to the extent that the Relevant Party does not or will not receive and retain a credit or repayment of such VAT as input tax (as that expression is defined in Section 24(1) of VATA) for the prescribed accounting period (as that expression is used in Section 25(1) of VATA) to which such input tax relates;

"Issuer" means Orbita Funding 2017-1 plc (company number 10944699), whose registered office is at 35 Great St. Helen's, London EC3A 6AP, as issuer of the Notes;

"Issuer Account Mandate" means the form of bank mandate relating to the Transaction Account as set out in Schedule 1 (*Form of Issuer Account Mandate*) to the Account Bank Agreement;

"Issuer Bank Accounts" means the bank accounts which the Issuer agrees to maintain, pursuant to the terms of the Account Bank Agreement, including the Transaction Account, any Swap Collateral Account, any Additional Account and any other bank account of the Issuer or in respect of which the Issuer at any time has an interest or, where the context requires, any of them;

"Issuer Power of Attorney" means the power of attorney granted by the Issuer substantially in the form set out in Schedule 1 to the Deed of Charge;

"Issuer Profit Amount" means an amount equal to £3,000 on each Interest Payment Date up to and including the Interest Payment Date in June 2018 and £100 on each Interest Payment Date thereafter;

"Issuer Retained Profit Ledger" means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement;

"Joint Lead Managers" means (i) HSBC Bank plc and (ii) Lloyds Bank plc, and **"Joint Lead Manager"** means any of them;

"Last Receivable Maturity Date" means 16 December 2023;

"LCV Receivables Concentration Limit" means, in relation to any Receivable arising under a Contract pursuant to which amounts are payable in respect of New LCV Receivables or Used LCV Receivables, an amount equal to the product of (a) 25 per cent. and (b) the aggregate Outstanding Principal Balance of all Purchased Receivables;

"Ledger Accounts" means the Revenue Deficiency Ledger, the Principal Deficiency Ledger (and sub-ledgers), the Liquidity Reserve Ledger, the Interest Rate Swap Ledger, the Replenishment Ledger and the Issuer Retained Profit Ledger;

"Liquidity Reserve" means, on any date, the amount standing to the credit of the Liquidity Reserve Ledger in the Transaction Account (before making the calculations required to be made on such Interest Payment Date);

"Liquidity Reserve Ledger" means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement;

"Liquidity Reserve Proceeds" means the portion of the loan advanced by the Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement in an amount equal to 1.2 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes as at the Closing Date to establish the Liquidity Reserve;

"Liquidity Reserve Required Amount" means:

- (a) up to and including the Final Class A Interest Payment Date an amount equal to the higher of: (i) 1.2 per cent. of the aggregate of the Principal Amount Outstanding of the Class A Notes as at the Calculation Date immediately preceding the relevant Interest Payment Date; and (ii) 0.5 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes as at the Closing Date; and
- (b) thereafter zero;

"Loan to Value Ratio" means, in respect of any Receivable, the proportion (expressed as a percentage) which the Outstanding Principal Balance at the date of origination of the relevant Contract bore to the purchase price (including VAT and all accessories) of the related financed vehicle;

"Loss" or "Liability" means in respect of any person, any loss, liability, damages, cost, expense, claim, action, suit or judgment which such person may incur or which may be made against such person, including (without limitation):

- (a) any consequential loss or loss of profit;
- (b) the fees and expenses of any professional adviser to such person;
- (c) the cost of funds of such person;
- (d) the costs of investigation and defence; and
- (e) any Irrecoverable VAT payable in respect of any such amount;

"MAR" means Regulation (EU) No 596/2014;

"Master Definitions Schedule" means the master definitions schedule dated the Closing Date between, among others, the Issuer, the Seller, the Servicer, the Subordinated Loan Provider, the Trustee, the Principal Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Registrar, the Corporate Services Provider, Holdings and the Swap Counterparty;

"Material Adverse Effect" means with respect to any person or entity, a material adverse effect on: (a) the business, operations, property, condition (financial or otherwise) or prospects of such person or entity to the extent it relates directly or indirectly to the Purchased Receivables (including without limitation, to the origination or servicing of Purchased Receivables); (b) the ability of such person or entity to perform its obligations under any Transaction Document to which it is a party or on any of the rights or remedies of any other party to such Transaction Document; (c) the validity or enforceability of any Transaction Document to which it is a party; or (d) in the context of the Purchased Receivables, the ability of the Issuer (or the Servicer on the Issuer's behalf), to collect the Purchased Receivables, or on the ability of the Trustee to enforce any related security or the ability of the Issuer to perform its obligations under the Class A Notes;

"MC Receivables Concentration Limit" means, in relation to any Receivable arising under a Contract pursuant to which amounts are payable in respect of New MC Receivables or Used MC Receivables, an amount equal to the product of (a) 7.5 per cent. and (b) the aggregate Outstanding Principal Balance of all Purchased Receivables;

"Meeting" means a meeting of the Noteholders or of any one or more Classes of Noteholders and, except where the context otherwise requires, includes a meeting resumed following an adjournment;

"Member State" means any of the member states of the European Union;

"Modification Certificate" has the meaning given to it in Clause 19.2 of the Trust Deed;

"Modified Following Business Day Convention" means the business day convention under which, where a relevant date falls on a day which is not a Business Day, that date will be adjusted so that it falls on the first following day that is a Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day;

"Monthly Investor Report" means the monthly servicing and cash management report prepared by the Cash Manager in accordance with the Cash Management Agreement;

"Monthly Payment" means each monthly payment due from an Obligor under the Contract to which such Obligor is a party;

"Monthly Payment Date" means the date on which each Monthly Payment is due;

"Moody's" means Moody's Investors Service Espana, S.A. or any successor to its ratings business;

"Most Senior Class of Notes" means, at any time:

- (a) the Class A Notes; or
- (b) if no Class A Notes are then outstanding, the Subordinated Notes (if at that time any Subordinated Notes are then outstanding);

"New LCV Receivables" means any Purchased Receivables which are identifiable in the Seller's records as relating to a new light commercial vehicle in a manner which is consistent with the Credit and Collection Procedures;

"New MC Receivables" means any Purchased Receivables which are identifiable in the Seller's records as relating to a new motor cycle in a manner which is consistent with the Credit and Collection Procedures;

"Non-Compliant Receivable" means each Purchased Receivable in respect of which any Receivables Warranty proves to have been incorrect on the date on which the relevant Receivables Warranty is given and remains incorrect, or has never existed;

"Non-Compliant Receivables Repurchase Price" means in respect of a Non-Compliant Receivable, an amount, calculated by the Servicer, equal to the Outstanding Principal Balance of the applicable Non-Compliant Receivable as at the Initial Cut-Off Date (in respect of the Initial Portfolio) or the relevant Additional Cut-Off Date (in respect of any Additional Portfolio), less any amounts received by the Issuer in respect of any Principal Element relating to such Purchased Receivable plus any accrued income in respect thereof as at the date of the repurchase;

"Non-Permitted Variation" means any change to a Contract that relates to a Purchased Receivable which has the effect of:

- (a) reducing the Amount Financed;
- (b) reducing the Annual Percentage Rate;
- (c) reducing the total number of Monthly Payments (other than any rescheduling to Monthly Payments which the Servicer is obligated to make pursuant to the CCA); or
- (d) extending the term of the Purchased Receivable such that the last Monthly Payment Date falls after the Last Receivable Maturity Date,

but in the case of paragraphs (a), (b) and (c) above, shall not, for the avoidance of doubt, include any action taken with respect to the Servicer's arrears management process in accordance with its Credit and Collection Procedures;

"Northern Irish Receivables" means those Receivables contained in the Portfolio where the address of the Obligor as set out in the Contract at the time of origination is in Northern Ireland;

"Note Acceleration Notice" has the meaning given to it in Condition 9.1;

"Noteholders" means (i) in relation to any Class A Notes represented by a Global Note, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Class A Notes (other than Euroclear and/or Clearstream, Luxembourg), in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the principal amount of such Class A Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error (other than for the purpose of payments in respect thereof, the right to which shall be vested as against the Issuer and any Paying Agent, solely in the bearer of a Global Note in accordance with and subject to its terms and for which purpose Noteholder means the bearer of a Global Note), (ii) in relation to the Subordinated Notes, the holders of the Subordinated Notes named in the Register maintained by the Registrar and (iii) in relation to any Definitive Notes, the bearer of those Definitive Notes, and related expressions shall (where appropriate) be construed accordingly;

"Notes" means the Class A Notes and the Subordinated Notes or, where the context requires, any of them and includes the Definitive Notes and the Global Notes;

"Obligor" means a Person obliged, on entering into a Contract, to make payments to the Seller pursuant to that Contract;

"Obligor Ledger" means the ledger account established by the Servicer in respect of each Contract in the Portfolio for the purposes of identifying amounts paid by each Obligor, any amount due from a Obligor and the balance from time to time outstanding on each Obligor's account;

"Official List" means the official list maintained by the Irish Stock Exchange, to which the Notes are admitted, and which is regulated by the listing rules established by the Irish Stock Exchange;

"Optional Repurchase Payment" means, in respect of a Defaulted Receivable, Voluntarily Terminated Receivable or Returned PCP Receivable, an amount equal to (i) the Initial Optional Repurchase Payment plus (ii) any VAT Adjustment Amount received by the Seller in respect of such Defaulted Receivable, Voluntarily Terminated Receivable or Returned PCP Receivable on or following the date of repurchase of such Receivable by the Seller from the Issuer;

"Option Date" means, in relation to any PCP Receivable, the date upon which the Obligor has the right to make a balloon payment under a PCP Contract or (in relation to any Returned PCP Receivable) the date upon which the Obligor exercises its option to return the vehicle to the Seller;

"Orbita Portion" has the meaning given to it in the Collection Account Declaration of Trust;

"Ordinary Resolution" means a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by more than 50% of the eligible persons voting thereat on a show of hands or, if a poll is duly demanded, by a simple majority of the votes cast on such poll;

"outstanding" means in relation to the Notes all the Notes issued other than:

- (a) those Notes which have been redeemed in full pursuant to the Conditions;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment against presentation of the relevant Notes;
- (c) those Notes which have been purchased and cancelled in accordance with the Conditions;
- (d) those Notes which have become void under Condition 8 (Prescription);
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 13 (Replacement of Global Notes);
- (f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes outstanding and without prejudice to the status for any other purpose of

the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 13 (Replacement of Global Notes); and

- (g) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes of the relevant Class or for the Notes of the relevant Class in definitive form pursuant to its provisions;

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders of any Class or Classes, an Extraordinary Resolution in writing or an Ordinary Resolution in writing and any direction or request by the holders of Notes of any Class or Classes;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Conditions 9 (Events of Default) and 10 (Enforcement);
- (iii) any right, discretion, power or authority (whether contained in the Conditions, any other Transaction Document or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any Class or Classes thereof; and
- (iv) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Seller and/ or any Affiliate of either of them, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding, except in the case of any of the Seller or any Affiliate thereof (the "**Relevant Persons**") where all of the Notes of any Class are held by or on behalf of or for the benefit of one or more Relevant Persons and (i) no other Classes exist that rank junior or pari passu to such Class or (ii) if any such other Class or Classes of Notes exist, no investor other than the Seller and/or any of its Affiliates is the beneficial owner of the Notes of such Class or Classes, in which case such Class of Notes (the "**Relevant Class of Notes**") shall be deemed to remain outstanding;

"Outstanding Principal Balance" means, on any date and with respect to each Purchased Receivable, the Principal Element outstanding under the Related Contract as shown on the relevant computer system (on the assumption that the Servicer has complied with its obligations under the Servicing Agreement);

"Paying Agents" means the Principal Paying Agent together with any successor or additional paying agents appointed from time to time in connection with the Notes under the Agency Agreement, and Paying Agent means any one of them;

"PCP Contract" means a Hire Purchase Contract which provides for a balloon payment calculated by reference to guaranteed future value and under which an

Obligor may on the Option Date (a) make a final balloon payment and take title of the Vehicle or (b) return the Vehicle financed under such PCP Contract to the Seller in lieu of making such final balloon payment;

"PCP Receivable" means any Receivable arising under a PCP Contract;

"PCP Receivables Concentration Limit" means, in relation to any PCP Receivable, an amount equal to 20 per cent. of the aggregate Outstanding Principal Balance of all Purchased Receivables;

"PCP Residual Value" means, with respect to any PCP Contract, the Receivable representing the final payment under such PCP Contract (which is based on residual value ascribed by the Seller to the Vehicle financed pursuant to such PCP Contract in accordance with the Credit and Collection Procedures);

"Perfection Event" means each of the following events:

- (a) it becoming necessary by law to perfect the Issuer's legal title to the Purchased Receivables, (or procure the perfection of the Issuer's legal title to the Purchased Receivables) in accordance with the terms of the Receivables Sale and Purchase Agreement; or
- (b) unless otherwise agreed in writing by the Trustee, a Servicer Termination Event occurs; or
- (c) the Seller calling for perfection or transfer of legal title by serving notice in writing to that effect on the Issuer and the Trustee; or
- (d) the occurrence of an Insolvency Event in respect of the Seller;

"Permanent Global Note" means the permanent global notes obtained by exchanging interests in a Temporary Global Note on and after the date which is 40 days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder;

"Permitted Variations" means any Variation which is made in accordance with the terms of the relevant Contract and the applicable Credit and Collection Procedures and which is not a Non-Permitted Variation;

"Permitted Withdrawal" means an amount equal to the aggregate of the following withdrawals made by the Cash Manager (as directed by the Seller) on any Business Day:

- (a) Excess Recoveries Amount; and
- (b) Excluded VAT Receivables Amount,

in the case of (b), to the extent not previously deducted from Collections and provided that, any such withdrawals shall (i) in any Calculation Period only be made up to a maximum amount equal to the Revenue Receipts received in such Calculation Period, (ii) be deemed to be made prior to administration of the applicable Priority of

Payments and (iii) for the avoidance of doubt, shall not be included as Available Revenue Receipts;

"Person" means an individual, partnership, company, corporation, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof;

"Portfolio" means the Initial Portfolio and each Additional Portfolio;

"Portfolio Schedule" means a schedule substantially in the form set out in Schedule 2 to the Receivables Sale and Purchase Agreement;

"Post-Acceleration Priority of Payments" means the priority of payments for the application of amounts received or recovered by the Trustee (or a receiver appointed on its behalf) following the service of a Note Acceleration Notice as set out in the Deed of Charge;

"Potential Cash Manager Termination Event" means any event which with the giving of notice or expiry of any grace period or certification or any combination thereof, as specified in such Cash Manager Termination Event would constitute a Cash Manager Termination Event;

"Potential Event of Default" means any event which will become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default;

"Potential Servicer Termination Event" means any event which with the giving of notice or expiry of any grace period or certification, as specified in such Servicer Termination Event would constitute a Servicer Termination Event;

"Pre-Acceleration Principal Priority of Payments" means the priority of payments for the application of Available Principal Receipts prior to service of a Note Acceleration Notice as set out in the Cash Management Agreement;

"Pre-Acceleration Revenue Priority of Payments" means the priority of payments for the application of Available Revenue Receipts prior to service of a Note Acceleration Notice as set out in the Cash Management Agreement;

"Principal Amount Outstanding" has the meaning given to it in Condition 6.4;

"Principal Deficiency Ledger" means the ledger of such name maintained by the Cash Manager in accordance with the Cash Management Agreement comprising two sub-ledgers, the Class A Principal Deficiency Sub-ledger and the Subordinated Notes Principal Deficiency Sub-ledger;

"Principal Element" means, in relation to each Receivable, the principal amount of that Receivable as shown on the relevant computer system as representing the principal component of the Receivable (on the assumption that the Servicer has complied with its obligations under the Servicing Agreement);

"Principal Paying Agent" means, as at the Closing Date, Citibank, N.A., London Branch;

"Principal Receipts" means all amounts comprised of:

- (a) any amounts received in respect of any Principal Element of Purchased Receivables (other than Purchased Receivables that have become Defaulted Receivables, Returned PCP Receivables or Voluntarily Terminated Receivables and in respect of the repurchase price paid in respect of the repurchase of Non-Compliant Receivables in accordance with the Receivables Sale and Purchase Agreement); and
- (b) any other amounts received by the Issuer in respect of the Purchased Receivables which relate to the Principal Element of such Purchased Receivables (including, but not limited to, any amount received by the Issuer in respect of any Principal Element in respect of the Non-Compliant Receivables Repurchase Price, the Optional Repurchase Payment, the CCA Compensation Payment and the Receivables Indemnity Amount);

"Principal Recoveries" means, on a Calculation Date, any amount received (including, for the avoidance of doubt, any Vehicle Sale Proceeds) and allocable to the Principal Element of any Purchased Receivable pursuant to the relevant computer system in the immediately preceding Calculation Period in relation to a Defaulted Receivable, a Returned PCP Receivable or a Voluntarily Terminated Receivable that is a Purchased Receivable;

"Priority of Payments" means the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Priority of Payments and the Post-Acceleration Priority of Payments, or any of them;

"Prospectus" means the Prospectus dated on or around 22 November 2017 relating to the issue and offering of the Notes;

"Prospectus Directive" means Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Relevant Member State);

"Provisional Portfolio" means the portfolio of Receivables as at the Provisional Cut-Off Date;

"Provisional Cut-Off Date" means 2 October 2017;

"Purchase Date" means the Closing Date or an Additional Portfolio Purchase Date;

"Purchase Price" means the Initial Purchase Price or the Additional Portfolio Purchase Price (as applicable) together with the Deferred Purchase Price;

"Purchased Receivable" means each Receivable purchased by the Issuer pursuant to the Receivables Sale and Purchase Agreement (and in respect of any Scottish Receivables, held in trust pursuant to the relevant Scottish Declaration of Trust) which has neither been paid in full by or on behalf of the Obligor nor repurchased by the Seller pursuant to the Receivables Sale and Purchase Agreement;

"RAO" means The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, as amended;

"Rating Agencies" means Fitch and Moody's or here the context requires either of them or any of their successors. If at any time Fitch or Moody's is replaced as a Rating Agency then references to its rating categories in the Transaction Documents shall be deemed instead to be references to the equivalent rating categories of the entity which replaces it as a Rating Agency;

"Rating Agency Confirmation" means, a confirmation in writing by the relevant Rating Agencies that the then current ratings of the Senior Notes will not be downgraded, qualified or withdrawn as a result of the relevant event or matter provided that if: (a) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and (b) a written request for such confirmation affirmation or response is delivered to that Rating Agency by any of the Issuer, the Cash Manager, the Servicer, the Swap Counterparty (in respect of a Rating Agency Confirmation requested pursuant to the provisions of the Swap Agreement only) and/or the Trustee, as applicable (each a **"Requesting Party"**) and one or more of the Rating Agencies (each a **"Non-Responsive Rating Agency"**) indicates that it does not consider such confirmation, affirmation or response necessary in the circumstances, the Requesting Party (and for the purposes of Condition 11.9 and Clause 20.2 of the Trust Deed, the Trustee) shall be entitled to disregard the requirement for a confirmation or affirmation of rating or other response by each Non-Responsive Rating Agency which provides such indication and proceed on the basis of the confirmations or affirmations of rating or other responses received by each other Rating Agency or, if all the Rating Agencies indicate that they do not consider such confirmation, affirmation or response necessary in the circumstances, on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request. If a Rating Agency does not respond to a written request for a confirmation or affirmation of rating such non response shall not be interpreted to mean that such Rating Agency has given any deemed confirmation or affirmation of rating or other response in respect of such action or step or any deemed indication that it does not consider such confirmation, affirmation or response necessary in the circumstances, provided that in the event of a non- response from all Rating Agencies, the Requesting Party (and for the purposes of Condition 11.9 and Clause 20.2 of the Trust Deed, the Trustee) will be entitled to proceed on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request. However, nothing herein shall in any way affect the right of a Rating Agency to downgrade or withdraw its then current ratings of the Senior Notes in a manner as it sees fit;

"Reasonable Prudent Lender" means the relevant party acting in accordance with the standards of a a reasonable prudent provider of auto loans and conditional sale contracts lending to obligors in England and Wales, Northern Ireland and Scotland;

"Receivable" means all of the claims and rights or purported rights (whether actual or contingent) of the Seller against any Obligor under or in connection with Contracts originated by the Seller (including scheduled payments (including any amounts in respect of VAT) and any other liabilities of the Obligor under such Contracts but excluding all Excluded Amounts);

"Receivables Call Option" means the call option granted by the Issuer to the Seller pursuant to the Receivables Sale and Purchase Agreement, under which the Seller,

following the earlier of (a) the sale of the relevant Vehicle in accordance with the terms of the Receivables Sale and Purchase Agreement and allocation of the sale proceeds of such relevant Vehicle to the outstanding loan amount; and (b) a Defaulted Receivable, Returned PCP Receivable or Voluntarily Terminated Receivable being written off as uncollectable by the Servicer in accordance with the Seller's Credit and Collection Procedures but prior to the occurrence of an Insolvency Event in respect of the Seller, has the right to repurchase from the Issuer any Defaulted Receivables, Returned PCP Receivables or Voluntarily Terminated Receivables;

"Receivables Indemnity Amount" means, where a Purchased Receivable has never existed, or has ceased to exist, such that it is not outstanding on the date on which it is otherwise due to be repurchased pursuant to the Receivables Sale and Purchase Agreement, an amount equal to (i) the Outstanding Principal Balance of such Purchased Receivable had the Purchased Receivable existed and complied with each of the Receivables Warranties as at the relevant Cut-Off Date and (ii) any deemed interest accrued on the relevant Purchased Receivable at a rate equal to the weighted average Contract Yield of the Portfolio as determined by the Servicer at the end of the immediately preceding Calculation Period less any amounts received by the Issuer in respect of any Principal Element relating to such Purchased Receivable;

"Receivables Sale and Purchase Agreement" means the receivables sale and purchase agreement dated the Closing Date between the Seller, the Issuer and the Trustee;

"Receivables Warranties" means the representations and warranties made by the Seller in respect of the Purchased Receivables as set out in clause 6.2 of the Receivables Sale and Purchase Agreement;

"Receiver" means any person (being a licensed insolvency practitioner) who is appointed by the Trustee to be a receiver or an administrative receiver (as the case may be) of the Charged Property to act jointly, independently, or jointly and severally, as the Trustee shall determine;

"Records" means, with respect to any Purchased Receivable, all Contracts and other documents, books, records and other information (including, without limitation, computer programmes, tapes, disks, punch cards, data processing software and related property and rights) relating to such Receivable, any Related Rights (other than the Records) therefor, the related Obligor and the relevant Dealer which are necessary to service or enforce such Receivable and Related Rights;

"Recoveries" means Income Recoveries and Principal Recoveries;

"Reference Banks" has the meaning given to it in Condition 4.3(a);

"Register" means the register maintained by the Registrar with respect to the Subordinated Notes;

"Registrar" means Citibank, N.A., London Branch;

"Regulation S" means Regulation S of the Securities Act;

"Related Contract" means, in relation to each Receivable, the Contract from which such Receivable derives;

"Related Rights" means, with respect to any Receivable, all of the Seller's right, title and interest in, to and under:

- (a) the Contract and other Records relating to such Receivable;
- (b) all security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of such Receivable, whether pursuant to the Contract relating to such Receivable or otherwise, together with all security agreements describing any collateral securing such Receivable; and
- (c) (to the extent such are capable of assignment or assignation or being held on trust) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable (other than title to the related Vehicle), and the proceeds thereof, whether pursuant to the Contract relating to such Receivable or otherwise, including (without limitation) all rights which the Seller may have against the relevant Dealer; and
- (d) the right to receive the Vehicle Sale Proceeds;

"Related Third Party Creditors" means any creditor of the Issuer (not being a Secured Creditor) in respect of costs, fees, expenses or other amounts (including taxes) incurred by the Issuer to such creditor or required by law to be paid to such creditor in each case;

"Relevant Date" has the meaning given in Condition 8;

"Relevant Member State" means each Member State of the European Economic Area which has implemented the Prospectus Directive;

"Replacement Cash Management Agreement" means an agreement entered into by the Replacement Cash Manager with the Issuer and the Trustee substantially on the terms of the existing Cash Management Agreement;

"Replacement Cash Manager" means the replacement cash manager appointed pursuant to the terms of the Cash Management Agreement;

"Replacement Swap Premium" means an amount received by the Issuer from a replacement Swap Counterparty upon entry by the Issuer into an agreement with such replacement Swap Counterparty to replace the outgoing Swap Counterparty, which shall be applied by the Issuer in accordance with the Cash Management Agreement and the Deed of Charge;

"Replenishment Ledger" means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement;

"repurchase" and **"repurchased"** when used in the Prospectus, the Receivables Sale and Purchase Agreement and the other Transaction Documents in connection with the Purchased Receivables and their Related Rights shall, in respect of the Purchased

Receivables held upon a Scottish Declaration of Trust, be construed to include the repurchase of the beneficial interest of the Issuer in respect of such Purchased Receivables and their Related Rights under a Scottish Declaration of Trust and such Purchased Receivables being released from a Scottish Declaration of Trust at such time;

"Required Ratings" means such ratings as are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Class A Notes;

"Requirement of Law" in respect of any person shall mean:

- (a) any law, treaty, rule, requirement or regulation;
- (b) a notice by an order of any court having jurisdiction;
- (c) a mandatory requirement of any regulatory authority having jurisdiction; or
- (d) a determination of an arbitrator or governmental authority;

"Returned PCP Receivable" means any PCP Receivable in respect of which the vehicle has been handed back to the Seller on the Option Date;

"Revenue Deficiency" means the amount of any insufficiency in the amount of Available Revenue Receipts (ignoring any Available Principal Receipts referred to in item (f) of the definition of Available Revenue Receipts) available to pay items (a) to (f) of the Pre-Acceleration Revenue Priority of Payments;

"Revenue Deficiency Ledger" means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement;

"Revenue Receipts" means all amounts comprising of:

- (a) the Income Element of the Purchased Receivables (other than Purchased Receivables that have become Defaulted Receivables, Returned PCP Receivables or Voluntarily Terminated Receivables and in respect of the repurchase price paid in respect of the repurchase of Non-Compliant Receivables in accordance with the Receivables Sale and Purchase Agreement);
- (b) any amount received by the Issuer in respect of any CCA Compensation Payments, Receivables Indemnity Amounts, Optional Repurchase Payment and Non-Compliant Receivables Repurchase Price, in each case to the extent that the same represents a payment in respect of the Income Element of the Purchased Receivables; and
- (c) any other amounts received by the Issuer in respect of the Purchased Receivables which is not in respect of the Principal Element of such Purchased Receivables;

but less any amounts which are Permitted Withdrawals;

"Revised Purchase Date" means the revised date, falling within the Revolving Period, indicated on a revised Transfer Notice on which the Seller wishes to sell and assign to the Issuer an Additional Portfolio in accordance with Clause 2 of the Receivables Sale and Purchase Agreement;

"Revolving Period" means the period commencing on (and includes) the Closing Date and ending on (but excludes or, in the case of (a), includes) the earliest of (a) the Interest Payment Date falling in November 2018, (b) the date on which a Revolving Period Termination Event occurs and (c) the date on which all the Notes are redeemed following the repurchase of all Receivables by the Seller in accordance with Clause 7.4 of the Receivables Sale and Purchase Agreement;

"Revolving Period Termination Event" means the occurrence of any of the following:

- (a) the occurrence of an Insolvency Event in respect of the Seller;
- (b) a Servicer Termination Event;
- (c) the Seller fails duly to perform or comply with any of its material obligations under any Transaction Document to which it is a party and if such failure is capable of being remedied, such failure, is not remedied within twenty Business Days after the earlier of notice thereof has been given by the Issuer or the Trustee to the Seller or the Seller becoming aware of such failure;
- (d) the occurrence of an Event of Default or Termination Event under the Swap Agreement (in each case as defined in the Swap Agreement);
- (e) the delivery of a Note Acceleration Notice by the Trustee after the occurrence of an Event of Default;
- (f) a breach of any of the following portfolio triggers shall have occurred:
 - (i) the Average Delinquency Ratio exceeds 0.9 per cent. on any Interest Payment Date; or
 - (ii) the Cumulative Loss Ratio exceeds the Cumulative Loss Trigger on any Cumulative Loss Test Date;
- (g) on any Interest Payment Date, the Liquidity Reserve is not funded up to the Liquidity Reserve Required Amount; and
- (h) on any two consecutive Interest Payment Dates, the balance of the Replenishment Ledger as at the Calculation Date immediately preceding the relevant Interest Payment Date is greater than 10 per cent. of the aggregate Outstanding Principal Balance as at the Closing Date;

"Scottish Declaration of Trust" means each declaration of trust (forming part of a Transfer Notice) in relation to Scottish Receivables and their Related Rights constituted pursuant to a Transfer Notice delivered pursuant to the Receivables Sale and Purchase Agreement by means of which the sale of such Scottish Receivables and

their Related Rights by the Seller to the Issuer and the transfer of the beneficial interest therein to the Issuer are given effect;

"Scottish Receivables" means those Receivables contained in the Portfolio governed by or otherwise subject to Scots law;

"Scottish Supplemental Charge" means each assignation in security granted by the Issuer in favour of the Trustee in respect of the Issuer's interest in a Scottish Declaration of Trust and/or the Scottish Vehicle Sales Proceeds Floating Charge entered into pursuant to the Deed of Charge and in substantially the form set out at Schedule 2 thereto;

"Scottish Trust" means the trust declared by the Seller pursuant to the Scottish Declaration of Trust;

"Scottish Trust Property" has the meaning given to it in the Scottish Declaration of Trust;

"Scottish Vehicle Sales Proceeds" means Vehicle Sales Proceeds in respect of Purchased Receivables in so far as they relate to Scottish Vehicles;

"Scottish Vehicle Sales Proceeds Floating Charge" means the Scots law governed floating charge granted by the Seller in favour of the Issuer in respect of the Scottish Vehicle Sales Proceeds pursuant to clause 2.14 of the Receivables Sale and Purchase Agreement;

"Scottish Vehicles" means Vehicles situated in Scotland or otherwise subject to Scots law;

"Secured Creditors" means the Seller, the Trustee, any Appointee, the Servicer, the Cash Manager, the Account Bank, the Subordinated Loan Provider, the Agents, the Swap Counterparty, the Corporate Services Provider, the Noteholders and any Receiver and any other party which becomes a Secured Creditor pursuant to the Deed of Charge;

"Secured Liabilities" means any and all monies, obligations and liabilities and all other amounts due, owing, payable or owed by the Issuer to the Secured Creditors under the Notes and/or the Transaction Documents, and references to Secured Liabilities includes references to any of them;

"Securities Act" means the United States Securities Act of 1933;

"Securitisation" means the securitisation transaction entered into on or about the Closing Date under the Transaction Documents in connection with the issue of the Notes by the Issuer;

"Security" means the security constituted by and pursuant to the Deed of Charge;

"Security Interest" means any mortgage, charge, assignment or assignation by way of security, lien, pledge, hypothec, right of set-off (or analogous right), retention of title, flawed asset or blocked deposit arrangement or any other encumbrance or security interest or security arrangement whatsoever created or arising under any

relevant law or any agreement or arrangement having the effect of or performing the economic function of conferring security howsoever created or arising;

"Security Period" means the period beginning on the date of the Deed of Charge and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

"Security Powers of Attorney" means the security powers of attorney dated the Closing Date granted by the Issuer in favour of the Trustee in, or substantially in, the form set out in the Deed of Charge;

"Seller" means Close Brothers Limited in its capacity as seller of the Purchased Receivables to the Issuer under the Receivables Sale and Purchase Agreement;

"Seller's Group" means the Seller, together with:

- (a) its holding company;
- (b) its subsidiaries; and
- (c) any other affiliated company as set out in the published accounts of any such company,

but excluding any entities that are in the business of investing in securities and whose investment decisions are taken independently of, and at arm's length from, the Seller;

"Seller Portion" has the meaning given to it in the Collection Account Declaration of Trust;

"Seller Power of Attorney" means the power of attorney executed by the Seller in the form set out in Schedule 3 to the Receivables Sale and Purchase Agreement;

"Seller Warranties" means the representations and warranties set out in clause 6.1 (*Seller Warranties*) of the Receivables Sale and Purchase Agreement;

"Senior Notes" means the Class A Notes;

"Servicer" means the person appointed by the Issuer under the Servicing Agreement to service the Purchased Receivables being, at the Closing Date, Close Brothers Limited;

"Servicer Monthly Report" means the monthly servicing report prepared by the Servicer in accordance with the Servicing Agreement;

"Servicer Standard of Care" means the standard of care set out in the Servicing Agreement to which the Servicer will perform its obligations and the exercise of its discretions under the Servicing Agreement and its exercise of the rights of the Issuer in respect of contracts and arrangements giving rise to payment obligations in respect of the Purchased Receivables;

"Servicer Termination Event" means:

- (a) the Servicer fails to pay any amount due under the Servicing Agreement on the due date or on demand, if so payable, or to direct any movement of collections as required under the Servicing Agreement and the other Transaction Documents, and such failure has continued unremedied for a period of seven Business Days after written notice or discovery of such failure by an officer of the Servicer; or
- (b) the Servicer (i) fails to observe or perform in any material respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party and such failure results in a material adverse effect on the Issuer's ability to make payments in respect of the Notes and continues unremedied for a period of 60 days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer or (ii) fails to maintain its authorisations and permissions required under the FSMA or any other regulatory licence or approval required under the terms of the Servicing Agreement and such failure continues unremedied for a period of 60 days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer; or
- (c) the occurrence of an Insolvency Event in relation to the Servicer;

"Services" means the services to be provided by the Servicer under the Servicing Agreement;

"Servicing Agreement" means the servicing agreement expected to be dated on or around the Closing Date relating to the Purchased Receivables between, among others, the Issuer and the Servicer;

"Servicing Fee" means a fee (inclusive of amounts in respect of VAT, if any) payable by the Issuer to the Servicer of 0.5 per cent. per annum of the Outstanding Principal Balance of the Purchased Receivables in the Portfolio in accordance with Clause 11 of the Servicing Agreement;

"Share Trustee" means, as at the Closing Date, Intertrust Corporate Services Limited, acting through its registered office at 35 Great St. Helen's, London EC3A 6AP;

"Solvency II Delegated Act" means the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II);

"Specified Office" means, with respect to the Agents, the offices listed at the end of the Conditions or such other offices as may from time to time be duly notified pursuant to Condition 14 (Notice to Noteholders);

"Stamp Taxes" means any stamp, issue, registration, documentary and other similar fees, duties and taxes;

"Standard Documentation" or **"Standard Documents"** means the forms of the standard documents used by the Seller in originating Contracts to be appended to the Receivables Sale and Purchase Agreement (including any data tape or computer disk containing such agreements) and any revised or substitute form;

"Start-up Costs Proceeds" means the portion of the loan advanced by the Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement in the amount not to exceed £17,008 to assist in funding certain up-front costs and expenses incurred by the Issuer in connection with the entry into the transactions set out in the Transaction Documents;

"Sterling" or **"£"** means the lawful currency of the United Kingdom;

"Subordinated Loan" means the loan provided to the Issuer by the Subordinated Loan Provider pursuant to the Subordinated Loan Agreement;

"Subordinated Loan Agreement" means the loan agreement dated the Closing Date between, among others, the Issuer and the Subordinated Loan Provider;

"Subordinated Loan Provider" means, as at the Closing Date, Close Brothers Limited;

"Subordinated Noteholders" means the persons who are for the time being the holders of the Subordinated Notes;

"Subordinated Notes" means the £48,100,000 Subordinated Asset Backed Fixed Rate Notes Due 2024 issued in definitive registered form;

"Subordinated Notes Interest Amount" means the amount of interest payable in respect of the Subordinated Notes;

"Subordinated Notes Principal Amount" means the Principal Amount Outstanding in respect of all Subordinated Notes on any date;

"Subordinated Notes Principal Deficiency Sub-ledger" means a sub-ledger on the Principal Deficiency Ledger in respect of the Subordinated Notes;

"Subordinated Swap Amounts" means any termination amount payable by the Issuer to the Swap Counterparty under the Swap Agreement as a result of either (i) an Event of Default (as defined in the Swap Agreement) where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement), or (ii) an Additional Termination Event (as defined in the Swap Agreement) (which occurs as a result of the failure of the Swap Counterparty to comply with the requirements of a rating downgrade provision set out under the Swap Agreement);

"Subsidiary" means any company which is for the time being a subsidiary (within the meaning of Section 1159 of the Companies Act 2006) or a subsidiary undertaking (within the meaning of Section 1162 of the Companies Act 2006);

"Successor Servicer" means an entity appointed as a successor servicer in accordance with Clause 14.8 of the Servicing Agreement to perform the Services;

"Surplus Available Principal Receipts" means Available Principal Receipts to be applied as Available Revenue Receipts in accordance with item (f) of the Pre-Acceleration Principal Priority of Payments;

"Swap Agreement" means an International Swaps and Derivatives Association Inc 1992 Master Agreement, the schedule thereto, any credit support annexes or other credit support documents related thereto and each swap transaction confirmation thereunder, entered into between the Issuer and the Swap Counterparty on or prior to the Closing Date and the swap transactions effected thereunder (or such replacement swap agreement as the Issuer may enter into in accordance with the Transaction Documents);

"Swap Collateral" means an amount equal to the value of the collateral (or the applicable part of any collateral) (including, without limitation, cash and/or securities) provided by the Swap Counterparty to the Issuer in respect of the Swap Counterparty's obligations to transfer collateral to the Issuer under the Swap Agreement, which, for the avoidance of doubt, shall include any amount of interest credited to any relevant Swap Collateral Account and any income or distributions received in respect of such collateral and any equivalent or replacement of such collateral from time to time;

"Swap Collateral Account" means each account or accounts opened by the Issuer and maintained with the Account Bank, or another institution with the Account Bank Ratings, in accordance with the provisions of the Account Bank Agreement, the Cash Management Agreement, the Deed of Charge and the Swap Agreement, into which Swap Collateral will be posted by the Swap Counterparty pursuant to the Swap Agreement which, for the avoidance of doubt, shall include, if applicable, any custody account in respect of any Swap Collateral in the form of securities posted as collateral under the Swap Agreement;

"Swap Collateral Account Mandate" means the form of bank mandate relating to a Swap Collateral Account as set out in Schedule 2 (*Form of Swap Collateral Account Mandate*) to the Account Bank Agreement;

"Swap Collateral Custody Agreement" means any agreement entered into by the Issuer pursuant to which the Issuer appoints a custodian to hold any Swap Collateral posted under the Swap Agreement to the extent such Swap Collateral is in the form of securities credited to the Swap Collateral Account;

"Swap Counterparty" means, as at the Closing Date, Lloyds Bank plc, acting through its offices at 25 Gresham Street, London EC2V 7HN, United Kingdom (or such other replacement parties as may be appointed by the Issuer in accordance with the Transaction Documents);

"Swap Rate Modification" has the meaning given to that term in Condition 11.7(h) (*Meeting of Noteholders, Modification and Waiver*);

"Swap Rate Modification Certificate" has the meaning given to that term in Condition 11.7(h)(i) (*Meeting of Noteholders, Modification and Waiver*);

"Swap Tax Credits" means any credit, allowance, set-off or repayment, which is received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Swap Counterparty to the Issuer, the amounts of which shall be applied by the Issuer in accordance with the Cash Management Agreement;

"Swap Termination Payment" means any payment due to the Swap Counterparty upon the early termination of a swap transaction under the Swap Agreement to which such Swap Counterparty is a party;

"Tax" includes all present and future taxes and any levies, imposts, duties, fees, deductions, withholdings or charges in the nature of tax wheresoever imposed, including, without limitation, VAT or other tax in respect of added value and any stamp, transfer, gross receipts, business, excise, sales, use, occupation, franchise, personal or real property or other tax, together with all penalties, charges, fines and/or interest relating to any of the foregoing, and **"Taxes"**, **"Taxation"** and cognate expressions shall be construed accordingly;

"Temporary Global Note" shall have the meaning given to such term in the Conditions;

"Transaction Account" means the Sterling account in the name of the Issuer with the Account Bank and designated as such;

"Transaction Documents" means the Trust Deed, the Notes (when issued), the Agency Agreement, the Servicing Agreement, the Cash Management Agreement, the Account Bank Agreement, the Deed of Charge, the Security Powers of Attorney, the Master Definitions Schedule, the Receivables Sale and Purchase Agreement, the Collection Account Declaration of Trust, each Scottish Declaration of Trust, each Scottish Supplemental Charge, the Scottish Vehicle Sales Proceeds Floating Charge, the Subordinated Loan Agreement, the Corporate Services Agreement, the Swap Agreement, any Swap Collateral Custody Agreement and any other document entered into by one or more Transaction Parties which is designated as a Transaction Document with the consent of the Trustee, the Issuer and the Seller;

"Transaction Party" means each of the Issuer, Holdings, the Seller, the Trustee, the Agents, the Servicer, the Cash Manager, the Subordinated Loan Provider, the Account Bank, the Corporate Services Provider, the Swap Counterparty and any other party to the Transaction Documents;

"Transfer Notice" means a transfer notice from the Seller to the Issuer, the Trustee and the Cash Manager, substantially in the form as set out in Schedule 1 to the Receivables Sale and Purchase Agreement;

"Trust Corporation" means a corporation entitled by rules made under the Public Note Trustee Act 1906 or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee;

"Trust Deed" means the trust deed creating the Notes dated the Closing Date between the Issuer and the Trustee;

"Trustee" means, as at the Closing Date, Citicorp Trustee Company Limited and any additional or replacement trustee appointed from time to time;

"Trustee Acts" means the Trustee Act 1925 and the Trustee Act 2000;

"Trust Property" has the meaning given to it in the Collection Account Declaration of Trust;

"TSC Regulations" means the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended);

"Used LCV Receivables" means any Purchased Receivables which are identifiable in the Seller's records as relating to a used light commercial vehicle in a manner which is consistent with the Credit and Collection Procedures;

"Used MC Receivables" means any Purchased Receivables which are identifiable in the Seller's records as relating to a used motor cycle in a manner which is consistent with the Credit and Collection Procedures;

"UTCCR" means the Unfair Terms in Consumer Contracts Regulations 1999, as amended;

"Variation" means any amendment or variation to the terms of a Related Contract after the relevant Cut-Off Date;

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and legislation (delegated or otherwise supplemental thereto) and any similar tax replacing or introduced in addition to the same;

"VAT Adjustment Amount" means an amount equal to (i) the reduction in the amount of VAT for which the Seller is required to account to HMRC pursuant to Regulation 38 of the Value Added Tax Regulations 1995 save to the extent that the Seller is required to account to HMRC for VAT on the sale of the relevant Vehicle which gives rise to such reduction and (ii) the amount of VAT reclaimed by the Seller by way of bad debt relief under section 36 VATA, in each case, in respect of a Vehicle relating to a Defaulted Receivable, Voluntarily Terminated Receivable or Returned PCP Receivable;

"VAT Group" means a group for the purposes of the VAT Grouping Legislation;

"VAT Grouping Legislation" means: (a) sections 43 to 43D (inclusive) of VATA and (b) the Value Added Tax (Groups: eligibility) Order 2004 (SI 2004/1931);

"VATA" means the Value Added Tax Act 1994;

"Vehicle" means, in relation to any Receivable, the motor vehicle or motorcycle which is (or the motor vehicles or motorcycles which are) the subject of the related Contract;

"Vehicle Sale Proceeds" means the proceeds (including amounts in respect of VAT) derived from (including by way of sale or otherwise) any Vehicle returned to or recovered by or on behalf of the Seller;

"Voluntarily Terminated Receivable" means any Purchased Receivable in relation to which a Obligor serves a notice to the Seller pursuant to Section 99 of the CCA; and

"Written Resolution" means a resolution in writing signed by or on behalf of Noteholders of not less than 75% in aggregate Principal Amount Outstanding of the Notes which resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes.

2. INTERPRETATION AND CONSTRUCTION

- 2.1 All references in the Transaction Documents to the expression "*to the knowledge of the Seller*" or, "*so far as the Seller is aware*" or "*to the best knowledge of the Seller*", shall be deemed to refer to the actual knowledge of senior officers of the Seller located at 10 Crown Place, London, EC2A 4FT, together with the knowledge which such persons could have had if the Seller had actually carried out the procedures set out in the Credit and Collection Procedures.
- 2.2 For the purpose of all references in the Transaction Documents to monies, funds, sums or payments "**belonging to**" or "**available to**" the Issuer or "**due to**" the Issuer from an Obligor or the Seller, shall, in respect of the Purchased Receivables and the Related Rights subject to the Scottish Trust, be deemed to include (without double counting) reference to monies, funds, sums or payments "**belonging to**" or "**available to**" the Seller or "**due to**" the Seller in its capacity as trustee under the Scottish Trust for the benefit of the Issuer as beneficiary thereunder.
- 2.3 For the purpose of all references in the Transaction Documents to an "**assignment**", a "**transfer**" and/or a "**sale**" in relation to any Portfolio and/or any Purchased Receivable and/or its Related Rights comprised in any Portfolio transferred or to be transferred by the Seller to the Issuer pursuant to the Receivables Sale and Purchase Agreement shall, unless the context requires otherwise, be construed to include a declaration of trust constituted by any Scottish Declaration of Trust in respect of any applicable Purchased Receivable and/or their Related Rights comprised in any such Portfolio and all rights and interests relative thereto and the terms "**assigned**", "**assign**", "**transferred**", "**sell**" and "**sold**" shall be construed accordingly in the context of any Portfolio and/or any Purchased Receivable and/or its Related Rights as aforesaid.
- 2.4 In determining whether a Contract is enforceable, a Contract shall be deemed to be enforceable even if an enforcement or validation order is required to be obtained by a competent court or regulator and the expressions "**enforceable**", "**enforceability**", "**enforced**" and the like, shall be construed accordingly, but this shall not affect the Seller's obligations under clause 10.1 of the Receivables Sale and Purchase Agreement if a competent court or regulator refuses to or has no jurisdiction to make an enforcement or validation order in respect of the relevant Contract.
- 2.5 References to set-off shall be deemed to include analogous rights in jurisdictions other than England and Wales.
- 2.6 All headings and sub-headings contained in any of the Transaction Documents are for convenience or reference only and shall not affect the interpretation of such document.

References in any of the Transaction Documents to Recitals, clauses, sub-clauses, paragraphs, Schedules or Appendices shall, unless otherwise expressly stated therein, be references to the Recitals, clauses, sub-clauses, paragraphs, Schedules and Appendices contained in or annexed to such document.

- 2.7 Words denoting the singular number only shall include the plural number and *vice versa* and words denoting one gender shall include the other genders, as the context may require.
- 2.8 A defined term in the plural which refers to a number of different items or matters may be used in the singular or plural to refer to any (or any set) of those items or matters.
- 2.9 A reference to any time shall be a reference to UK time.
- 2.10 Except where the contrary is expressly stated therein, references in any of the Transaction Documents to:
- (a) any agreement or other document shall be deemed also to refer to such agreement or other document as amended, restated, modified, varied, supplemented, novated or replaced from time to time and all Schedules, appendices and annexes attached thereto and any agreement or document entered into pursuant thereto;
 - (b) a person shall be deemed to include firms, corporations, associations, organisations, trusts and all other entities (whether recognised as a separate legal entity or otherwise), as the context may require;
 - (c) a party thereto shall be deemed to include references to their successors and assigns and persons deriving title under or through them respectively;
 - (d) a merchant bank shall be deemed to include an investment bank;
 - (e) any statutory provision shall be deemed to refer to such statutory provision as amended from time to time by any statutory modification or re-enactment thereof and to any statutory instrument, order or regulation made thereunder;
 - (f) costs or charges or expenses shall, subject to the express provisions of the Transaction Documents, be deemed to include references to any amounts in respect of Irrecoverable VAT properly charged or chargeable in respect thereof except where the context otherwise requires; and
 - (g) remuneration shall, subject to the express provisions of the Transaction Documents be deemed to include reference to any VAT properly charged or chargeable in respect thereof except where the context otherwise requires.
- 2.11 For the purpose of all references in the Transaction Documents to an event "**continuing**", an event shall be continuing for so long as such event has occurred and has not been waived or remedied.
- 2.12 Any reference in any of the Transaction Documents to any person, when construing any provision in relation to VAT, shall (where appropriate and unless the context

otherwise requires) be construed, at any time when such person is treated as a member of a VAT Group, to include a reference to the representative member of such group at such time (so that a reference to x, for example, would read "x or the relevant representative member of the VAT Group of which x is a member (as the case may be)") (the term "**representative member**" to have the same meaning as for the purposes of the VAT Grouping Legislation).

3. **AMENDMENTS**

Subject to clauses 20.1 and 20.2 of the Trust Deed, any amendments to this Master Definitions Schedule will be made only with the prior written consent of each party to this Master Definitions Schedule.

4. **COUNTERPARTS**

This Agreement may be executed in separate counterparts and by each party separately on a separate counterpart, and each such counterpart, when so executed, shall be an original. Such counterparts shall together constitute one and the same instrument.

5. **GOVERNING LAW AND JURISDICTION**

5.1 **Governing Law**

This Master Definitions Schedule (and any non-contractual obligations arising out of or in connection with it) shall be governed by, and construed in accordance with, English law other than terms particular to the law of Scotland shall be construed in accordance with Scottish law and terms particular to the law of Northern Ireland shall be construed in accordance with Northern Irish law.

5.2 **Submission to jurisdiction**

The Issuer irrevocably agrees for the benefit of the Trustee and the other Secured Creditors that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Master Definitions Schedule (including a dispute relating to any non-contractual obligations in connection with this Master Definitions Schedule) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee and the other Secured Creditors may take any suit, action or proceeding arising out of or in connection with this Master Definitions Schedule (together referred to as "**Proceedings**") against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

IN WITNESS OF which the parties have caused this Agreement to be executed on the date on which it is stated to be made.