

# PROSPECTUS

**PONY S.A.,  
ACTING ON BEHALF AND FOR THE ACCOUNT  
OF ITS COMPARTMENT GERMAN AUTO LOANS 2025-1**

**EUR 511,500,000 Class A Floating Rate Notes due December 2035 - Issue Price: 100%  
EUR 38,500,000 Class B Fixed Rate Notes due December 2035 - Issue Price: 100%**

The Class A Notes and the Class B Notes (each such class, a "**Class**") and all Classes collectively, "**Notes**" of Pony S.A., an unregulated securitisation company (the "**Company**"), subject to the Luxembourg law on securitisation dated 22 March 2004, as amended from time to time, (the "**Securitisation Law**") acting on behalf and for the account of its Compartment German Auto Loans 2025-1 ("**Issuer**") are backed by a portfolio of loan receivables ("**Purchased Receivables**") secured by security interests in certain passenger cars or light commercial vehicles located in Germany (the "**Financed Vehicles**") and certain other collateral (the Financed Vehicles, the other collateral and the proceeds resulting therefrom, the "**Related Collateral**" and, together with the Purchased Receivables, the "**Portfolio**"). The obligations of the Issuer under the Notes will be secured by first-ranking security interests granted to BNY Mellon Corporate Trustee Services Limited ("**Transaction Security Trustee**"), acting in a fiduciary capacity for the holders of the Notes pursuant to a transaction security agreement dated 24 March 2025 ("**Transaction Security Agreement**"), and by an English security deed dated 24 March 2025 ("**English Security Deed**"). Although the Notes will share in the same security, in the event of the security being enforced, (i) the Class A Notes will rank in priority to the Class B Notes, see "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT". The Issuer will, on or before the Closing Date (as defined below, see "SCHEDULE DEFINITIONS – Closing Date"), purchase and acquire from Hyundai Capital Bank Europe GmbH (the "**Seller**") Purchased Receivables and Related Collateral constituting the Portfolio. The Issuer will, subject to certain requirements, on each Payment Date during a period of nine(9) months following the Closing Date (i.e. up to the Payment Date falling in December 2025), purchase and acquire from the Seller Additional Receivables and Related Collateral offered by the Seller from time to time. Certain characteristics of the Purchased Receivables and the Related Collateral are described under "DESCRIPTION OF THE PORTFOLIO" herein.

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") of Luxembourg in its capacity as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and the Luxembourg law dated 16 July 2019 on prospectuses for securities (*loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*) (the "**Luxembourg Prospectus Law**"). Such approval should not be considered as an endorsement of the quality of the Notes that are subject to this Prospectus or an endorsement of the Issuer that is subject to this Prospectus. Therefore, the investors should make their own assessment as to the suitability of investing in the Notes. In the context of such approval, the CSSF neither assumes any responsibility nor gives any undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with Article 6(4) of the Luxembourg Prospectus Law.

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to be admitted to trade the Notes on the regulated market (segment for professional investors) of the Luxembourg Stock Exchange on 26 March 2025 (the "**Closing Date**"). The Luxembourg Stock Exchange's regulated market is a regulated market for the purpose of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast). This Prospectus constitutes a prospectus for the purpose of Article 6(3) of the Prospectus Regulation and will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)) and on the website of Intertrust (Luxembourg) S.à r.l. (which absorbed CSC Luxembourg Services S.à r.l. by merger effective as of 30 April 2024) (<https://connect.cscgfm.com/issuer/public/3947>). The validity of this Prospectus will expire on 24 March 2026. After such date there is no obligation of the Issuer to issue supplements to this Prospectus in the event of significant new factors, material mistakes or material inaccuracies.

Banco Santander, S.A. (the "**Arranger**" and a "**Joint Lead Manager**", BofA Securities (a "**Joint Lead Manager**") and UniCredit Bank GmbH (a "**Joint Lead Manager**"), and, together with the other Joint Lead Managers, the "**Joint Lead Managers**") will purchase the Notes from the Issuer and will offer the Notes, from time to time, in negotiated transactions or otherwise, at varying prices to be determined at the time of the sale.

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

In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes, the Issuer will prepare and publish a supplement to the Prospectus

without undue delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus will cease to apply once the Notes have been admitted to trading on the regulated market (segment for professional investors) of the Luxembourg Stock Exchange.

This document does not constitute an offer to sell, or the solicitation of an offer to buy Notes in any jurisdiction where such offer or solicitation is unlawful. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") and are being sold pursuant to an exemption from the registration requirements of the Securities Act. The Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U. S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this document, see "SUBSCRIPTION AND SALE" below.

For reference to the definitions of words in capitals and phrases appearing herein, see "SCHEDULE DEFINITIONS".

### **Arranger**

Santander Corporate & Investment Banking

### **Joint Lead Managers**

Santander Corporate &  
Investment Banking

BofA Securities

UniCredit Bank GmbH

The date of this Prospectus is 24 March 2025.

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

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

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

#### **Securitisation Regulation – Regulatory Disclosure**

The Seller will, in its capacity as originator, whilst any of the Notes remain outstanding retain for the life of the Transaction a material net economic interest through an exposure of not less than 5 per cent. with respect to the Transaction in accordance with Article 6(3)(a) of Regulation (EU) 2017/2402 of the European Parliament and of the Council laying down common rules on securitisation and creating a European framework for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/38/EC, 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as amended by Regulation (EU) 2021/557 of the European Parliament and of the Council of 31 March 2021 (the "**Securitisation Regulation**"), provided that the level of retention may reduce over time in compliance with Article 10 (2) of Commission Delegated Regulation (EU) 2023/2175 or any successor delegated regulation. For the purposes of compliance with the requirements of Article 6(3)(a) of the Securitisation Regulation, the Seller will retain, in its capacity as originator within the meaning of the Securitisation Regulation, on an ongoing basis for the life of the transaction, such net economic interest through an exposure of not less than 5 per cent. of the nominal value of each Class of the Notes.

After the Closing Date, the Seller in its capacity as Servicer will prepare monthly reports wherein relevant information with regard to the Purchased Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller for the purposes

of which the Seller will provide the Issuer with all information required in accordance with the disclosure requirements set out in Article 7 of the Securitisation Regulation and Commission Delegated Regulation (EU) 2020/1224 (the "**Securitisation Regulation Disclosure Requirements**").

Each prospective investor is required to independently assess and determine the sufficiency of the information described in the preceding two paragraphs for the purposes of complying with Article 5 et seq. of the Securitisation Regulation. None of the Issuer, Hyundai Capital Bank Europe GmbH (in its capacity as Seller and Servicer), the Joint Lead Managers, the Arranger, any other Transaction Party, their respective Affiliates nor any other person makes any representation, warranty or guarantee that the information described above is sufficient in all circumstances for such purposes. In addition, each prospective investor should ensure that it complies with Article 5 of the Securitisation Regulation. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator and/or independent legal advice on the issue.

Pursuant to Article 27(1) of the Securitisation Regulation, the Seller intends to notify the European Securities Markets Authority ("**ESMA**") that the Transaction will meet the requirements of Articles 20 to 22 of the Securitisation Regulation (the "**STS Notification**"). The purpose of the STS Notification is to set out how in the opinion of the Seller each requirement of Articles 19 to 22 of the Securitisation Regulation has been complied with. Where the transaction is classified STS, the STS Notification would then be available for download on the website of ESMA. The STS Notification will be made in accordance with the requirements of Commission Delegated Regulation (EU) 2020/1226. ESMA is obliged to maintain on its website a list of all securitisations which the originators and sponsors have notified as meeting the STS Requirements in accordance with Article 27(5) of the Securitisation Regulation. For this purpose, ESMA has set up a register under [https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_stsre](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre).

No assurance can be provided that this Transaction does or will continue to meet the requirements of Articles 20 to 22 of the Securitisation Regulation or the UK Securitisation Framework (as defined below, see "SCHEDULE DEFINITIONS – Securitisation Regulation" and "SCHEDULE DEFINITIONS – UK Securitisation Framework") at any point in time.

None of the Issuer, Hyundai Capital Bank Europe GmbH (in its capacity as Seller and Servicer), the Joint Lead Managers, the Arranger, any other Transaction Party, their respective Affiliates nor any other person makes any representation, warranty or guarantee that the information provided by any party with respect to the transactions described in the Prospectus are compliant with the requirements of the Securitisation Regulation and no such person shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated by the Prospectus to satisfy or otherwise comply with the requirements of the Securitisation Regulation.

Prospective investors to which the UK Securitisation Framework (as defined below) applies are themselves responsible for analysing their own regulatory position and should consult their own advisers in this respect and should consider (and where appropriate, take independent advice on) the application of the UK Securitisation Framework or other applicable regulations and the suitability of the Notes for investment.

The Issuer accepts responsibility for the information set out in this Section "**Securitisation Regulation**".

### **No offer to retail investors**

The Notes are not intended, to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under Regulation (EU) No 1286/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

### **MiFID II Product Governance / Professional investors and ECPs only target market**

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

### **UK MIFIR product governance / Professional investors and ECPs only target market**

Solely for the purposes of each manufacturer's product approval process, the target market assessment pursuant to the FCA Handbook Conduct of Business Sourcebook ("**COBS**") in respect of the Notes has led to the conclusion that: (a) the target market for the Notes is only: (i) eligible counterparties, as defined in COBS; and (ii) professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA ("**UK**

**MiFIR**"); and (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate, noting the responsibility of each manufacturer under COBS only. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

### **Volcker Rule**

Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the implementing regulations adopted thereunder (collectively, the "**Volcker Rule**"), generally prohibit sponsorship of and investment in "**covered funds**" by "**banking entities**", a term that includes most internationally active banking organisations and their affiliates. A sponsor or adviser to a covered fund is prohibited from entering into certain "**covered transactions**" with that covered fund. Covered transactions include (among other things) entering into a swap transaction or guaranteeing notes if the swap or the guarantee would result in a credit exposure to the covered fund.

For purposes of the Volcker Rule, a "**covered fund**" includes any entity that would be an investment company but for the exemptions provided by Section 3(c)(1) or Section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Not all investment vehicles or funds, however, fall within the definition of a "covered fund" for purposes of the Volcker Rule. Certain banking entities may sponsor or have an ownership interest in an issuer that is organized under non-U.S. law and whose outstanding securities are offered and sold solely outside the United States and are thus not subject to the Investment Company Act (a "**Foreign Non-Covered Fund**"). The ability to sponsor or to have an ownership interest in a Foreign Non-Covered Fund is limited to a banking entity that neither is, nor is controlled by a banking entity that is, located in the United States or organized under U.S. law. The Issuer is organised outside of the United States, and its securities are only offered or sold pursuant to Regulation S to persons who are not "**U.S. persons**" (as defined in Regulation S). Further, its securities may not be transferred to any such U.S. persons. Accordingly, the Issuer believes it is a Foreign Non-Covered Fund. The Issuer may, however, be considered to be a "covered fund" by any banking entity that is, or is controlled by a banking entity that is, located in the United States or organized under U.S. law (which would include non-U.S. subsidiaries of U.S.-based banks), which could restrict those entities from purchasing or dealing in the Notes and therefore negatively affect the liquidity of the Notes.

Any banking entity that is subject to the Volcker Rule and is considering an investment in the Notes should consult its own legal advisers and consider the potential impact of the Volcker Rule in respect of such investment. Each investor is responsible for analysing its own position under the Volcker Rule, and none of the Issuer, Joint Lead Managers or Arranger makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Notes, now or at any time in the future.

**THE NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF THE JOINT LEAD MANAGERS, THE ARRANGER (IF DIFFERENT), THE SELLER, THE SERVICER (IF DIFFERENT), THE CORPORATE ADMINISTRATOR, THE TRANSACTION SECURITY TRUSTEE, THE DATA TRUSTEE, THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH ADMINISTRATOR, THE COMMON SAFEKEEPER, THE INTEREST RATE SWAP COUNTERPARTY, OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY (OTHER THAN THE ISSUER) TO THE TRANSACTION DOCUMENTS. NEITHER THE NOTES NOR THE UNDERLYING RECEIVABLES**

**WILL BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR BY THE JOINT LEAD MANAGERS, THE ARRANGER (IF DIFFERENT), THE SELLER, THE SERVICER (IF DIFFERENT), THE CORPORATE ADMINISTRATOR, THE TRANSACTION SECURITY TRUSTEE, THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH ADMINISTRATOR, THE COMMON SAFEKEEPER, THE INTEREST RATE SWAP COUNTERPARTY, OR ANY OF THE RESPECTIVE AFFILIATES OR ANY OTHER PARTY (OTHER THAN THE ISSUER) TO THE TRANSACTION DOCUMENTS OR BY ANY OTHER PERSON OR ENTITY EXCEPT AS DESCRIBED HEREIN.**

Class	Aggregate Outstanding Note Principal Amount	Interest Rate	Issue Price	Final Ratings (Fitch)	Final Ratings (S&P)	Legal Maturity Date	ISIN
A	EUR 511,500,000	EURIBOR + 0.49%	100%	"AAA(sf)"	"AAA(sf)"	Payment Date falling in December 2035	XS3017005391
B	EUR 38,500,000	Fixed 1%	100%	non-rated	non-rated	Payment Date falling in December 2035	XS3017006365

Interest on the Class A Notes will accrue on the outstanding principal amount of each Note at a *per annum* rate equal to the sum of the European Interbank Offered Rate for one-month deposits ("**EURIBOR**") which is provided by the European Money Markets Institute ("**EMMI**") plus the applicable margin. As at the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the European Securities Markets Authority ("**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (as amended, restated or supplemented, the "**Benchmarks Regulation**"). Interest on the Class B Notes will accrue on the outstanding principal amount of each Note at a fixed *per annum* rate. Interest will be payable in Euro by reference to successive interest accrual periods (each, an "**Interest Period**") monthly in arrears on the fourteenth (14th) day of each calendar month, unless such date is not a Business Day, in which case the Payment Date shall be the next succeeding Business Day (each, a "**Payment Date**"). The first Payment Date will be the Payment Date falling in April 2025. "**Business Day**" shall mean a day on which commercial banks and foreign exchange markets are open or required to be open for business in London (United Kingdom), Frankfurt (Germany), Mönchengladbach (Germany) and Luxembourg and on which the T2 System is open for business. See "TERMS AND CONDITIONS OF THE NOTES - Payments of Interest".

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

Unless an Early Amortisation Event (as defined below, see "SCHEDULE DEFINITIONS - Early Amortisation Event") occurs, amortisation of the Class A Notes and Class B Notes will commence after the expiration of the Replenishment Period (as defined below, see "SCHEDULE DEFINITIONS - Replenishment Period") which period starts on the Closing Date and, subject to certain restrictions, ends on (and includes) the Payment Date falling in the ninth (9<sup>th</sup>) month after the Closing Date (i.e. on the Payment Date falling in December 2025). During the Replenishment Period, the Seller may, at its option, replenish the Portfolio underlying the Notes by offering to sell to the Issuer, on any

Payment Date from time to time, Additional Receivables. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption" (page 111 et seqq.) and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement" (page 164 et seqq.).

The Notes will mature on the Payment Date falling in December 2035 ("**Legal Maturity Date**"), unless previously redeemed in full. The Notes are expected to be redeemed on the Payment Date falling in December 2033 ("**Scheduled Maturity Date**") unless previously redeemed in full. In addition, the Notes will be subject to partial redemption, early redemption and/or optional redemption before the Legal Maturity Date in specific circumstances and subject to certain conditions. See "TERMS AND CONDITIONS OF THE NOTES - Redemption" (page 111 et seqq.).

The Class A Notes are rated by S&P Global Ratings Europe Limited ("**S&P**") and Fitch Ratings Ireland Limited ("**Fitch**") (together, the "**Rating Agencies**"). Each of S&P and Fitch is established in the European Community. According to the press release from the ESMA dated 31 October 2011, S&P and Fitch have been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**"), as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013 ("**CRA 3**"). Reference is made to the list of registered or certified credit rating agencies as last updated on 10 July 2024 published by ESMA under <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>. It is a condition of the issue of the Notes that they are assigned (at least) the ratings indicated in the above table.

CRA3 was onshored into English law on 31 December 2020 by virtue of the EUWA (as amended by the Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019), or "**UK CRA Regulation**". In accordance with the UK CRA Regulation, the credit ratings assigned to the Notes by S&P and Fitch will be endorsed by S&P Global Ratings UK Limited and Fitch Ratings Limited, as applicable, being rating agencies which are registered with the Financial Conduct Authority. UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the UK and registered or certified under the UK CRA Regulation.

The ratings of the Class A Notes by S&P and Fitch address the likelihood that the holders of the Notes (the "**Noteholders**" and each, a "**Noteholder**") will receive all payments to which they are entitled, as described herein. The ratings assigned to the Class A Notes of "AAA(sf)" by S&P and "AAA(sf)" by Fitch are the highest ratings that each of S&P and Fitch, respectively, assigns to long-term obligations. Each rating takes into consideration the characteristics of the Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Class A Notes. The rating assigned by S&P addresses the likelihood of full and timely payment to the Noteholders of the Class A Notes of all payments of interest due on the Class A Notes on each Payment Date and the repayment of principal in full on the Legal Maturity Date. The rating assigned to the Class A Notes by Fitch addresses the repayment of principal in full on the Legal Maturity Date and the likelihood of full and timely payment of interest at all times.

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

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



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

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

Any websites referred to in this Prospectus are for information purposes only and do not form part of this Prospectus unless such information is incorporated by reference into the Prospectus.

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

The Issuer assumes responsibility for the information contained in this Prospectus except that

- (i) the Seller only is responsible for the information under "**OUTLINE OF THE TRANSACTION — The Portfolio and Distribution of Funds - Purchased Receivables and Related Collateral**" on page 75, "**OUTLINE OF THE TRANSACTION - The Portfolio and Distribution of Funds — Servicing of the Portfolio**" on page 75, "**RISK FACTORS - Reliance on Administration and Collection Procedures**" on page 60, "**CREDIT STRUCTURE - Cash Collection Arrangements**" on page 94, "**EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS**" on page 176, "**DESCRIPTION OF THE PORTFOLIO**" on page 181, "**INFORMATION TABLES REGARDING THE PORTFOLIO**" on page 186 and "**HISTORICAL DATA**" on page 201 (except for the information under "**DESCRIPTION OF THE PORTFOLIO - Eligibility Criteria**"), "**CREDIT AND COLLECTION POLICY**" on page 301 et seq., and "**THE SELLER**" on page 311;
- (ii) the Corporate Administrator only is responsible for the information under "**THE CORPORATE ADMINISTRATOR**" on page 315;
- (iii) each of the Principal Paying Agent, Calculation Agent, Cash Administrator and Interest Determination Agent only is responsible for the information under "**THE PRINCIPAL PAYING AGENT, CALCULATION AGENT, CASH ADMINISTRATOR, INTEREST DETERMINATION AGENT AND THE BACK-UP SERVICER FACILITATOR**" on page 313;
- (iv) each of the Account Bank and Data Trustee only is responsible for the information under "**THE ACCOUNT BANK AND THE DATA TRUSTEE**" on page 317;
- (v) the Transaction Security Trustee only is responsible for the information under "**THE TRANSACTION SECURITY TRUSTEE**" on page 314; and
- (vi) the Interest Rate Swap Counterparty only is responsible for the information under "**THE INTEREST RATE SWAP COUNTERPARTY**" on page 316
- (vii) the RSF Reserve Depositor only is responsible for the information under "**THE RSF RESERVE DEPOSITOR**" on page 318,

provided that, with respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms and assumes responsibility that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted, the omission of which would render

the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

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

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

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

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

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

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

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

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

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

*Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof, or, as the case may be, subsequent to the date on which*

*this Prospectus has been most recently amended or supplemented, or (ii) that there has been no adverse change in the financial situation of the Issuer or the Seller since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently amended or supplemented, or the date of the most recent financial information which is contained in this Prospectus by reference, or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*Prospective purchasers of Notes should conduct such independent investigation and analysis as they deem appropriate to evaluate the merits and risks of an investment in the Notes. **If you are in doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, legal adviser, accountant or other financial adviser.** Neither the Joint Lead Managers nor the Arranger (if different) make any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Issuer in connection with the Notes and do not accept any responsibility or liability therefore. Neither the Joint Lead Managers nor the Arranger (if different) undertake to review the financial condition or affairs of the Issuer or the Seller nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Joint Lead Managers or the Arranger (if different).*

THE NOTES OFFERED BY THIS PROSPECTUS MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY **"U.S. PERSON"** AS DEFINED IN THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE **"U.S. RISK RETENTION RULES"**) (SUCH PERSONS, **"RISK RETENTION U.S. PERSONS"**), EXCEPT WITH (I) THE PRIOR WRITTEN CONSENT OF HYUNDAI CAPITAL BANK EUROPE GMBH AND (II) where such sale falls within the safe harbour for certain non-U.S. related transactions under Section \_\_.20 of the U.S. Risk Retention Rules. In any case, the Notes may not be purchased by, or for the account or benefit of, any **"U.S. person"** as defined under Regulation S under the U.S. Securities Act of 1933, as amended (**"Regulation S"**). PROSPECTIVE INVESTORS SHOULD BE AWARE THAT THE DEFINITION OF **"U.S. PERSON"** IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF **"U.S. PERSON"** IN REGULATION S UNDER THE SECURITIES ACT. EACH PURCHASER OF NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN, WILL BE REQUIRED TO MAKE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (A)(1) is not a Risk Retention U.S. Person (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Notes, or, in the case of a distributor, will only distribute such Notes to a person who is not a U.S. Risk Retention Person; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to avoid the 10 per cent. Risk Retention U.S. Person limitation in the safe harbour for certain non-U.S. related transactions provided for in Section \_\_.20 of the U.S. Risk Retention Rules), or (B)(1) is a Risk Retention U.S. Person and (2) is not a **"U.S. Person"** as defined under Regulation S.

With respect to the U.S. Risk Retention Rules, the Seller does not intend to retain credit risk in connection with the offer and sale of the Notes in reliance upon an exemption provided for in Section \_\_.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. No other steps have been taken by the Seller, the Issuer, the Corporate Administrator, the Arranger or the Joint Lead Managers or any of their affiliates or any other party to otherwise comply with the U.S. Risk Retention Rules. The determination of the proper characterisation of potential investors for determining the

availability of the a safe harbour for certain non-U.S. related transactions provided for in Section \_\_.20 of the U.S. Risk Retention Rules is solely the responsibility of the Seller, and neither the Corporate Administrator, nor the Issuer, nor the Arranger, nor the Joint Lead Managers nor any person who controls them or any of their directors, officers, employees, agents or Affiliates will have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the safe harbour for certain non-U.S. related transactions provided for in Section \_\_.20 of the U.S. Risk Retention Rules, and neither the Corporate Administrator, nor the Issuer, nor the Arranger, nor the Joint Lead Managers or any person who controls them nor any of their directors, officers, employees, agents or Affiliates accept any liability or responsibility whatsoever for any such determination or characterisation.

**NO ACTION HAS BEEN TAKEN BY THE ISSUER, THE JOINT LEAD MANAGERS OR THE ARRANGER (IF DIFFERENT) OTHER THAN AS SET OUT IN THIS PROSPECTUS THAT WOULD PERMIT A PUBLIC OFFERING OF THE NOTES, OR POSSESSION OR DISTRIBUTION OF THIS PROSPECTUS OR ANY OTHER OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS (NOR ANY PART THEREOF) NOR ANY OTHER INFORMATION MEMORANDUM, PROSPECTUS, FORM OF APPLICATION, ADVERTISEMENT, OTHER OFFERING MATERIAL OR OTHER INFORMATION MAY BE ISSUED, DISTRIBUTED OR PUBLISHED IN ANY COUNTRY OR JURISDICTION EXCEPT IN COMPLIANCE WITH APPLICABLE LAWS, ORDERS, RULES AND REGULATIONS, AND THE ISSUER AND THE JOINT LEAD MANAGERS HAVE REPRESENTED THAT ALL OFFERS AND SALES BY THEM HAVE BEEN AND WILL BE MADE ON SUCH TERMS.**

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

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

**THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.**

**NEITHER THE ISSUER NOR THE JOINT LEAD MANAGERS WILL OFFER, SELL OR DELIVER ANY NOTES AT ANY TIME WITHIN THE UNITED STATES OF AMERICA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, AND SUCH OFFEROR WILL HAVE SENT TO EACH DISTRIBUTOR, DEALER OR PERSON RECEIVING A SELLING CONCESSION, FEE OR OTHER REMUNERATION THAT PURCHASES ANY NOTES FROM IT DURING THE DISTRIBUTION COMPLIANCE PERIOD RELATING THERETO A CONFIRMATION OR OTHER NOTICE SETTING FORTH THE RESTRICTIONS ON OFFERS AND SALES OF THE NOTES WITHIN THE UNITED STATES OF AMERICA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. TERMS USED IN THIS PARAGRAPH AND THE PREVIOUS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S.**

UNDER THE SUBSCRIPTION AGREEMENT, EACH OF THE JOINT LEAD MANAGERS (I) HAS ACKNOWLEDGED THAT THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; (II) HAS REPRESENTED AND AGREED THAT IT HAS NOT OFFERED, SOLD OR DELIVERED ANY NOTES, AND WILL NOT OFFER, SELL OR DELIVER ANY NOTES, (X) AS PART OF ITS DISTRIBUTION AT ANY TIME OR (Y) OTHERWISE BEFORE FORTY (40) CALENDAR DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE ISSUE DATE, EXCEPT IN ACCORDANCE WITH RULE 903 UNDER REGULATION S UNDER THE SECURITIES ACT; (III) HAS FURTHER REPRESENTED AND AGREED THAT NEITHER IT, ITS AFFILIATES NOR ANY PERSONS ACTING ON ITS OR THEIR BEHALF HAVE ENGAGED OR WILL ENGAGE IN ANY DIRECTED SELLING EFFORTS WITH RESPECT TO ANY NOTE, AND THEY HAVE COMPLIED AND WILL COMPLY WITH THE OFFERING RESTRICTIONS REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT, AND (IV) ALSO HAS AGREED THAT, AT OR PRIOR TO CONFIRMATION OF ANY SALE OF NOTES, IT WILL HAVE SENT TO EACH DISTRIBUTOR, DEALER OR PERSON RECEIVING A SELLING CONCESSION, FEE OR OTHER REMUNERATION THAT PURCHASES NOTES FROM IT DURING THE DISTRIBUTION COMPLIANCE PERIOD A CONFIRMATION OR TO SUBSTANTIALLY THE FOLLOWING EFFECT:

"THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, (A) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (B) OTHERWISE UNTIL FORTY (40) CALENDAR DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE, EXCEPT IN EITHER CASE IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. TERMS USED ABOVE HAVE THE MEANING GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT."

EACH OF THE JOINT LEAD MANAGERS HAS REPRESENTED, WARRANTED AND AGREED TO THE ISSUER UNDER THE SUBSCRIPTION AGREEMENT THAT:

- (A) EXCEPT TO THE EXTENT PERMITTED UNDER UNITED STATES TREASURY REGULATION §1.163-5(C)(2)(I)(D), AS AMENDED, OR SUBSTANTIALLY IDENTICAL SUCCESSOR PROVISIONS ("D RULES"):
  - I. IT HAS NOT OFFERED OR SOLD, AND UNTIL THE EXPIRATION OF A RESTRICTED PERIOD BEGINNING ON THE EARLIER OF THE CLOSING DATE OR THE COMMENCEMENT OF THE OFFERING AND ENDING FORTY DAYS AFTER THE CLOSING DATE WILL NOT OFFER OR SELL, ANY NOTES TO A PERSON WHO IS WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON; AND
  - II. IT HAS NOT DELIVERED AND WILL NOT DELIVER IN DEFINITIVE FORM WITHIN THE UNITED STATES OR ITS POSSESSIONS ANY NOTES SOLD DURING THE RESTRICTED PERIOD;
- (B) IT HAS, AND THROUGHOUT THE RESTRICTED PERIOD WILL HAVE, IN EFFECT PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ITS EMPLOYEES OR AGENTS WHO ARE DIRECTLY ENGAGED IN SELLING NOTES ARE AWARE THAT THE

NOTES MAY NOT BE OFFERED OR SOLD DURING THE RESTRICTED PERIOD TO A PERSON WHO IS WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON, EXCEPT AS PERMITTED BY THE D RULES;

- (C) IF IT IS A UNITED STATES PERSON, IT IS ACQUIRING THE NOTES FOR THE PURPOSES OF RESALE IN CONNECTION WITH THEIR ORIGINAL ISSUANCE AND, IF IT RETAINS INITIAL NOTES FOR ITS OWN ACCOUNT, IT WILL ONLY DO SO IN ACCORDANCE WITH THE REQUIREMENTS OF UNITED STATES TREASURY REGULATION §1.163- 5(C)(2)(I)(D)(6) OR SUBSTANTIALLY IDENTICAL SUCCESSOR PROVISIONS;
- (D) WITH RESPECT TO EACH AFFILIATE OF THE JOINT LEAD MANAGER THAT ACQUIRES ANY NOTES FROM THE JOINT LEAD MANAGER FOR THE PURPOSE OF OFFERING OR SELLING SUCH NOTES DURING THE RESTRICTED PERIOD, THE JOINT LEAD MANAGER REPEATS AND CONFIRMS FOR THE BENEFIT OF THE ISSUER THE REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS CONTAINED IN PARAGRAPHS (A), (B) AND (C) ABOVE ON SUCH AFFILIATE'S BEHALF; AND
- (E) EACH JOINT LEAD MANAGER REPRESENTS AND AGREES THAT IT HAS NOT ENTERED AND WILL NOT ENTER INTO ANY CONTRACTUAL ARRANGEMENT WITH A DISTRIBUTOR (AS THAT TERM IS DEFINED FOR PURPOSES OF THE D RULES) WITH RESPECT TO THE DISTRIBUTION OF NOTES, EXCEPT WITH ITS AFFILIATES OR WITH THE PRIOR WRITTEN CONSENT OF THE ISSUER.

TERMS USED IN THE FOREGOING PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND REGULATIONS THEREUNDER, INCLUDING THE D RULES.

EACH OF THE JOINT LEAD MANAGERS HAS REPRESENTED, WARRANTED AND AGREED TO THE ISSUER UNDER THE SUBSCRIPTION AGREEMENT IN RESPECT OF THE NOTES THAT IT HAS NOT OFFERED OR SOLD THE NOTES, AND WILL NOT OFFER OR SELL THE NOTES, DIRECTLY OR INDIRECTLY, TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA AND HAS NOT DISTRIBUTED OR CAUSED TO BE DISTRIBUTED AND WILL NOT DISTRIBUTE OR CAUSE TO BE DISTRIBUTED TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA, THE PROSPECTUS OR ANY OTHER OFFERING MATERIAL RELATING TO THE NOTES.

FOR THESE PURPOSES "RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF THE FOLLOWING: (A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II") OR (B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU (AS AMENDED, THE "INSURANCE DISTRIBUTION DIRECTIVE"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II OR (C) NOT A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS REGULATION AND THE TERM "OFFER" INCLUDES THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE NOTES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE THE NOTES.

EACH OF THE JOINT LEAD MANAGERS HAS REPRESENTED, WARRANTED AND AGREED TO THE ISSUER UNDER THE SUBSCRIPTION AGREEMENT IN RESPECT OF THE NOTES THAT IT HAS NOT OFFERED OR SOLD THE NOTES, AND WILL NOT OFFER OR SELL THE NOTES, DIRECTLY OR INDIRECTLY, TO RETAIL INVESTORS IN THE UNITED KINGDOM AND HAS NOT DISTRIBUTED OR CAUSED TO BE DISTRIBUTED AND WILL NOT DISTRIBUTE OR

**CAUSE TO BE DISTRIBUTED TO RETAIL INVESTORS IN THE UNITED KINGDOM, THE PROSPECTUS OR ANY OTHER OFFERING MATERIAL RELATING TO THE NOTES.**

**FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 AS AMENDED BY THE EUROPEAN UNION (WITHDRAWAL AGREEMENT) ACT 2020 ("EUWA"); OR (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FSMA AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUWA; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUWA. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUWA FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUWA.**

**FURTHER, EACH OF THE JOINT LEAD MANAGERS HAS REPRESENTED, WARRANTED AND AGREED TO THE ISSUER UNDER THE SUBSCRIPTION AGREEMENT THAT:**

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

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

**EACH OF THE JOINT LEAD MANAGERS HAS REPRESENTED, WARRANTED AND AGREED TO THE ISSUER UNDER THE SUBSCRIPTION AGREEMENT THAT IT HAS NOT OFFERED, SOLD OR OTHERWISE TRANSFERRED AND WILL NOT OFFER, SELL OR OTHERWISE TRANSFER, DIRECTLY OR INDIRECTLY, ANY NOTES TO THE PUBLIC IN FRANCE OTHER THAN IN ACCORDANCE WITH THE EXEMPTION OF ARTICLE 1(4) OF THE PROSPECTUS REGULATION AND ARTICLE L. 411-2 1° OF THE FRENCH MONETARY AND FINANCIAL CODE (CODE MONÉTAIRE ET FINANCIER) AND IT HAS NOT DISTRIBUTED OR CAUSED TO BE DISTRIBUTED AND WILL NOT DISTRIBUTE OR CAUSE TO BE DISTRIBUTED TO THE PUBLIC IN FRANCE, OTHER THAN TO QUALIFIED INVESTORS, AS DEFINED IN ARTICLE 2(E) OF THE**

**PROSPECTUS REGULATION, THIS PROSPECTUS OR ANY OTHER OFFERING MATERIAL RELATING TO THE NOTES.**

**ALL APPLICABLE LAWS AND REGULATIONS MUST BE OBSERVED IN ANY JURISDICTION IN WHICH NOTES MAY BE OFFERED, SOLD OR DELIVERED. EACH OF THE JOINT LEAD MANAGERS HAS AGREED THAT IT WILL NOT OFFER, SELL OR DELIVER ANY OF THE NOTES, DIRECTLY OR INDIRECTLY, OR DISTRIBUTE THIS PROSPECTUS OR ANY OTHER OFFERING MATERIAL RELATING TO THE NOTES, IN OR FROM ANY JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL TO THE BEST KNOWLEDGE AND BELIEF OF SUCH JOINT LEAD MANAGER RESULT IN COMPLIANCE WITH THE APPLICABLE LAWS AND REGULATIONS THEREOF AND THAT WILL NOT IMPOSE ANY OBLIGATIONS ON THE ISSUER EXCEPT AS SET OUT IN THE SUBSCRIPTION AGREEMENT.**

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

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

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



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## RISK FACTORS

The following is an overview of risk factors which prospective investors should consider before deciding to purchase the Notes. While the Issuer believes that the following risk factors describe the material risk factors in relation to the Issuer and the material risk factors inherent to the Notes and are up to date as of the date of this Prospectus, the following statements are not exhaustive, as additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on the Issuer's financial strength in relation to the Notes. Prospective investors are requested to consider all the information in this Prospectus, make such other enquiries and investigations as they consider appropriate and reach their own views prior to making any investment decisions.

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

Various factors that may affect the Issuer's ability to fulfil its obligations under the Notes are categorised below as either (i) risks relating to the Issuer, (ii) risks relating to the Notes, (iii) legal risks, in particular relating to the Purchased Receivables, (iv) taxation risks and (v) commercial risks, in each case which are material for the purpose of taking an informed investment decision with respect to the Notes. Several risks may fall into more than one of these categories and investors should therefore not conclude from the fact that a risk factor is discussed under a specific category that such risk factor could not also fall and be discussed under one or more other categories.

### I. RISKS THAT ARE SPECIFIC AND MATERIAL TO THE ISSUER

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

The Notes represent obligations of the Issuer only, and do not represent obligations of, and are not guaranteed by, any other person or entity. In particular, the Notes do not represent obligations of, and will not be guaranteed by, any of the Seller, the Servicer (if different), the Corporate Administrator, the Transaction Security Trustee, the Data Trustee, the Principal Paying Agent, the Calculation Agent, the Cash Administrator, the Interest Determination Agent, the Joint Lead Managers, the Arranger, the Class A Notes Common Safekeeper, the Common Depository, the Interest Rate Swap Counterparty, the Company and any of its other compartments or any of their respective affiliates or any affiliate of the Issuer or any other party (other than the Issuer) to the Transaction Documents or any other third person or entity other than the Issuer. No person other than the Issuer will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

Notwithstanding anything to the contrary under the Notes or in any other Transaction Document to which the Issuer is expressed to be a party, all amounts payable or expressed to be payable by the Issuer hereunder shall be recoverable solely out of the Available Distribution Amount which shall be generated by, and limited to (i) payments made to the Issuer by the Servicer under the Servicing

Agreement, (ii) payments made to the Issuer under the other Transaction Documents, (iii) proceeds from the realisation of the Note Collateral and (iv) interest earned, if any, on the balance credited to the Transaction Account and, if applicable, the Purchase Shortfall Account, as available on the relevant Payment Date (as defined in Condition 5.1 (*Payment Dates*) of the Terms and Conditions of the Notes), in each case in accordance with and subject to the relevant Priorities of Payments and which shall only be settled if and to the extent that the Issuer is in a position to settle such claims using future profits, any remaining liquidation proceeds or any current positive balance of the net assets of the Issuer. The Notes shall not give rise to any payment obligation in excess of the Available Distribution Amount and recourse shall be limited accordingly.

The Issuer shall hold all monies paid to it in the Transaction Account, except the Commingling Reserve Required Amount which the Issuer shall hold in the Commingling Reserve Account, the Set-Off Reserve Required Amount which the Issuer shall hold in the Set-Off Reserve Account, the Required Liquidity Reserve Amount which the Issuer shall hold in the Liquidity Reserve Account, the Required Replacement Servicer Fee Reserve Amount which the Issuer shall hold in the Replacement Servicer Fee Reserve Account and the Purchase Shortfall Amount which the Issuer shall hold in the Purchase Shortfall Account. Furthermore, the Issuer shall exercise all of its rights under the Transaction Documents with the due care of a prudent businessman such that obligations under the Notes may be performed to the fullest extent possible.

To the extent the assets of the Issuer are ultimately insufficient to satisfy the claims of all Noteholders in full, the Issuer (or the Principal Paying Agent on its behalf, as further set out in the Agency Agreement) shall notify the Noteholders that no further amounts are available and no further proceeds can be realised from the Issuer's assets to satisfy any outstanding claims of the Noteholders, and neither assets nor proceeds will be so available thereafter. For the avoidance of doubt, nothing in this section shall limit or otherwise restrict the validity or maturity of, or constitute a waiver (*Verzicht*) of, any of the claims of the Noteholders against the Issuer under or in connection with the Notes.

The Noteholders shall not (otherwise than as contemplated herein) take steps against the Issuer, its officers or directors to recover any sum so unpaid and, in particular, the Noteholders shall not petition or take any other step or action for the winding up, examinership, liquidation or dissolution of the Issuer, or its officers or directors, nor for the appointment of a liquidator, examiner, receiver or other person in respect of the Issuer or its assets.

There is no specific statutory or judicial authority in German law on the validity of such non-petition clauses, limited recourse clauses or priority of payment clauses (such as contained in the Priorities of Payments). It cannot be excluded that a German court might hold that any such clauses in the German law governed Transaction Documents are void in cases where the Issuer intentionally breaches its duties or intentionally does not fulfil its respective obligations under such documents. In this case the allocation of relevant Available Distribution Amounts as provided for in the relevant Pre-Enforcement Priorities of Payments in the Transaction Documents may be invalid and junior creditors may be entitled to receive higher payments than provided for in the Transaction Documents, causing a respective loss for the senior creditors such as the Noteholders. The foregoing would apply to other restrictions of liability of the Issuer as well. In individual cases, German courts held that a non-petition clause in a lease agreement preventing the lessee from initiating court proceedings against the lessor was void as it violated *bonos mores* and that the parties to a contract may only waive their respective right to take legal action in advance to a certain specified extent, but not entirely, because the right to take legal action is a core principle of the German legal system. However, the Issuer has been advised that these rulings are based on the particularities of the respective cases and, therefore, should not give rise to the conclusion that non-

petition clauses, limited recourse clauses or priority of payment clauses are generally void under German law. Additionally, because under German law a party is generally free to waive its claim against another party in advance, a partial waiver, in the sense that the party waives only its rights to enforce its claims, should a fortiori be valid.

Notwithstanding the foregoing, the risk cannot be excluded that the Issuer may become subject to insolvency or similar proceedings, in particular, as the Issuer's solvency depends on the receipt of cash-flows from the Seller and the Debtors.

#### ***Limited Resources of the Issuer***

The Company is a special purpose financing entity organised under and governed by the Securitisation Law and, in respect of its Compartment German Auto Loans 2025-1, with no business operations other than the issue of the Notes and the purchase and financing of the Purchased Receivables. Assets and proceeds of the Company in respect of Compartments other than Compartment German Auto Loans 2025-1 will not be available for payments under the Notes. Therefore, the ability of the Issuer to meet its obligations under the Notes will depend, *inter alia*, upon receipt of:

- payments of principal and interest and certain other payments received as Collections under the Purchased Receivables pursuant to the Servicing Agreement and the Receivables Purchase Agreement;
- Deemed Collections (if due) from the Seller;
- funds (if due) from the Interest Rate Swap Counterparty under the Swap Agreement (excluding, however, (i) any Swap Collateral other than any proceeds from such Swap Collateral applied in satisfaction of payments due to the Issuer in accordance with the Swap Agreement upon early termination of the Swap Agreement, (ii) any Excess Swap Collateral, (iii) any amount received by the Issuer in respect of a replacement swap, premium to the extent that such amount is required to be applied directly to pay a termination payment due and payable by the Issuer to the Interest Rate Swap Counterparty upon termination of the Swap Agreement, and (iv) any Swap Tax Credits);
- interest earned on the amounts credited to the Transaction Account, the Liquidity Reserve Account and the Purchase Shortfall Account, if any;
- amounts paid by any third party as purchase prices for Defaulted Receivables and any relevant Related Collateral;
- proceeds of the realisation of the Note Collateral;
- payments (if any) under the other Transaction Documents in accordance with the terms thereof.

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

The Securitisation Law recognises non-petition and limited recourse clauses. As a consequence, the rights of the Noteholders are limited to the assets allocated to Compartment German Auto Loans 2025-1. The Company will not be obliged to make any further payments to any Noteholder in excess of the amounts received upon the realisation of the assets allocated to its Compartment German Auto Loans 2025-1. In case of any shortfall, the claims of the Noteholders will be extinguished. No such party will have the right to petition for the winding-up, the liquidation or the bankruptcy of the Issuer or the Company as a consequence of any shortfall.

The Noteholders may be exposed to competing claims of other creditors of the Company, the claims of which have not arisen in connection with the creation, the operation or the liquidation of Compartment German Auto Loans 2025-1, if foreign courts, which have jurisdiction over assets of the Issuer allocated to its Compartment German Auto Loans 2025-1, do not recognise the segregation of assets as provided for in the Securitisation Law.

### ***Insolvency of Pony S.A.***

Although the Issuer will contract on a "**limited recourse**" and "**non-petition**" basis, it cannot be excluded as a risk that the assets of the Issuer will become subject to bankruptcy proceedings.

The Company is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, has its centre of main interest (*centre des intérêts principaux*) (for the purposes of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, as amended) in Luxembourg, has its registered office in Luxembourg and is managed by its board of directors, the members of which are professionally residing in Luxembourg.

Under Luxembourg law, a company may be declared bankrupt (*en faillite*) when it is unable to meet its liabilities and when its creditworthiness is impaired. In particular, under Luxembourg bankruptcy law, certain payments made, as well as other transactions concluded or performed by the bankrupt party during the so-called "**suspect period**" (*période suspecte*) may be subject to cancellation by the bankruptcy court. Whilst the cancellation is compulsory in certain cases, it is optional in other cases. The "suspect period" is the period that lapses between the date of cessation of payments (*cessation de paiements*), as determined by the bankruptcy court, and the date of the court order declaring the bankruptcy. The "suspect period" cannot exceed six months and ten days.

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

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

Under Article 448 of the Luxembourg Code of Commerce and Article 1167 of the Luxembourg Civil Code (*action paulienne*), transactions entered into by the bankrupt debtor with the intent to deprive its creditors are null and void and can be challenged by a bankruptcy receiver without limitation of time.

The Company can be declared bankrupt upon petition by a creditor of the Company or at the initiative of the public prosecutor or the court or at the request of the Company in accordance with the relevant provisions of Luxembourg bankruptcy laws. The conditions for opening bankruptcy proceedings are the cessation of payments (*cessation des paiements*) and the loss of creditworthiness (*ébranlement du crédit commercial*). If the above-mentioned conditions are satisfied, the Luxembourg court will appoint a bankruptcy receiver (*curateur*) who shall be the sole legal representative of the Company and obliged to take such action as it deems to be in the best interests of the Company and of all creditors of the Company. Certain preferred creditors of the Company (including the Luxembourg

tax authorities) may have a privilege that ranks senior to the rights of the Noteholders in such circumstances. The Company may also be subject to suspension of payments (*gestion sursis de paiement*), judicial liquidation proceedings (*liquidation judiciaire*), administrative dissolution without liquidation (*dissolution administrative sans liquidation*) upon request of the public prosecutor.

The Luxembourg law of 7 August 2023 on the preservation of business and modernising bankruptcy law, implementing Directive EU 2019/1023 on preventive restructuring frameworks (the "**Luxembourg Insolvency Modernisation Act**") which entered into force on 1 November 2023 introduced other proceedings under Luxembourg law include (i) reorganisation by amicable agreement (*réorganisation par accord amiable*), whereby the Company and at least two of its creditors mutually agree to reorganise all or part of the assets or the business of the Company and which agreement can be validated by the District Court upon request of the Company and (ii) the judicial reorganisation procedure (*réorganisation judiciaire*).

The Luxembourg Insolvency Modernisation Act repealed the laws on the proceedings of controlled management (*gestion contrôlée*) and composition proceedings (*concordat préventif de la faillite*). Any insolvency procedures of such nature which have been opened prior to 1 November 2023 remain in their due course in accordance with their respective laws.

If the Company fails for any reason to meet its obligations or liabilities (that is, if the Company is unable to pay its debts and may obtain no further credit), a creditor, who has not (and cannot be deemed to have) accepted non petition and limited recourse provisions in respect of the Company, will be entitled to make an application for the commencement of bankruptcy proceedings against the Company. In that case, such creditor would, however, not have recourse to the assets of any Compartment but would have to exercise its rights on the general assets of the Pony S.A. unless its rights would arise in connection with the "creation, operation or liquidation" of a Compartment, in which case, the creditor would have recourse to the assets allocated to that Compartment but it would not have recourse to the assets of any other Compartment.

Furthermore, the commencement of such proceedings may – under certain conditions – entitle creditors (including the relevant counterparties) to terminate contracts with the Company and claim damages for any loss created by such early termination. The Company will seek to contract only with parties who agree not to make application for the commencement of winding-up, liquidation and bankruptcy or similar proceedings against the Company. Legal proceedings initiated against the Company in breach of these provisions shall, in principle, be declared inadmissible by a Luxembourg court.

However, in the event that the Company were to become subject to a bankruptcy or similar proceeding, the rights of the Noteholders could be uncertain, and payments on the Notes may be limited and suspended or stopped.

However, if the Company fails for any reason to meet its obligations or liabilities, a creditor who has not (and cannot be deemed to have) accepted non-petition and limited recourse provisions in respect of the Company is entitled to make an application for the commencement of insolvency proceedings against the Company. In that case, the commencement of such proceedings may, in certain conditions, entitle creditors to terminate contracts with the Company and claim damages for any loss suffered as a result of such early termination.

#### ***Violation of Articles of Association***

The Company's articles of association limit the scope of the Issuer's business. In particular, the Issuer undertakes not to engage in any business activity other than entering into securitisation transactions. However, under Luxembourg law, an action by the Issuer that violates its articles of

association and the Transaction Document would still be a valid obligation of the Issuer. Further, according to Luxembourg company law, a public limited liability company (*société anonyme*) shall be bound by any act of the board of directors, even if such act exceeds the corporate object, unless it proves that the third party knew that the act exceeded the corporate object or could not in view of the circumstances have been unaware of it without the mere publication of the articles of association constituting such evidence. Any such activity which is to the detriment of the Noteholders may adversely affect payments to the Noteholders under the Notes.

## **II. RISKS RELATING TO THE NATURE OF THE NOTES**

### ***Early Redemption of the Notes and Effect on Yield***

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

As at the Closing Date, the Replenishment Period will commence on (but excluding) the Closing Date and end on (i) the Payment Date falling in December 2025 (inclusive) or, if earlier, (ii) the date on which an Early Amortisation Event occurs (exclusive). Following the expiration of the Replenishment Period, the Notes will be subject to redemption in accordance with the Pre-Enforcement Principal Priority of Payment.

On any Payment Date following the Cut-Off Date on or following which the Aggregate Outstanding Portfolio Principal Amount has been reduced to less than 10 per cent. of the initial Aggregate Outstanding Portfolio Principal Amount as of the first Cut-Off Date, the Seller may, subject to certain conditions, repurchase all Purchased Receivables (together with any Related Collateral) which have not been sold to a third party for a purchase price equal to the Final Repurchase Price of the Purchased Receivables and the proceeds from such repurchase shall constitute Collections and the payments of principal in accordance with the Pre-Enforcement Principal Priority of Payment on such Payment Date will lead to an early redemption of the Class A Notes and the Class B Notes in accordance with the Terms and Conditions of the Notes. This may adversely affect the yield on the then outstanding Classes of Notes.

Further, the Issuer may, subject to certain conditions, redeem the Notes early due to the occurrence of a Tax Call Event in accordance with Condition 7.5 (*Early Redemption*) of the Terms and Conditions of the Notes. In the event of optional redemption upon occurrence of a Tax Call Event in accordance with Condition 7.5.2 (*Early Redemption*) of the Terms and Conditions of the Notes, the funds available to the Issuer to redeem the Notes of the relevant Classes will be limited to the Final Repurchase Price, received by the Issuer from the Seller (with respect to Condition 7.5.2 (*Early Redemption*) of the Terms and Conditions) in accordance with the Pre-Enforcement Principal Priority of Payments, as determined on the Cut-Off Date immediately preceding the relevant Tax Call Redemption Date. The Final Repurchase Price must cover all amounts of principal and interest outstanding under the Class A Notes that shall be redeemed on the applicable Tax Call Redemption Date. Following distribution of such amounts in accordance with the relevant Pre-Enforcement Priority of Payments, the relevant Noteholders shall not receive any further payments of interest or principal on the redeemed Notes and the Notes of each affected Class shall be cancelled on such Tax Call Redemption Date. This may adversely affect the yield on the Notes.

### ***Subordination amongst Classes of Notes***

To the extent set forth in the relevant Priorities of Payments, the Class A Notes will rank *pari passu* between themselves but in priority to the Class B Notes.



The terms on which the Note Collateral will be held will provide that, upon enforcement, certain payments will be made in priority to payments in respect of interest and principal (where appropriate) on the Notes. The payment of such amounts will reduce the amount available to the Issuer to make payments of interest and, as applicable, principal on the Notes. Upon acceleration of the Notes, all amounts owing to the Class A Noteholders will rank higher in priority to all amounts owing to the Class B Noteholders.

### ***Interest Rate Risk***

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

During periods in which floating rate interests payable by the Interest Rate Swap Counterparty under the Swap Agreement are greater than the fixed rate interests payable by the Issuer under the Swap Agreement, the Issuer will be more dependent on receiving net payments from the Interest Rate Swap Counterparty in order to make interest payments on the Class A Notes. Consequently, a default by the Interest Rate Swap Counterparty on its obligations under the Swap Agreement may lead to the Issuer not having sufficient funds to meet its obligations to pay interest on the Notes.

The Interest Rate Swap Counterparty may terminate the Swap Agreement if the Issuer becomes insolvent, if the Issuer fails to make a payment under the Swap Agreement when due and such failure is not remedied within five (5) Local Business Days (as defined in the Swap Agreement) of notice of such failure being given, if performance of the Swap Agreement becomes illegal or if payments to the Interest Rate Swap Counterparty are reduced or payments from the Interest Rate Swap Counterparty are increased for a set period of time due to tax reasons. The Issuer may terminate the Swap Agreement if, among other things, the Interest Rate Swap Counterparty becomes insolvent, the Interest Rate Swap Counterparty fails to make a payment under the Swap when due and such failure is not remedied within five Local Business Days of notice of such failure being given, performance of the Swap becomes illegal or payments to the Issuer are reduced or payments from the Issuer are increased due to tax for a period of time.

The Issuer is exposed to the risk that the Interest Rate Swap Counterparty may become insolvent. In the event that the Interest Rate Swap Counterparty suffers a ratings downgrade, the Issuer may terminate the related Swap if the Interest Rate Swap Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade. Such actions could include the Interest Rate Swap Counterparty collateralising its obligations as a referenced amount, transferring its obligations to a replacement Interest Rate Swap Counterparty or procuring a guarantee. However, in the event the Interest Rate Swap Counterparty is downgraded there can be no assurance that a guarantor or replacement Interest Rate Swap Counterparty will be found or that the amount of collateral will be sufficient to meet the Interest Rate Swap Counterparty's obligations.

If the Swap Agreement is terminated by either party, then depending on the market value of the swap a termination payment may be due to the Issuer or to the Interest Rate Swap Counterparty. Any such termination payment could, if market interest rates and other conditions have changed materially, be substantial. Under certain circumstances, termination payments required to be made by the Issuer to the Interest Rate Swap Counterparty will rank higher in priority than all payments on

the Notes. In such circumstances, the Pre-Enforcement Available Interest Amount or the Post-Enforcement Available Distribution Amount, as the case may be, may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

In the event that the Swap Agreement is terminated by either party or the Interest Rate Swap Counterparty becomes insolvent, the Issuer may not be able to enter into a swap agreement with a replacement swap counterparty immediately or at a later date. If a replacement Interest Rate Swap Counterparty cannot be contracted, the amount available to pay principal of and interest on the Notes will be reduced if the floating rate on the Class A Notes exceeds the fixed rate the Issuer would have been required to pay the Interest Rate Swap Counterparty under the terminated Swap Agreement. Under these circumstances the Collections of the Purchased Receivables may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

The enforceability of a contractual provision which alters the priorities of payments to subordinate the claim of the Interest Rate Swap Counterparty (to the claims of other creditors of its counterparty) upon the occurrence of an insolvency of or other default by the Interest Rate Swap Counterparty (a so-called flip clause) has been challenged in the English and U.S. courts. However, this is an aspect of cross border insolvency law which remains untested. Whilst the priority issue is considered largely resolved in England and Wales, concerns still remain that the English and U.S. courts will diverge in their approach which, in the case of an unfavourable decision in the U.S., may adversely affect the Issuer's ability to make payments on the Notes. If a creditor of the Issuer (such as the Interest Rate Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the U.S.), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the Transaction Documents (such as a provision of the relevant Priority of Payments which refers to the ranking of the Interest Rate Swap Counterparty's rights in respect of certain amounts under the Swap Agreement). In particular there is a risk that such subordination provisions would not be upheld under U.S. bankruptcy law. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as an Interest Rate Swap Counterparty, including U.S. established entities and certain non-U.S. established entities with assets or operations in the U.S. (although the scope of any such proceedings may be limited if the relevant non-U.S. entity is a bank with a licensed branch in a U.S. state). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, such actions may adversely affect the rights of the Noteholders, the rating and/or the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

***Changes or Uncertainty in respect of EURIBOR may affect the value or payment of interest under the Class A Notes***

EURIBOR qualifies as a benchmark (a "**Benchmark**") within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EC and Regulation (EU) No 596/2014 (the "**EU Benchmarks Regulation**"), which is applicable since 1 January 2018. Currently, EURIBOR has been identified as a "**critical benchmark**" within the meaning of the Benchmark Regulation. The Benchmark Regulation applies to "contributors", "administrators" and "users" of benchmarks (such

as EURIBOR) in the EU, and among other things, (i) requires benchmark administrators to be authorised and to comply with extensive requirements in relation to the administration of benchmarks and (ii) ban the use of benchmarks of unauthorised administrators. EURIBOR is administered by European Money Markets Institute which is registered in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") as of the date of this Prospectus. Should the European Money Markets Institute become de-registered from ESMA's register of administrators and benchmarks, there is a risk that the use of EURIBOR might be banned in accordance with the Benchmark Regulation.

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

The EU Benchmarks Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK Benchmarks Regulation**") contains similar requirements with respect to the UK, in particular the requirement for benchmark administrators to be authorised or registered (or, if non-UK-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and prevent certain uses by UK-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-UK based, deemed equivalent or recognised or endorsed). The transitional period for third country benchmarks has been extended to 31 December 2025.

Any consequential changes to EURIBOR as a result of any legislation or regulation in the European Union, or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the value of and return on the Notes. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules of methodologies used in certain Benchmarks, adversely affect the performance of a Benchmark or lead to the disappearance of certain Benchmarks.

Investors should, in particular, be aware of any of the reforms referred to above, or proposed changes to EURIBOR could impact on the published rate or level (i.e. it could be lower/more volatile than would otherwise be the case), in particular as set out in Condition 6.3(b) (*Interest Rate*) of the Terms and Conditions of the Notes. Amongst others, the cessation of EURIBOR being published would result in the setting of a so-called alternative base rate and related base rate modification and, if a certain percentage of the Noteholders of the respective Most Senior Class of Notes objects to such base rate modification and no Noteholder resolution is passed (as further described in Condition 6.3(b) (*Interest Rate*) of the Terms and Conditions of the Notes), may result in the continued use of the EURIBOR as determined on the last Interest Determination Date on which EURIBOR was still available. Furthermore, investors should be aware that the EU Benchmarks Regulation and the UK Benchmarks Regulation can deviate after any transitional period.

### ***Ratings of the Class A Notes***

#### ***General Requirements***

Each rating assigned to the Class A Notes by the Rating Agencies takes into consideration the structural and legal aspects associated with the Class A Notes and the underlying Purchased

Receivables, the credit quality of the Portfolio, the extent to which the Debtors' payments under the Purchased Receivables are adequate to make the payments required under such Notes as well as other relevant features of the structure, including, *inter alia*, the credit situation of the Interest Rate Swap Counterparty, the Account Bank, the Seller and the Servicer (if different). Each Rating Agency's rating reflects only the view of that Rating Agency. The rating assigned to the Class A Notes by S&P addresses the likelihood of full and timely payment to the Noteholders of the Class A Notes of all payments of interest due on the Class A Notes on each Payment Date and the repayment of principal in full on the Legal Maturity Date. The rating assigned to the Class A Notes by Fitch addresses the repayment of principal in full on the Legal Maturity Date and a Fitch rating from incl. AAA-sf to incl. AA-sf addresses the likelihood of timely payment of interest at all times. The Issuer has not requested a rating of the Class B Notes and has not requested a rating of the Class A Notes by any rating agency other than the Rating Agencies. However, rating organisations other than the Rating Agencies may seek to rate the Notes and, if such "shadow ratings" or "unsolicited ratings" are low, in particular, in the case of the Class A Notes, lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of any Class of Notes. Future events, including events affecting the Interest Rate Swap Counterparty, the Account Bank, the Seller and the Servicer (if different) could also have an adverse effect on the rating of any Class of the Notes.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organisation. The ratings assigned to the Class A Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to the Class A Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason (including, without limitation, any subsequent change of the rating methodologies and/or criteria applied by the relevant Rating Agency), no person or entity is obliged to provide any additional support or credit enhancement to the Notes.

Credit rating agencies ("**CRA**") review their rating methodologies on an ongoing basis, also taking into account recent legal and regulatory developments and there is a risk that changes to such methodologies would adversely affect credit ratings of the Notes even where there has been no deterioration in respect of the criteria which were taken into account when such ratings were first issued. Rating agencies and their ratings are subject to Regulation 1060/2009/EC of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended pursuant to Regulation 513/2011/EU of the European Parliament and the Council of 11 May 2011 and to Regulation 462/2013/EU of the European Parliament and of the Council of 31 May 2013 ("**CRA Regulation**") providing, *inter alia*, for requirements as regards the use of ratings for regulatory purposes of banks, insurance companies, reinsurance undertakings, and institutions for occupational retirement provision, the avoidance of conflict of interests, the monitoring of the ratings, the registration of rating agencies and the withdrawal of such registration as well as the supervision of rating agencies. If a registration of a rating agency is withdrawn, ratings issued by such rating agency may not be used for regulatory purposes. The list of registered and certified rating agencies published by the European Securities Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

In the event that the ratings initially assigned to the Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support

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

### *CRA3*

On 31 May 2013, the finalised text of Regulation (EU) No 462/2013 ("**CRA3**") of the European Parliament and of the European Council amending the CRA Regulation was published in the Official Journal of the European Union. The CRA3 amends the CRA Regulation and provides, inter alia, for requirements as regards the use of ratings for regulatory purposes also for investment firms, the obligation of an investor to make its own credit assessment, the establishment of a European rating platform and civil liability of rating agencies. The CRA3 introduced a requirement that where an issuer or related third parties (which term includes sponsors and originators) intends to solicit a credit rating of a structured finance instrument, the issuer will appoint at least two credit rating agencies to provide ratings independently of each other, and should, among those, consider appointing at least one rating agency having not more than a 10 per cent. total market share (as measured in accordance with Article 8d(3) of the CRA (as amended by CRA3)) (a small CRA), provided that a small CRA is capable of rating the relevant issuance or entity. The Issuer has appointed S&P and Fitch, each of which is established in the EEA and is registered under the CRA and has considered appointing a small CRA.

Under the UK CRA Regulation, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the UK and registered or certified under the UK CRA Regulation.

### ***Eurosystem Eligibility***

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream Luxembourg as Class A Notes Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem (the "**Eurosystem Eligible Collateral**") either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria set out in the Guideline (EU) 2015/510 of the European Central Bank ("**ECB**") of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast), which applies since 1 May 2015, as amended from time to time.

In addition, on 15 December 2010 the Governing Council of the ECB has decided on the establishment of loan-by-loan information requirements for asset-backed securities ("**ABS**") in the Eurosystem collateral framework. The implementation of the loan-level reporting requirements has become effective for consumer finance ABS as of 1 January 2014. The Seller has as long as the Class A Notes are outstanding the right but not the obligation to make loan level data in such a manner available as may be required to comply with the Eurosystem eligibility criteria (as set out in Annex VIII (loan level data requirements for asset-backed securities) of the Guideline (EU) 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast), which applies since 1 May 2015, as amended from time to time, subject to applicable data protection and banking requirements.

If the Class A Notes do not satisfy the criteria specified by the European Central Bank, or if the Issuer (or the Servicer on its behalf) fails to submit the required loan-level data, there is a risk that the Class A Notes will not be qualified as Eurosystem eligible collateral. Neither the Issuer, any Joint Lead Manager nor any of the Arranger gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or any or at all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as

Eurosystem eligible collateral. Any prospective investor in the Class A Notes should consult its professional advisers with respect to whether or not the Class A Notes constitute Eurosystem eligible collateral at any point of time during the life of the Class A Notes.

Any prospective investor in the Class A Notes should make their own conclusion and seek their own advice with respect to whether or not the Class A Notes constitute Eurosystem Eligible Collateral at any point of time during the life of the Class A Notes.

### ***Risks relating to the German Act on Debt Securities (Schuldverschreibungsgesetz)***

With respect to each Class of Notes, a Noteholder is subject to the risk to be outvoted and to lose rights towards the Issuer against his will in the case that the Noteholders of the relevant Class of Notes agree pursuant to the Terms and Conditions to amendments of the Terms and Conditions by majority vote according to the Gesetz über Schuldverschreibungen aus Gesamtemissionen (*Schuldverschreibungsgesetz* - SchVG). In the case of an appointment of a Noteholder's representative for all Noteholders of a Class of Notes a particular Noteholder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Noteholders of such Class of Notes.

### ***U.S. Risk Retention Rules***

The final rules promulgated under Section 15 (G) of the U.S. Securities Exchange Act of 1934, as amended, codified as Regulation RR 17 C.F.R. Part 246 (the "**U.S. Risk Retention Rules**"), and require the "**sponsor**" of a "**securitisation transaction**" to retain at least 5 per cent. of the "credit risk" of "securitised assets", as such terms are defined under the U.S. Risk Retention Rules, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

With respect to the U.S. Risk Retention Rules, the Seller and the Issuer agreed that the issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules and that the Seller does not intend to retain credit risk in connection with the offer and sale of the Notes but rather intends to rely the safe harbour provided for in Section \_\_.20 of the U.S. Risk Retention Rules regarding certain non-U.S. related transactions. Such non-U.S. related transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the asset-backed securities are issued, as applicable) of all classes of asset-backed securities issued in the securitisation transaction are sold or transferred to "**U.S. persons**" (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "**Risk Retention U.S. Persons**") or for the account or benefit of Risk Retention U.S. Persons; (3) neither the sponsor nor the issuer of the securitisation transaction is (i) chartered, incorporated or organised under the laws of the United States or any state, (ii) an unincorporated branch or office of an entity chartered, incorporated or organised under the laws of the United States or any state or (iii) an unincorporated branch or office located in the United States of an entity that is chartered, incorporated or organized under the laws of a jurisdiction other than the United States or any state; and (4) if the sponsor or issuer is chartered, incorporated or organised under the laws of a jurisdiction other than the United States or any state, no more than 25 per cent. (as determined based on unpaid principal balance) of the underlying collateral was acquired from a majority-owned affiliate or an unincorporated branch or office of the sponsor or issuer organised and located in the United States.

Purchasers of Notes that are Risk Retention U.S. Persons are required to obtain the prior written consent of the Seller, who will be monitoring the level of Notes purchased by, or for the account or

benefit of, Risk Retention U.S. Persons. There can be no assurance that the requirement to obtain the Seller's prior written consent to the purchase of any Notes by, or for the account or benefit of, any Risk Retention U.S. Person will be complied with.

Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to but not identical to, the definition of "U.S. person" under Regulation S under the Securities Act, and that persons who are not "U.S. persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules.

Each purchaser of a Note or a beneficial interest therein acquired on the Closing Date, by its acquisition of a Note or a beneficial interest in a Note, will be required to represent to the Issuer, the Seller, the Arranger and the Joint Lead Managers that it (A)(1) is not a Risk Retention U.S. Person (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Notes, or, in the case of a distributor, will only distribute such Notes to a person who is not a U.S. Risk Retention Person; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to avoid the 10 per cent. Risk Retention U.S. Person limitation in the safe harbour for certain non-U.S. related transactions provided for in Section 20 of the U.S. Risk Retention Rules), or (B)(1) is a Risk Retention U.S. Person and (2) is not a **"U.S. Person"** as defined under Regulation S.

None of the Seller, the Issuer, the Corporate Administrator, the Arranger or the Joint Lead Managers or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Investors should consult their own advisors as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

There can be no assurance that the safe harbour for certain non-U.S. related transactions provided for in Section 20 of the U.S. Risk Retention Rules will be available. Failure of the offering under this Prospectus to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Notes or their market value. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by a transaction to comply with the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the Notes.

#### ***Bail-In Instrument and other Restructuring and Resolution Measures***

As a result of Directive 2014/59/EU on Banking Recovery and Resolution of 15 May 2014 ("**BRRD**"), the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz* – "**SAG**") was implemented into German law and became effective on 1 January 2015. The BRRD and SAG are subject to ongoing revision and change, such as by the proposal to further adjust the European Union's existing bank crisis management and deposit insurance framework proposing, inter alia, further amendments to the BRRD adopted by the European Parliament's Committee on Economic and Monetary Affairs in March 2024 which is currently under further discussion by the European Parliament and Council.

The impact of this proposal, as well as any further amendments to the BRRD on credit institutions (or any other entities which are subject to the BRRD) is currently unclear. Potential investors in the Notes should consider the risk that a holder may lose all or a part of its investment, including the principal and any interests, if the general bail-in tool or any similar statutory loss absorption measures are used.

The SAG provides for various actions and measures that can be taken by the German Federal Agency for Financial Services Supervision (*Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin"*) in its capacity as national resolution authority. BaFin could take any of the above-described measures and actions with regard to Hyundai Capital Bank Europe GmbH. The Issuer has been advised that, even if Hyundai Capital Bank Europe GmbH should be in financial difficulties and measures are being taken, these measures should only have limited impact on the claims of the Issuer against Hyundai Capital Bank Europe GmbH for the following reasons: Claims of the Issuer against Hyundai Capital Bank Europe GmbH (in its capacity as Seller or Servicer) for payment of Collections received in respect of the Purchased Receivables and other claims under the Servicing Agreement are subject to a collateral agent arrangement (*Treuhandverhältnis*) and, in principle, the Collections (unless commingled) are subject to substitute segregation (*Ersatzaussonderung*) and should therefore be excluded from any bail-in measures pursuant to Section 91(2) No. 4 SAG. The Purchased Receivables should not be subject to bail-in pursuant to the SAG as long as the sale and transfer of the Purchased Receivables from Hyundai Capital Bank Europe GmbH to the Issuer will not be re-characterised as a secured loan. However, even if the sale and transfer of the Purchased Receivables was re-characterised as a secured loan, claims against Hyundai Capital Bank Europe GmbH would not become subject to bail-in to the extent these claims are secured claims within the meaning of Section 91(2) No. 2 SAG. Consequently, if and to the extent the relevant claims against Hyundai Capital Bank Europe GmbH are secured by Purchased Receivables and the Note Collateral they should not be affected by bail-in. Finally, although the Issuer will not be in a position to prevent the transfer of any of Hyundai Capital Bank Europe GmbH's assets to another entity, such transfer pursuant to Section 110(1) SAG may only occur in conjunction with a transfer of the security provided therefore and *vice versa*. A separation of the Purchased Receivables from the Note Collateral should therefore not result from any such transfer (see also Section 110(3) No. 4 SAG).

### **SRM Regulation**

On 15 July 2014 the European legislator adopted Regulation (EU) No 806/2014 to establish a Single Resolution Mechanism ("**SRM Regulation**") which is (directly) applicable – with certain exceptions – since 1 January 2016 to all credit institutions in Euro-area member states. The SRM Regulation has established a centralised power of resolution entrusted to a Single Resolution Board and to the national resolution authorities. Credit institutions (or other entities subject to BRRD) which have been designated as a significant supervised entity for the purposes of Article 49(1) of the SSM Framework Regulation are subject to the direct supervision of the ECB in the context of the Single Supervision Mechanism and therefore to the SRM Regulation. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the Single Resolution Board is able to apply the same powers that would otherwise be available to the relevant national resolution authority. Should a credit institution which is a counterparty to the Issuer be or become at some point subject to the BRRD or the provisions implemented by the member states, the above provisions would apply notwithstanding any provisions to the contrary in the Transaction Documents, which may affect the enforceability of the Transaction Documents executed by such counterparty.

### **Absent or Limited Secondary Market Liquidity and Market Value of Notes**

Although application has been made to admit the Notes to trading on the regulated market (segment for professional investors) of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange, liquidity of secondary market for the Notes could be limited or absent also with a view to the fact that the Class B Notes are intended to be acquired by the Seller at closing. There can be no assurance that there will be bids and offers and that a liquid secondary market for the Notes will develop or, if it develops, that it provides sufficient liquidity to absorb any bids and offers, or that it will continue for the whole life of the Notes. Limited liquidity in the secondary



market for asset-backed securities has in the past had a serious adverse effect on the market value of asset-backed securities. Limited liquidity in the secondary market may continue to have a serious adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors.

In addition, prospective investors should be aware of the prevailing and widely reported global credit market conditions. The market value of the Notes may fluctuate with changes in market conditions. Any such fluctuation may be significant and could result in significant losses to investors in the Notes. Consequently, any sale of Notes by the relevant Noteholders in any secondary market transaction may be at a discount to the original purchase price of such Notes. Accordingly, investors should be prepared to remain invested in the Notes until the Legal Maturity Date.

### ***Change of Law***

The structure of the issue of the Notes and this Transaction is based on German and Luxembourg law (including tax law) in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or changes to any relevant law, the interpretation thereof or administrative practice after the date of this Prospectus.

### ***Responsibility of Prospective Investors***

The purchase of the Notes is only suitable for investors (i) that possess adequate knowledge and experience in structured finance investments and have the necessary background and resources to evaluate all relevant risks related with such investments; (ii) that are able to bear the risk of loss of their investment (up to a total loss of the investment) without having to prematurely liquidate the investment; and (iii) that are able to assess the tax aspects and implications of such investment independently.

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

### ***European Market Infrastructure Regulation (EMIR) and Markets in Financial Instruments Directive (MiFID II)***

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, known as the European Market Infrastructure Regulation ("**EMIR**"), including a number of regulatory technical standards and implementing technical standards in relation thereto, introduces certain requirements in respect of OTC derivative contracts. Such requirements include, amongst other things, the mandatory clearing of certain OTC derivative contracts (the "**Clearing Obligation**") through an authorised central counterparty (a "**CCP**"), the reporting of OTC derivative contracts to a registered or recognised trade repository (the "**Reporting Obligation**") and certain risk mitigation requirements in relation to derivative contracts which are not centrally cleared in relation to timely confirmation, portfolio reconciliation and compression, and dispute resolution.

EMIR has further been amended by, *inter alia*, Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 648/2012 as regards

the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories ("**EMIR REFIT**"). For the avoidance of doubt, any reference to EMIR is to the version as amended by EMIR REFIT. The changes introduced by EMIR REFIT are in force since 17 June 2019 and 18 June 2021, respectively.

The Clearing Obligation applies to financial counterparties ("**FCs**") and certain non-financial counterparties ("**NFCs**") which have positions in OTC derivative contracts exceeding specified "clearing thresholds" in the relevant asset class (such **NFCs**, "**NFC+**"). Such OTC derivative contracts also need to be of a class of derivative which has been designated by ESMA as being subject to the Clearing Obligation. On the basis of the relevant technical standards, it is expected that the Issuer will be treated as an NFC for the purposes of EMIR, that the Issuer will calculate its positions in OTC derivative contracts against the clearing thresholds and the swap transactions to be entered into by it on the Closing Date will not exceed the relevant "clearing threshold" ("**NFC-**"), however, this cannot be excluded. Thus, as of the date hereof, it cannot be excluded that the Issuer will be subject to the Clearing Obligation in the future in respect of any swap replacing the Swap Agreement. In that case, the Issuer might, however, be exempt from the Clearing Obligation under Article 42(2) of the Securitisation Regulation in connection with Commission Delegated Regulation (EU) 2020/447 of 16 December 2019 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on the specification of criteria for establishing the arrangements to adequately mitigate counterparty credit risk associated with covered bonds and securitisations because this Transaction is structured to comply with the requirements for simple, transparent and standardised securitisations transactions as set out in Articles 20, 21 and 22 of the Securitisation Regulation (with respect to the uncertainties in this respect, please see "III. Legal Risks", in particular relating to the Purchased Receivables – EU Risk Retention, Transparency Requirements and Due Diligence Requirements under the Securitisation Regulation and Simple, Transparent and Standardised Securitisations) below).

OTC derivatives contracts that are not cleared by a CCP may be subject to variation and/or initial margin requirements (the "**Margin Obligation**"). Variation margin obligations applying to all in scope transactions entered into by FCs or NFC+ from 1 March 2017 and initial margin requirements have been phased in from September 2017 through September 2020, depending on the type of the FCs or NFC+. However, on the basis that the Issuer is an NFC-, OTC derivatives contracts that are entered into by the Issuer would not be subject to any Margin Obligation. If the Issuer's counterparty status as an NFC- changes, then uncleared OTC derivatives contracts that are entered into or materially amended by the Issuer from such time as it is no longer an NFC- may become subject to the Margin Obligation and the Swap Counterparty may terminate the Swap Agreement. If the Issuer qualifies as a NFC, the Issuer might, however, be exempt from the Margin Obligation under Article 42(3) of the Securitisation Regulation in connection with Commission Delegated Regulation (EU) 2020/448 of 17 December 2019 amending Delegated Regulation (EU) 2016/2251 as regards the specification of the treatment of OTC derivatives in connection with certain simple, transparent and standardised securitisations for hedging purposes because this Transaction is structured to comply with the requirements for simple, transparent and standardised securitisations transactions as set out in Articles 20, 21 and 22 of the Securitisation Regulation (with respect to the uncertainties in this respect, please see "III. Legal Risks", in particular relating to the Purchased Receivables – EU Risk Retention, Transparency Requirements and Due Diligence Requirements under the Securitisation Regulation and Simple, Transparent and Standardised Securitisations) below).

The Reporting Obligation applies to all types of counterparties and covers the entry into, modification or termination of cleared and non-cleared derivative contracts which were entered into on or after

12 February 2014. The deadline for reporting derivatives is one business day after the derivative contract was entered into, amended or terminated with the details of such derivative contracts required to be reported to a trade repository. It will therefore apply to the Swap Agreement and any replacement swap agreement. Pursuant to EMIR REFIT, since 18 June 2020 onwards, the FC should, as a rule, be solely responsible, and legally liable, for reporting on behalf of both itself and NFC that are not subject to the clearing obligation with regard to OTC derivative contracts entered into by those counterparties, as well as for ensuring the correctness of the details reported. In this context, it should be noted that on 7 October 2022, Commission Delegated Regulation (EU) 2022/1855 and Commission Delegated Regulation (EU) 2022/1860 have been published in the Official Journal of the European Union, setting out new (technical) requirements to be observed in connection with the Reporting Obligation from 29 April 2024 onwards. The EU regulatory framework and legal regime relating to derivatives is set not only by EMIR, but also by the recast version of the Directive 2014/65/EU on markets in financial instruments (as amended, restated or supplemented, "**MiFID II**"), in particular as supplemented by the Regulation (EU) No. 600/2014 (as amended, restated or supplemented, "**MiFIR**"). MiFID II and MiFIR provide for regulations which require transactions in OTC derivatives to be traded on organised markets. MiFIR is supplemented by technical standards and delegated acts implementing such technical standards, such as the delegated Regulation (EU) 2017/2417 of 17 November 2017 supplementing MiFIR with regard to regulatory technical standards on the trading obligation for certain derivatives which, inter alia, determine which standardised derivatives will have to be traded on exchanges and electronic platforms. For the scope of transactions in OTC derivatives subject to the trading obligation, it is Article 28(1) and Article 32 MiFIR referring to the definition of FCs and to NFCs that meet certain conditions of EMIR. Since MiFIR was not amended by EMIR REFIT, following the entry into force of EMIR REFIT on 17 June 2019 there is a misalignment in the scope of counterparties as regards the trading obligation under MiFIR and clearing obligation under EMIR: potentially some NFCs would be subject to the trading obligation while being exempted from the clearing obligation. Although ESMA expects competent authorities not to prioritise their supervisory actions in relation to the MiFIR derivatives trading obligation towards counterparties who are not subject to the clearing obligation, and to generally apply their risk-based supervisory powers in their day-to-day enforcement of applicable legislation in this area in a proportionate manner, it might not be excluded that national competent authorities in the relevant member states impose respective measures on the Issuer in this respect, including certain information requests, measures that the derivatives shall be traded on a respective trading venue, the cancellation of the derivative transactions or administrative fines. Amongst other requirements, MiFIR requires certain standardised derivatives between FCPs and NFC+s to be traded on exchanges and electronic platforms (the "**Trading Obligation**"). On 7 February 2020, ESMA published this final report on the alignment of the MiFIR Trading Obligation with the scope of the EMIR Clearing Obligation, as amended by EMIR REFIT. ESMA recommends that the changes made by EMIR REFIT to the scope of the EMIR Clearing Obligations for FCs and NFCs should be replicated in MiFIR. It also recommends that the mechanism introduced by EMIR REFIT for temporarily suspending the clearing obligation in certain circumstances should be mirrored in MiFIR in respect of the Trading Obligation, with adaptations to the criteria for suspension to the specificities of the Trading Obligation. ESMA has submitted its report to the European Commission, as required under EMIR REFIT. Further regulatory technical standards will be developed to determine which derivatives will be subject to the Trading Obligation. In this respect, it is difficult to predict the full impact of these regulatory requirements on the Issuer. However, on the basis that the Issuer is currently an NFC-, it would not be subject to the Trading Obligation, but the Issuer could therefore become subject to the Trading Obligation if its status as a NFC- changes in the future.

Prospective investors should be aware that EMIR, EMIR REFIT and MiFID II/MiFIR (including other rules and regulatory technical standards relating thereto, such as, the latest amendments in connection with the Reporting Obligation) may lead to more administrative burdens and higher costs for the Issuer. As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Further, if any party fails to comply with the applicable rules under EMIR it may be liable for a fine. If such fine is imposed on the Issuer, this may also reduce the amounts available to make payments with respect to the Notes. Investors should be aware that such risks are material and that the Issuer could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR, EMIR REFIT, MiFID II/MiFIR and regulatory technical standards made thereunder, in making any investment decision in respect of the Notes.

### **III. LEGAL RISKS, IN PARTICULAR RELATING TO THE PURCHASED RECEIVABLES**

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

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

The same applies if a Debtor revokes the Loan Contract. Such withdrawals are legally possible even after the regular two (2) week time limit if the instruction of withdrawal (*Widerrufsbelehrung*) used by the Seller or the counterparty of a linked contract (*verbundene Verträge*) within the meaning of Section 358 of the German Civil Code (*Bürgerliches Gesetzbuch*) does not comply with the legal requirements. The legal requirements applicable to instructions of withdrawal are under constant review of the German courts.

#### ***Used Vehicle Risk***

Certain of the Loan Contracts giving rise to Purchased Receivables relate to the purchase of Used Vehicles. Historically, the risk of payment default of auto loans in relation to the purchase of used cars is greater than in relation to an auto loan for the purchase of a new car. Further, the rate of recovery in cases of non-payment of auto loans in relation to the purchase of used cars is impacted by various factors such as changes in the value of the Used Vehicle. This value, in turn, may be impacted by factors such as driving restrictions with respect to such car and cases in connection with faulty software affecting emissions and fuel consumption tests used by the car manufacturer, as was revealed first in November 2015.

On 11 July 2023, ESMA issued a statement on sustainability disclosure in prospectuses. In this context it should be noted that, on 28 October 2022, the European Parliament and Council reached an agreement ensuring all new cars and vans registered in Europe will be zero emission by 2035. Also, as an intermediary step to reach the zero-emission goal, Regulation (EU) 2023/851 setting stricter CO2 emission performance standards for new cars and vans entered into force in May 2023. All these measures may result in lower proceeds in case of a sale or realisation of the vehicles or may already have an adverse impact on the residual values of vehicles with combustion engines. Such conditions may have an adverse impact on both the operational business of the Seller and the financial performance of the Purchased Receivables in the future and therefore, the Noteholders may suffer a risk of a reduction or non-receipt of principal and/or interest due to them in respect of

their Notes. These aspects are likely to have an adverse impact on the value of Used Vehicles with combustion, hybrid or purely battery electric engines. Such impact may result in lower proceeds in case of a sale of or enforcement on Used Vehicles and, therefore may impact the Issuer's ability to make payments under the Notes.

### ***Insolvency Law***

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

Under Section 113 of the German Insolvency Code (*Insolvenzordnung*), the insolvency administrator of the principal is entitled to terminate service agreements (*Dienstleistungsverhältnisse*). Agency agreements (*Geschäftsbesorgungsverträge*), mandates (*Aufträge*) and powers of attorney (*Vollmachten*) would, according to Section 115 and 116 of the German Insolvency Code (*Insolvenzordnung*), extinguish with the opening of insolvency proceedings against the principal by operation of law. A number of the Transaction Documents, to the extent that they qualify as service agreements, agency agreements or mandates as they contain mandates or agency provisions, would be affected by the application of these provisions in an insolvency of the principal thereunder.

#### *Section 166 of the German Insolvency Code (Insolvenzordnung)*

Under German insolvency law, in insolvency proceedings of a debtor, a creditor who is secured by the assignment of receivables by way of security will have a preferential right to such receivables (*Absonderungsrecht*). Enforcement of such preferential right is subject to the provisions set forth in the German Insolvency Code (*Insolvenzordnung*). In particular, the secured creditor may not enforce its security interest itself. Instead, the insolvency administrator appointed in respect of the estate of the debtor will be entitled to enforcement pursuant to Section 166 (2) of the German Insolvency Code. The insolvency administrator is obliged to transfer the proceeds from such enforcement to the creditor, however, the secured creditor has no control as to the timing of such procedure. In addition, the insolvency administrator may deduct from the enforcement proceeds for the benefit of the insolvency estate fees which may amount to 4% of the enforcement proceeds for assessing such preferential rights plus up to 5% of the enforcement proceeds as compensation for the costs of enforcement. In case the enforcement costs are considerably higher than 5% of the enforcement proceeds, the compensation for the enforcement costs may be higher.

Accordingly, the Issuer may have to share in the costs of any insolvency proceedings of the Seller in Germany, reducing the amount of money available upon enforcement of the Note Collateral to repay the Notes, if the sale and assignment of the Purchased Receivables by the Seller to the Issuer were to be regarded as a secured lending rather than a receivables sale.

The Issuer has been advised, however, that the transfer of the Purchased Receivables would be construed such that the risk of the insolvency of the Debtors lies with the Issuer and that, therefore, the Issuer would have the right to segregation (*Aussonderungsrecht*) of the Purchased Receivables from the estate of the Seller in the event of its insolvency and that, consequently, the cost sharing provisions described above would not apply with respect thereto.

Furthermore, even in the event that the sale and assignment of the Purchased Receivables were to be qualified as a secured loan, it is likely that the security granted to the Issuer would not be subject to an enforcement right of the insolvency administrator to the effect that the cost sharing provisions described above would not apply. This is based on the expectation that an assignment for security purposes in respect of the Purchased Receivables would qualify as "financial collateral" within the meaning of Article 1 (1) of Directive 2002/47/EC of the European Parliament and the Council of 6 June 2002 (as amended by Directive 2009/44/EC of the European Parliament and the Council of 6 May 2009) and Section 1 (17) of the German Banking Act and hence would benefit from the

privileged treatment of financial collateral under the German Insolvency Code since pursuant to Section 166 (3) no. 3 of the German Insolvency Code, "financial collateral" is not subject to the enforcement right of the insolvency administrator. The Purchased Receivables constitute credit claims within the meaning of Article 2 (1) no. (o) of the aforementioned directive because they originate from loans granted by the Seller which is a credit institution within the meaning of Article 4 (1) no. (a)(i) of Directive 2006/48/EC of the European Parliament and the Council of 14 June 2006 as referred to in Directive 2002/47/EC, however, repealed by Directive 2013/36/EU and now defined in Article 4 (1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended from time to time, the "**CRR**"). Consequently, their assignment for security purposes by the Seller to a legal entity, such as the Issuer, should satisfy the requirements of the provision of "financial collateral" within the meaning of the directive and statute referred to in the second sentence of this paragraph.

### ***Luxembourg Insolvency Law***

Where the Issuer has applied for or is subject to judicial reorganisation proceedings under the Luxembourg law of 7 August 2023 on business preservation and modernisation of bankruptcy law (the "**Reorganisation Law**"), notwithstanding any contractual stipulations to the contrary, such application for or such opening of judicial reorganisation proceedings shall not lead to the termination of existing contracts nor of the terms and conditions for their performance; in other words, the application for or opening of such judicial reorganisation proceedings cannot by itself be an acceleration event with respect to the Notes and the amounts due thereunder. In addition, the Noteholders may, under certain very limited circumstances, be temporarily suspended from accelerating the amounts under the Notes in accordance with Article 30 of the Reorganisation Law.

During the stay (*sursis*) which applies from application for judicial reorganisation proceedings until the court has decided thereon and from the court decision opening the judicial reorganisation proceedings for a period determined by the court (not exceeding with possible prorogation 12 months), the Issuer cannot be declared bankrupt (otherwise than on its own petition).

### ***German Consumer Loan Legislation***

The provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) applicable to loans to consumers apply to certain Purchased Receivables. Consumers are defined as individuals acting for purposes relating neither to their commercial nor independent professional activities. Similarly, the German consumer loan legislation also applies to individuals as entrepreneurs who enter into the Loan Contract to take up a trade or self-employed occupation (*Existenzgründer*), unless the net loan amount or the cash price exceeds EUR 75,000. The majority of Loan Contracts will qualify as consumer loan contracts and will therefore be subject to the consumer loan provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) (in particular Sections 491 et seq.). The Loan Contracts are not all subject to the same, but to varying provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) regarding consumer loans and linked contracts and, in particular, as regards the required instructions on a Debtor's right of withdrawal (*Widerrufsrecht*).

#### ***Right of withdrawal (Widerrufsrecht)***

Under the above-mentioned provisions, if the borrower is a consumer (or an individual as entrepreneur who enters into the Loan Contracts to take up a trade or self-employed occupation, unless the net loan amount or the cash price exceeds EUR 75,000), the borrower has the right to withdraw its consent to a consumer Loan Contract for a period of fourteen (14) days commencing after the conclusion of the consumer Loan Contract and the receipt of a written notice providing certain information including information regarding such right of withdrawal (*Widerrufsrecht*)

(Sections 492 (2), 495, 355, 356b of the German Civil Code (*Bürgerliches Gesetzbuch*) as applicable). In the event that a consumer is not properly informed of its right of withdrawal (*Widerrufsinformation*) or has not been provided with certain mandatory statements (*Pflichtangaben*) under the consumer loan, the consumer may withdraw its consent at any time during the term of the respective Loan Contract.

German courts have adopted strict standards with regard to the information to be provided to the consumer. Due to the strict standards applied by the courts, it cannot be excluded that a German court could consider the language and presentation used in certain Loan Contracts as falling short of such standards. In this context, it should be noted that - after German courts had adopted strict standards with respect to the requirements on the language, presentation and content of the information to be provided to the Borrower - the district court (*Landgericht*) of Ravensburg (decision dated 30 December 2020, 2 O 238/20) involved the European Court of Justice ("**ECJ**") with respect to questions regarding the interpretation of European consumer loan legislation on the provision of mandatory information (*Pflichtangaben*) and information on the right of withdrawal (*Widerrufsinformation*), as further set out below.

Should a Debtor withdraw the consent to the relevant Loan Contract, the Debtor would be obliged to immediately repay the Purchased Receivable (i.e. prior to the contractual repayment date). Hence, the Issuer would receive interest under such Purchased Receivable for a shorter period of time than initially anticipated. In this instance, the Issuer's claims with regard to such repayment of the Purchased Receivable would not be secured by the Related Collateral granted therefore if the related security purpose agreement does not extend to such claims. In addition, depending on the specific circumstances, a Debtor may be able to successfully reduce the amount to be repaid if it can be proven that the interest it would have paid to another lender had the relevant Loan Contract not been made (i.e., that the market interest rate was lower at that time), would have been lower than the interest paid under the relevant Loan Contract until the Debtor's withdrawal of its consent to the relevant Loan Contract.

In addition, the ECJ held that consumer loan agreements have to set out, in a clear and concise manner, the information to be specified in accordance with European consumer protection laws, including information on how the period of withdrawal is to be calculated, and that European consumer protection laws preclude a loan agreement from making reference, as regards the required information, to a provision of national law which itself refers to other legislative provisions of national law (ECJ ruling C-66/19 dated 26 March 2020). The ECJ argued that such reference to legislative provisions does not sufficiently enable the borrower to determine the starting point of the period of withdrawal. The wording that appears to have been the subject of ECJ's decision is contained in the form of withdrawal notice included in the Introductory Act to the German Civil Code ("**EGBGB**"). However, the German Federal Court of Justice (*Bundesgerichtshof*) has held, in light of the aforementioned ECJ decision, that a withdrawal instruction which follows the form of withdrawal notice published in the EGBGB will continue to be deemed a legal and valid withdrawal instruction which validly initiates the commencement of the 14 day withdrawal period (judgment dated 31 March 2020 – XI ZR 198/19). The German Federal Court of Justice's decision is based on Article 247 Section 6(2) Sentence 3 EGBGB which clarifies that if the consumer loan contract contains a withdrawal instruction conforming to the form of withdrawal notice included in the EGBGB in clear and transparent way (*klar und verständlich*), the requirements of Article 247 Section 6(2) Sentences 1 and 2 EGBGB are deemed to have been satisfied (so-called "**Fiction of Legality**" (*Gesetzlichkeitsfiktion*)) and pursuant to the German Federal Court of Justice's (*Bundesgerichtshof*) decision the Fiction of Legality is the manifestation of the will of the legislator and, therefore, prevailing national law. In contrary to its above decision the German Federal Court of Justice (*Bundesgerichtshof*) has held in two further decisions that a lender is not entitled to rely on the

Fiction of Legality if the withdrawal instruction derogates from the form of withdrawal notice included in the EGBGB (judgments dated 27 October 2020 - XI ZR 525/19 and XI ZR 498/19). Such derogation may occur in various instances, for example the German Federal Court of Justice (*Bundesgerichtshof*) decided that when the form of withdrawal notice does refer to a residual debt insurance agreement (*Restschuldversicherung*) as a linked contract (*verbundener Vertrag*) but the borrower and lender did not enter into such residual debt insurance agreement (*Restschuldversicherung*) then due to this fact the lender would not be able to rely on the Fiction of Legality (judgment dated 27 October 2020 - XI ZR 525/19). The same applies when headings are omitted which are included in the form of withdrawal notice published in the EGBGB (German Federal Court of Justice (*Bundesgerichtshof*) judgment dated 11 November 2020 - XI ZR 426/19). However, notwithstanding any derogation from the statutory form, a borrower may not withdraw from a loan contract following expiry of the 14 days withdrawal period, if such withdrawal was vexatious, which was the case if the borrower had been offered a residual debt insurance agreement (*Restschuldversicherung*) but had refused to accept (German Federal Court of Justice (*Bundesgerichtshof*) judgment dated 27 October 2020 - XI ZR 498/19). On 15 June 2021 the form of withdrawal notice included in the EGBGB has been amended by a law aiming to conform the statutory form of withdrawal notice to the requirements of EU consumer law as specified in the above ECJ's ruling.

However, in a further judgement the ECJ held that the mandatory information (*Pflichtangaben*) in consumer loan agreements, *inter alia*, (i) must specify the rate of default interest (*Verzugzinssatz*) applicable at the time of the conclusion of the consumer loan agreement as a specific percentage and the mechanism of adjustment of the default interest (*Verzugzinssatz*) shall be described in a comprehensible manner, (ii) must describe the method for calculating the breakage costs (*Vorfälligkeitsentschädigung*) in a specific and easily comprehensible manner, so that an average consumer can determine the amount of the breakage costs on such basis and (iii) must specify the essential information on any out-of-court complaint or redress procedures (*außergerichtliche Beschwerde- oder Rechtsbehelfsverfahren*) available to the consumer and, where applicable, the costs associated therewith, whether the complaint or redress is to be submitted by post or electronically, the physical or electronic address to which the complaint or redress is to be sent and the other formal requirements, which the complaint or redress is subject to (ECJ ruling in the related matters C-33/20, C-155/20 und C-187/20 dated 9 September 2021). Lacking such information the 14 day withdrawal period will not commence and the consumer may withdraw from the loan agreement at any time.

Even in cases where, prior to the ECJ judgement of 9 September 2021, the information provided to customers may have been regarded by German courts as compliant with the applicable German statutory consumer loan requirements, German courts may, following the ECJ judgement, hold that a borrower may revoke a consumer loan agreement at any time on the basis that required mandatory information (*Pflichtangaben*) was not, or not properly, provided to the customer. For instance, in a decision of 2 November 2021, the Higher Regional Court (*Oberlandesgericht*) of Stuttgart confirmed a right of the borrower to revoke the loan agreement at any time due to non-compliant mandatory information (*Pflichtangaben*) on the calculation of default interest by applying the ECJ's more consumer-friendly interpretation of the mandatory information requirements under Directive 2008/48/EC and concluding that the relevant German statutory information requirement on default interest leaves room for an interpretation based on Directive 2008/48/EC. Further, the German Federal Supreme Court (*Bundesgerichtshof*) ruled on 12 April 2022, in line with the decision of the ECJ of 9 September 2021, that the information on default interest (*Verzugszinsen*) to be provided in consumer loan agreements needs to be specific, i.e. that the specific rate of late payment



interest must be stated in the form of a specific percentage rate, rather than only by defining the rate or calculation formula for that purpose.

According to a recent ECJ decision of 21 December 2023, the revocation period shall only commence if the incompleteness or inaccuracy of the mandatory information does not impair the consumer's ability to assess the scope of its rights and obligations under the loan agreement or its decision to enter into the agreement and, where applicable, to deprive it of the possibility of exercising its rights under essentially the same conditions as would have existed if the information had been provided fully and correctly. The German Federal Supreme Court (*Bundesgerichtshof*) referred to this ECJ ruling in its decision of 27 February 2024, denying the suspension of the commencement of the revocation period, if a well-informed, reasonably observant and circumspect consumer would have also entered into the respective loan agreement, if the information had been provided in a complete and accurate manner.

Furthermore, under Sections 505a and 505d of the German Civil Code (*Bürgerliches Gesetzbuch*), the Seller in its capacity as lender (*Darlehensgeber*) is obliged to conduct a mandatory credit assessment of each Debtor and the Seller will only be entitled to enter into a loan agreement if the outcome of such credit assessment is that there are no material doubts whether Debtor will be able to perform its duties under such loan agreement. If the Seller did not conduct such credit assessment in respect of the Debtor, the interest rate under the loan agreement will be reduced to the market interest rate (*marktüblicher Zinssatz*) and the Debtor has a right for early termination (*vorzeitige Kündigung*). Furthermore, if the Debtor is not able to perform its duties under the loan agreement, the Seller would not be entitled to assert any claims subject to such breach of duty if the Seller had entered into the loan agreement after conducting a credit assessment.

#### *Linked contracts (verbundene Verträge)*

If a Debtor is a consumer (or an individual as entrepreneur who enters into the Loan Contract to take up a trade or self-employed occupation, unless the net loan amount or the cash price exceeds EUR 75,000) and the relevant goods or related services are financed in whole or in part by the Loan Contract, such Loan Contract and the related purchase agreement or other agreement (as applicable) constitute linked contracts (*verbundene Verträge*) within the meaning of Section 358 of the German Civil Code (*Bürgerliches Gesetzbuch*). Accordingly, in case of a loan agreement for the purposes of financing a car, the related car purchase agreement is considered to be a linked contract (*verbundener Vertrag*) within the meaning of Section 358 of the German Civil Code (*Bürgerliches Gesetzbuch*). As a result, if a Debtor has any defences under a car purchase agreement (in particular, if the Financed Vehicle is defective, including but not limited to cases in connection with faulty software used by the car manufacturer affecting emissions or fuel consumption tests) such defences may also be raised as a defence against the Issuer's claim for payment under the relevant Loan Contract and, accordingly, the Debtor may deny the repayment of such part of the Receivable as relates to the financing of the Financed Vehicle or other goods or related services (*Einwendungsdurchgriff*). Furthermore, the Debtor might be entitled to request a cancellation of the Loan Contract if the Debtor has exercised its right to withdraw (*zurücktreten*) from the car purchase agreement (i) in case of a material defect (*erheblicher Mangel*) of the Financed Vehicle, (ii) if the Debtor has requested rectification (*Nachbesserung bzw. Nacherfüllung*) of the defect relating to the Financed Vehicle and the seller has either rejected the Debtor's demand or is unable to repair the defect (after having attempted twice). A Debtor may also set off claims which it has against the seller of the Financed Vehicle against claims under the Loan Contract. Further, the withdrawal of the Debtor's consent to one of the contracts linked (*verbunden*) to the Loan Contract may also extend to such Loan Contract and such withdrawal may be raised as a defence against such Loan Contract (*Widerrufsdurchgriff*).

### *Related contracts (zusammenhängende Verträge)*

In addition, according to Section 360 of the German Civil Code (*Bürgerliches Gesetzbuch*) the withdrawal by the consumer of its consent to a contract extends to another contract that is not linked (*nicht verbunden*) but which qualifies as a related contract (*zusammenhängender Vertrag*) such as residual debt insurances or other insurance contracts. In Section 360 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*), the term "related contract" is defined as a contract which is related to the contract subject to withdrawal and under which goods or services are provided by the same contractor or by a third party on the basis of an agreement between the relevant contractor and such third party. The provision further states that a consumer loan agreement also qualifies as a related contract if (i) the loan exclusively serves to finance the goods or services under the contract subject to withdrawal and (ii) such goods or services are explicitly identified in the consumer loan agreement. Therefore, in the event the requirements of Section 360 of the German Civil Code (*Bürgerliches Gesetzbuch*) are met, the withdrawal extends also to the Loan Contract and the Debtor may raise the withdrawal of its consent to such other contract as a defence against its obligations under the Loan Contract. The notice providing information about the right of withdrawal must contain information about the aforementioned legal effects of linked and related contracts. In the event that a consumer is not properly notified of its right of withdrawal and such legal effects of linked and related contracts, the consumer may withdraw its consent to any of these contracts at any time during the term of these contracts (and may also raise such withdrawal as a defence against the relevant Loan Contract). If, for example, the purchase agreement for vehicles or other goods or the related services linked to a Loan Contract is invalid or has been rescinded, the Debtor has the right to refuse further payments under the relevant Loan Contract and may in certain circumstances also request repayment of the amount already paid under the Loan Contract.

### *Insurance policies*

The German Federal Court of Justice (*Bundesgerichtshof*, 15 December 2009 (11 ZR 45/09)) has decided that the abovementioned provisions and principles as regards linked contracts also apply to insurance policies, in particular to any payment protection insurance policy (*Restschuldversicherung*) (each a "**Relevant Insurance Policy**") entered into by the Debtor. Although the prevailing view in legal literature states that Section 358 para. 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) does not apply to Relevant Insurance Policies, it can therefore not be excluded that Section 358 para. 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) does in fact apply to cases where the consumer withdraws its consent to a Relevant Insurance Policy, i.e. the Loan Contract would be affected as described above. If the same principles apply to such cases in which the Relevant Insurance Policy is entered into by the Seller as policy holder (*Versicherungsnehmer*) and the Debtor merely accedes to it as insured person (*versicherte Person*), is disputed in literature and in jurisprudence. It could be argued that the Debtor should benefit from the same consumer protection as if the Debtor was the policy holder and the Relevant Insurance Policy and the related Loan Contract constituted linked contracts (to the extent the premiums to the relevant insurance have been financed by the Loan Contract). This would in particular imply that defences may be invoked by the Debtor against the Loan Contract on the basis of rights and claims the Debtor or the Seller may have under the Relevant Insurance Policies. While contradictory court rulings have been issued by a number of Higher Regional Courts (*Oberlandesgerichte*) and Regional Courts (*Landgerichte*), the German Federal Court of Justice (*Bundesgerichtshof*) has not decided this question.

In addition, there is legal uncertainty as to the interpretation of Section 360 of the German Civil Code (*Bürgerliches Gesetzbuch*) regarding the question whether the above described legal consequences could be triggered in relation to a Relevant Insurance Policy which is neither linked nor (on the basis

of the line of arguments outlined in the preceding paragraph) treated as if it was linked to a Loan Contract but which is sufficiently specified in, and financed by (as applicable), such Loan Contract. If such consequences were triggered, it would be uncertain whether the Loan Contract would only be affected to the extent it finances the Relevant Insurance Policy or in its entirety.

In the context of the preceding two paragraphs, it should be noted that according to the prevailing view in German legal literature, the Debtor's withdrawal of its consent to the Relevant Insurance Policy may in any case be raised as a defence against the loan agreement to the extent the Relevant Insurance Policy qualifies as a distance marketing agreement (*Fernabsatzvertrag*; Section 312c of the German Civil Code (*Bürgerliches Gesetzbuch*)) or an off-premises agreement (*Außerhalb von Geschäftsräumen geschlossene Verträge*; Section 312b of the German Civil Code (*Bürgerliches Gesetzbuch*)).

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

However, if the relevant Loan Contract is revoked or voided due to a withdrawal of a linked or related payment protection insurance agreement, the Seller shall make a payment in form of a Deemed Collection in the amount of the Outstanding Principal Amount of such Loan Contract / Purchased Receivable.

#### **German Insurance Contract Act (*Versicherungsvertragsgesetz*)**

This risk also results from Sections 8 and 9 of the German Insurance Contract Act (*Versicherungsvertragsgesetz*) as it contains statutory withdrawal rights applicable to insurance contracts. The relevant withdrawal right is exercisable for a period of two (2) weeks (thirty (30) calendar days in case of life insurance) after the policy holder has been properly notified of such right and provided with certain other information and documents. The withdrawal right applies to insurance contracts entered into by consumers as well as non-consumers and, pursuant to Section 9 Para. 2 of the German Insurance Contract Act (*Versicherungsvertragsgesetz*), also affects related contracts. However, unlike the definition of related contracts included in Section 360 Para. 2 of the German Civil Code (*Bürgerliches Gesetzbuch*), the definition of related contracts set forth in Section 9 para. 2 of the German Insurance Contract Act (*Versicherungsvertragsgesetz*) does not provide for specific provisions under which consumer loan agreements are to be qualified as related contracts. The omission of the relevant provisions could be interpreted to the effect that consumer loan agreements which explicitly identify and serve to finance the relevant insurance contract in deviation from Section 360 Para. 2 of the German Civil Code (*Bürgerliches Gesetzbuch*) do not qualify as related contracts for the purposes of Section 9 Para. 2 of the German Insurance Contract Act (*Versicherungsvertragsgesetz*) unless the other requirements set out therein are also met. To date, neither this interpretation of Section 9 Para. 2 of the German Insurance Contract Act (*Versicherungsvertragsgesetz*) nor its interaction with Sections 358 and 360 of the German Civil Code (*Bürgerliches Gesetzbuch*) have been the subject matter of in-depth judicial review or analysis by legal commentators. It is also unclear whether Section 9 Para. 2 of the German Insurance Contract Act (*Versicherungsvertragsgesetz*) would apply to the withdrawal of a group insurance contract (*Gruppenversicherungsvertrag*) exercised by the insured person (*versicherte Person*) rather than the policy holder (*Versicherungsnehmer*). Currently, it cannot be ruled out that a Debtor may raise the withdrawal of its consent to a relevant insurance policy (including, but not limited to, any payment protection insurance policy (*Restschuldversicherung*)) as a defence against its obligations under the Loan Agreement.

### **Prepayment of loans / Set-Offs**

Pursuant to Section 500 Para. 2 of the German Civil Code (*Bürgerliches Gesetzbuch*), the borrower may in case of a consumer loan contract (including loan contracts for individuals as entrepreneurs that enter into loan contracts to take up a trade or self-employed occupation (*Existenzgründer*) pursuant to Section 513 of the German Civil Code (*Bürgerliches Gesetzbuch*) unless the net loan amount or the cash price of such loan contracts exceeds EUR 75,000) prepay the loan (*vorzeitige Rückzahlung*) in whole or in part at any time. In addition, the borrower may terminate the loan agreement at any time without observing a notice period for good cause (*aus wichtigem Grund*). In the event of a prepayment, the Issuer would receive interest on such loan for a shorter period of time than initially anticipated.

In case of a premature repayment in accordance with Section 502 of the German Civil Code (*Bürgerliches Gesetzbuch*), any prepayment penalties (*Vorfälligkeitsentschädigung*) payable by a borrower will be limited to the lower of (i) 1 per cent. of the prematurely repaid amount (or 0.5 per cent. if the remaining term is equal to or less than one year) and (ii) the aggregate amount of interest which the borrower would have been obliged to pay (*Sollzinsen*) for the period from the premature repayment date to the final repayment date initially agreed upon in the consumer loan agreement, whereby such principle will, in relation to loans unrelated to real estate (*Allgemein-Verbraucherdarlehensverträge*) only be applicable if the interest rate was agreed upon at the time of the conclusion of the agreement (*gebundener Sollzinssatz*).

In case of a termination or withdrawal the relevant Loan Contract will be prepaid before its scheduled final payment date. This may occur in whole or in part, at any time. Hence, the Issuer would receive interest under such Purchased Receivable for a shorter period of time than initially anticipated.

In addition, it should be noted that the German Federal Court of Justice (*Bundesgerichtshof*) decided on the validity of clauses in general terms and conditions restricting set-off by a consumer borrower (judgment dated 20 March 2018 - XI ZR 309/16). The case deals with a clause in the general terms and conditions of a consumer loan agreement of a German savings bank (*Sparkasse*) restricting the right of the borrower to declare set-off to cases where its claim is either undisputed (*unbestritten*) or finally adjudicated (*rechtskräftig festgestellt*). This is in line with the scope of Section 309 no. 3 of the German Civil Code (*Bürgerliches Gesetzbuch*). However, the German Federal Court of Justice (*Bundesgerichtshof*) ruled that such restriction needs to be interpreted as also excluding the right of the borrower to declare set-off with claims upon exercising its right of withdrawal (*Widerrufsrecht*) and that such restriction rendered the relevant clause invalid pursuant to Section 307 of the German Civil Code (*Bürgerliches Gesetzbuch*) as it constitutes an unreasonable disadvantage (*unangemessene Benachteiligung*) to the borrower. Accordingly, in such case a Debtor would be free to declare set-off with claims of its own against payment claims of the Issuer and, as a consequence, investors may suffer losses under the Notes.

However, in the event that any Debtor exercises a right of set-off in respect of a Purchased Receivable, the Seller will be required to pay to the Issuer Deemed Collections in the amount of the reduction by such set-off of the Outstanding Principal Amount of any Purchased Receivable.

In the event of (i) non-compliance by the Seller with consumer loan legislation, (ii) the withdrawal by a Debtor from a Loan Contract, (iii) the raise of defences by the a Debtor against the Issuer's claim for payment under the relevant Loan Contract or (iv) the exercise of set-off rights by a Debtor, the Issuer will have recourse to the Seller by virtue of a Deemed Collection if and to the extent the requirements of a Deemed Collection are met. Should the Seller not be in a position to discharge its payment obligations under any Deemed Collection, the Issuer may not have sufficient funds available to meet its payment obligations towards the Transaction Parties and, as a consequence,

Noteholders may suffer a risk of a reduction or non-receipt of principal and/or interest due to them in respect of their Notes.

**Notice of Assignment; Set-off Risk**

The assignment of the Purchased Receivables and the assignment and transfer of the Related Collateral may only be disclosed to the relevant Debtors in case of a Notification Event by the Issuer or through the Servicer in accordance with the Servicing Agreement. Until the relevant Debtors have been notified of the assignment of the relevant Purchased Receivables, they may undertake payment with discharging effect to the Seller or enter into any other transaction with regard to such Purchased Receivables which will have binding effect on the Issuer and the Transaction Security Trustee.

Until a Debtor has been notified of the assignment of the Purchased Receivables, such Debtor may, *inter alia*:

- (a) effect payment with discharging effect to Hyundai Capital Bank Europe GmbH or enter into any other transaction with respect to the Purchased Receivable with Hyundai Capital Bank Europe GmbH with binding effect on the Issuer;
- (b) raise defences against the Issuer arising from its relationship with Hyundai Capital Bank Europe GmbH existing at the time of the assignment of the Purchased Receivable by Hyundai Capital Bank Europe GmbH; and
- (c) be entitled to set-off against the Issuer any claims against Hyundai Capital Bank Europe GmbH, unless the Debtor has knowledge of the assignment upon acquiring such claims or such claims become due only after the Debtor acquires such knowledge and after the relevant obligations under the Purchased Receivables become due.

For the purpose of notification of the Debtors in respect of the assignment of the Purchased Receivables, the Issuer (or the Corporate Administrator on its behalf) or any Replacement Servicer will require the Portfolio Decryption Key which is in the possession of the Data Trustee. Under the Data Trust Agreement, the Seller or the Issuer (or, after the occurrence of an Issuer Event of Default, the Transaction Security Trustee) is entitled to request delivery of the Portfolio Decryption Key from the Data Trustee under certain conditions a Notification Event has occurred. However, the Issuer (or the Corporate Administrator on its behalf) or any Replacement Servicer (as applicable) might not be able to obtain such data in a timely manner as a result of which the notification of the Debtors may be considerably delayed. Until such notification has occurred, the Debtors may undertake payment with discharging effect to the Seller or enter into any other transaction with regard to the Purchased Receivables which will have binding effect on the Issuer and the Transaction Security Trustee.

**Note Collateral and Transaction Security Trustee Claim**

The Issuer has granted to the Transaction Security Trustee the Transaction Security Trustee Claim (*Treuhänderanspruch*) under Clause 4.2 of the Transaction Security Agreement. To secure the Transaction Security Trustee Claim (*Treuhänderanspruch*), the Issuer will, *inter alia*, grant a pledge (*Pfandrecht*) to the Transaction Security Trustee pursuant to Clause 6 (*Pledge*) of the Transaction Security Agreement with respect to all its present and future claims against the Transaction Security Trustee arising under the Transaction Security Agreement as well as its present and future claims under the Accounts Agreement and any other Transaction Document to which Transaction Security Trustee (in whatever capacity) is a party, which have not been assigned or transferred for security purposes under Clause 5 of the Transaction Security Agreement. The Transaction Security Trustee Claim entitles the Transaction Security Trustee to demand, *inter alia*, that all present and future obligations of the Issuer under the Notes be fulfilled.

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

### **General Data Protection Regulation (*Datenschutzgrundverordnung*)**

According to the Article 6 of the Regulation (EU) 2016/679 of 27 April 2016 (the "**General Data Protection Regulation**"), a transfer of a customer's personal data is permitted if (a) the data subject has given consent to the processing of his or her personal data for one or more specific purposes or (b) processing is necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into a contract or (c) processing is necessary for compliance with a legal obligation to which the controller is subject or (d) processing is necessary in order to protect the vital interests of the data subject or of another natural person or (e) processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller or (f) processing is necessary for the purposes of the legitimate interests pursued by the controller or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject which require protection of personal data. The Issuer is of the view that the transfer of the Debtors' personal data in connection with the assignment of the rights under the Purchased Receivables relating to the Related Collateral and the other transaction provided for in and contemplated by the Transaction Documents is in compliance with (f) above as well as the German Data Protection Act (*Bundesdatenschutzgesetz*) and is necessary to maintain the legitimate interests of the Seller, the Issuer and the Transaction Security Trustee. In this context, it should be noted that there is no jurisprudence or publication from a court or other competent authority available confirming the traditional view on the manner and procedures for an assignment of loan receivables to be in compliance with, or the consequences of a violation of, the General Data Protection Regulation or the Data Protection Amendment and Implementation Act (*Datenschutzanpassungs- und Umsetzungsgesetz*) which implements Directive (EU) 2016/680 of the European Parliament and the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data. As a consequence, a German court may rule that these requirements are still not sufficient to comply with the GDPR. Therefore, at this point there remains some uncertainty to predict the potential impact on the Transaction.

The Transaction has been structured to comply with the General Data Protection Regulation and the German Data Protection Act (*Bundesdatenschutzgesetz*). The relevant Transaction Documents contain the provisions stipulating the control and the processing of the personal data of the Debtors by the Seller, the Purchaser, the Issuer, the Corporate Administrator and the Transaction Security Trustee, e.g. (i) the Seller will send two separate files to the Purchaser, one will contain personal data relating to the Debtors which will be encrypted by using a minimum encryption method of AES 256-bit encryption or similar type of encryption type and the other one will contain general information which does not qualify as protectable personal data which will not be encrypted.

Pursuant to Clause 5 (*Personal Data; Maintenance of Secrecy; Data Protection*) of the Receivables Purchase Agreement, the Seller shall deliver to the Purchaser at the latest on the Purchase Date the encrypted and the unencrypted data in respect of each Debtor for each Receivable and Related Collateral with respect to the Offer made at the Offer Date. Concurrently with such Offer, the Seller shall also provide the Data Trustee with the Portfolio Decryption Key in relation to the Encrypted Portfolio Information, and (ii) the Issuer and the Transaction Security Trustee have entered into a data processing agreement (*Auftragsdatenverarbeitungsvereinbarung*) under the Transaction Security Agreement because, after the occurrence of an Issuer Event of Default, the Transaction Security Trustee might receive the Portfolio Decryption Key from the Data Trustee and will then have access to the personal data of the Debtors which have been previously encrypted.

In addition, the Issuer has been advised that the protection mechanisms provided for in the Data Trust Agreement, the Receivables Purchase Agreement, the Transaction Security Agreement and the Corporate Administration Agreement take into account the legitimate interests of the Debtors to prevent the processing and use of data by any of the Seller, the Purchaser, the Issuer, the Corporate Administrator and the Transaction Security Trustee.

However, this data protection concept provided for in the above-mentioned Transaction Documents has not been tested in court and it cannot be ruled out that a German court would come to a different conclusion and, thus, that the Issuer could face administrative fines up to EUR 20,000,000.00 or in the case of an enterprise (*Unternehmen*), up to 4 per cent. of the total worldwide annual turnover of the preceding financial year (*gesamter weltweit erzielter Jahresumsatzes des vorangegangenen Geschäftsjahrs*), whichever is higher (cf. Article 83 para. 6 of the General Data Protection Regulation).

### **Banking Secrecy**

On 25 May 2004, the Higher Regional Court (*Oberlandesgericht*) in Frankfurt am Main rendered a ruling with respect to the enforcement of collateral securing non-performing loan receivables. In its ruling, the court took the view that the banking secrecy duties embedded in the banking relationship create an implied restriction on the assignability of loan receivables pursuant to Section 399 of the German Civil Code (*Bürgerliches Gesetzbuch*), if the loan agreement is not a business transaction (*Handelsgeschäft*) within the meaning of Section 343 of the German Commercial Code (*Handelsgesetzbuch*) for both the debtor and the bank.

On 27 February 2007, the German Federal Court of Justice (*Bundesgerichtshof*) issued a ruling (docket no. XI ZR 195/05) confirming the traditional view that a breach of the banking secrecy duty by the bank does not render the sale and assignment invalid but may only give rise to defences (including damage claims) against the assignor. The ruling relates to a mortgage loan agreement which included terms allowing for the assignment of the loan receivables and collateral thereunder for refinancing purposes. However, notwithstanding those terms, the court held as a general matter that banking secrecy duties do not create an implied restriction on the assignability of loan receivables and that the German Federal Data Protection Act (*Bundesdatenschutzgesetz*) does not constitute a statutory restriction on the assignability of loan receivables.

In accordance with circular 4/97 of the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) which was expressly referred to by the German Federal Court of Justice (*Bundesgerichtshof*) in the ruling, a breach of the banking secrecy duty may be avoided by using a data trustee who keeps all data relating to the identity and address of each debtor in safe custody and discloses such data only upon insolvency or material violation of the seller in respect of its obligations towards the purchaser. Here, the Issuer, the Seller and the Data Trustee have agreed that the Portfolio Decryption Key required to decrypt the required personal data

including the identity and address of each Debtor and provider of Related Collateral is not to be sent to the Issuer on the Closing Date but only to the Data Trustee. Under the Data Trust Agreement, the Data Trustee will safeguard the Portfolio Decryption Key and may provide the Portfolio Decryption Key to any Replacement Servicer or the Transaction Security Trustee only upon the occurrence of certain events including (i) the Data Trustee has been notified that the appointment of the Servicer under the Servicing Agreement has been terminated, (ii) a Notification Event has occurred or (iii) the Data Trustee has been notified that knowledge of the relevant data is necessary for the Issuer (acting through such Replacement Servicer) to pursue legal remedies and prosecution of legal remedies through the Servicer is inadequate (see "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Data Trust Agreement").

The assignment of the Purchased Receivables, however, is not structured in strict compliance with the guidelines for German true sale securitisations of bank assets set out in the circular 4/97 of the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*). In particular, these guidelines require a neutral entity to act as data trustee that is a public notary, a domestic credit institution or a credit institution having its seat in any member state of the European Union or any other state of the European Economic Area and being supervised pursuant to the EU Banking Directives. The Bank of New York, Frankfurt Branch acting as Data Trustee does not fall into any of these categories. Arguably, the rationale for identifying regulated credit institutions and notaries as eligible data trustees is, besides their neutrality, their reliability in relation to the protection of data when handling personal data. Thus, the Issuer has been advised that there are good arguments to construe the term neutral entity for this purpose to include other entities having their seat in the European Union or European Economic Area if the relevant entity is equally neutral and reliable in relation to the handling of personal data which is also backed by the view of the German Federal Financial Supervisory Authority (cf. letter of the German Federal Financial Supervisory Authority of 14 December 2007, section capacity as data trustee, BA 37-FR 1903-2007/0001). Absent any court rulings, however, it cannot be ruled out that a court would find that the transmission of the Debtor data to the Data Trustee - though in anonymised form - (if and to the extent relevant) occurred in violation of banking secrecy requirements.

### ***EU Risk Retention, Transparency Requirements and Due Diligence Requirements under the Securitisation Regulation and Simple, Transparent and Standardised Securitisations***

The Securitisation Regulation lays down a general framework for securitisation. It defines securitisation and establishes due-diligence, risk-retention and transparency requirements for parties involved in securitisations, criteria for credit granting, requirements for selling securitisations to retail clients, a ban on re-securitisation, requirements for securitisation special purpose entities ("**SSPEs**") as well as conditions and procedures for securitisation repositories. Further, it creates a specific framework for simple, transparent and standardised ("**STS**") securitisations. It applies to institutional investors and to originators, sponsors, original lenders and securitisation special purpose entities.

#### *EU Risk Retention and Transparency Requirements under the Securitisation Regulation*

The Securitisation Regulation replaced the former risk retention requirements by one single provision, Article 6 of the Securitisation Regulation, which provides for a new direct obligation on, inter alios, originators to retain risk. Article 5(1)(c) of the Securitisation Regulation requires institutional investors (as defined in Article 2(12) of the Securitisation Regulation which term also includes (i) insurance and reinsurance undertakings as defined in Directive 2009/138/EC of the European Parliament and the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance and (ii) alternative investment fund managers as defined in the Commission Delegated Regulation 231/2013 of 19 December 2012 (as amended)) to verify that,



if established in the European Union, the originator, sponsor or original lender retains on an ongoing basis a material net economic interest in accordance with Article 6 of the Securitisation Regulation and the risk retention is disclosed to the institutional investors in accordance with Article 7(1)(e) of the Securitisation Regulation.

The Seller, as "originator" for the purposes of Article 6(1) of the Securitisation Regulation, has undertaken that, for so long as any Note remains outstanding, it (i) will retain on an ongoing basis a material net economic interest in the securitisation of not less than 5 per cent. of the nominal value of each Class of Notes provided that the level of retention may reduce over time in compliance with Article 10 (2) of Commission Delegated Regulation (EU) 2023/2175 or any successor delegated regulation and (ii) at all relevant times comply with the requirements of Article 7(1)(e)(iii) of the Securitisation Regulation by confirming for the purposes of the investor reports the risk retention of the Seller as contemplated by Article 6(1) of the Securitisation Regulation, (iii) not change the manner in which it retains such material net economic interest, except to the extent permitted by the Securitisation Regulation or any applicable regulatory technical standards and (iv) not sell, hedge or otherwise enter into any credit risk mitigation, short position or any other credit risk hedge with respect to its retained material net economic interest, except to the extent permitted by the Securitisation Regulation or any applicable regulatory technical standards.

With respect to the commitment of the Seller to retain a material net economic interest with respect to this Transaction, following the issuance of the Notes as contemplated by Article 6(3)(a) of the Securitisation Regulation, the Seller will retain, in its capacity as originator within the meaning of the Securitisation Regulation, on an ongoing basis for the life of the Transaction, such net economic interest with the exposure of not less than 5 per cent. of the nominal value of each Class of Notes.

Pursuant to Article 7 of the Securitisation Regulation, information about the risk retained, including information on which of the modalities provided for in Article 6(3) of the Securitisation Regulation has been applied in accordance with Article 6 of the Securitisation Regulation shall be made available to the holders of the Notes, to the competent authorities referred to in Article 29 of the Securitisation Regulation and, upon request, to potential investors.

Pursuant to the obligations set forth in Article 7(2) of the Securitisation Regulation, Hyundai Capital Bank Europe GmbH and the Issuer have designated the Issuer as reporting entity. The Issuer will provide all relevant information to the holders of the Notes, to the competent authorities referred to in Article 29 of the Securitisation Regulation and, upon request, to potential investors in accordance with the Securitisation Regulation Disclosure Requirements.

#### *Simple, Transparent and Standardised Securitisation*

The Securitisation Regulation sets out the criteria and framework for so-called "simple, transparent and standardised" ("**STS**") securitisation transactions. STS securitisation transactions receive preferential capital treatment and benefit from other regulatory advantages, such as a proposed exemption from clearing and a proposed relaxation of margining rules for derivatives entered into by a securitisation special purpose entity. In order to obtain this designation, a transaction is required to comply with the requirements set out in Articles 20, 21 and 22 of the Securitisation Regulation (the "**STS Criteria**") and one of the originator or sponsor in relation to such transaction is required to file a notification to ESMA confirming the compliance of the relevant transaction with the STS Criteria (the "**STS-Notification**") in line with the regulatory technical standards specifying the information to be provided in accordance with the STS Notification requirements laid down under the Commission Delegated Regulation (EU) 2020/1226. Investors should note that a draft STS Notification will be made available to investors before pricing of the Notes. Although the Transaction has been structured to comply with the requirements for simple, transparent and standardised

securitisations transactions as set out in Articles 20, 21 and 22 of the Securitisation Regulation and has been verified as such by STS Verification International GmbH ("**SVI**"), no guarantee can be given that the Transaction maintains this status throughout its lifetime and prospective investors should verify the current status of the securitisation transaction described in this Prospectus on ESMA's website.

It is important to note that the involvement of SVI as an authorised verification agent is not mandatory and the responsibility for compliance with the Securitisation Regulation remains with the relevant institutional investors, originators and issuers, as applicable in each case. An STS verification will not absolve such entities from making their own assessment with respect to the Securitisation Regulation, and an STS assessment cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. Furthermore, an STS verification is not an opinion on the creditworthiness of the relevant Notes nor on the level of risk associated with an investment in the relevant Notes. It is not an indication of the suitability of the relevant Notes for any investor and/or a recommendation to buy, sell or hold Notes. Investors should also note that, to the extent the securitisation transaction described in this Prospectus is designated an STS securitisation the designation of a transaction as an STS Securitisation is not an assessment by any party as to the creditworthiness of that transaction but is instead a reflection that the specific requirements of the Securitisation Regulation have been met as regards compliance with the criteria of STS securitisations.

Non-compliance with the STS requirements may in particular result in higher capital requirements for investors as an investment in the Notes would not benefit from the reduced risk weights set out in Articles 243, 260, 262 and 264 CRR. Furthermore, marketing of the securitisation transaction described in this Prospectus as an STS securitisation whilst not complying with the STS requirements could result in various administrative sanctions and/or remedial measures being imposed on the Issuer which may be payable or reimbursable by the Issuer in accordance with Article 27(2) and Article 32 of the Securitisation Regulation. As no reimbursement payments to the Issuer for the payment of any of such administrative sanctions and/or remedial measures are foreseen, the repayment of the Notes may be adversely affected.

Institutional investors that are subject to the due diligence requirements of the Securitisation Regulation (please see below) need to make their own independent assessment and may not solely rely on an STS verification, the STS Notification or other disclosed information. Investors should make themselves of the consequences of investing in a non-STS securitisation transaction. Investors who are uncertain as to those consequences should seek guidance from their regulator and/or independent legal advice on the issue.

#### *Due Diligence Requirements under the Securitisation Regulation*

Investors should be aware of the due diligence requirements under Article 5 of the Securitisation Regulation that apply to institutional investors with a European Union nexus (including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, institutions for occupational retirement provision and undertakings for the collective investment in transferable securities). Amongst other things, such requirements restrict an institutional investor (other than the originator, sponsor or original lender within the meaning of the Securitisation Regulation) from investing in securitisation positions unless, prior to holding the securitisation position:

- (a) that institutional investor has verified that:
  - (i) for certain originators, certain credit-granting standards were met in relation to the origination of the underlying exposures;

- (ii) the risk retention requirements set out in Article 6 of the Securitisation Regulation are being complied with; and
  - (iii) information required by Article 7 of the Securitisation Regulation has been made available; and
- (b) that institutional investor has carried out a due diligence assessment which enables it to assess the risks involved, which shall include at least (among other things) the risk characteristics of its securitisation position and the underlying exposures of the securitisation, and all the structural features of the transaction that can materially impact the performance of its securitisation position.

In addition, under Article 5(4) of the Securitisation Regulation, an institutional investor (other than the originator, sponsor or original lender) holding a securitisation position shall at least establish appropriate written procedures that are proportionate to the risk profile of the securitisation position and, where relevant, to the institutional investor's trading and non-trading book, in order to monitor, on an ongoing basis, compliance with its due diligence requirements and the performance of the securitisation position and of the underlying exposures.

Depending on the approach in the relevant member state, failure to comply with one or more of the due diligence requirements may result in penalties including fines, other administrative sanctions and possibly criminal sanctions. In the case of those institutional investors subject to regulatory capital requirements, penal capital charges may also be imposed on the securitisation position (i.e. notes) acquired by the relevant institutional investor.

The institutional investor due diligence requirements described above apply in respect of all Notes. With respect to the commitment of the Seller to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer, the Seller or another relevant party, please also see above. Relevant institutional investors are required to independently assess and determine the sufficiency of the information described elsewhere in this Prospectus for the purposes of complying with Article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant to investors.

Neither the Issuer, the Arranger, the Joint Lead Managers, the Seller, the Servicer nor any of the Transaction Parties and any of their respective affiliates:

- (a) gives any representation (whether express or implied), warranty, confirmation or guarantee to any investor in the Notes (i) as to the inclusion of the Transaction in the list administered by ESMA within the meaning of Article 27 of the Securitisation Regulation, (ii) that the Transaction does or continues to comply with the Securitisation Regulation, (iii) that the Transaction does or continues to be recognised or designated as 'STS' or 'simple, transparent and standardised' within the meaning of Article 18 et seqq. of the Securitisation Regulation, (iv) that the information described in this Prospectus, or any other information which may be made available to investors, is or will be sufficient for the purposes of any institutional investor's compliance with any investor requirement set out in Article 5 of the Securitisation Regulation, (v) investors in the Notes shall have the benefit of the differentiated capital treatment set out in Articles 260, 262 and 264 of the CRR as respectively referred to in paragraph 2 of Article 243 (Criteria for STS securitisations qualifying for differentiated capital treatment) of the CRR from the Closing Date until the full amortisation of the Notes;
- (b) has or shall have any liability to any prospective investor or any other person for any insufficiency of such information or any non-compliance by any such person with the due

diligence and retention rules set out in Article 5 and Article 6 of the Securitisation Regulation or any other applicable legal, regulatory or other requirements, nor has any obligation to provide any further information or take any other steps that may be required by any institutional investor to enable compliance by such person with the requirements of any due diligence and investor requirement or any other applicable legal, regulatory or other requirements.

### ***Investor compliance with due diligence requirements under the UK Securitisation Framework***

Pursuant to the EUWA, from 11 p.m. (GMT) on 31 December 2020, EU regulations (including the Securitisation Regulation) which previously had direct effect in the United Kingdom by virtue of the European Communities Act 1972 were transposed into domestic law in the United Kingdom. Prior to 1 November 2024, the Securitisation Regulation regime formed part of domestic law of the United Kingdom by virtue of the EUWA (together with applicable directions, secondary legislation, guidance, binding technical standards and related documents published by the FCA and the PRA of the United Kingdom) (the "**UK Securitisation Regulation**"), largely mirroring (with some adjustments) the securitisation regulation as it applied in the EU at the end of 2020. However, with effect from 1 November 2024, the United Kingdom introduced a new securitisation regime under the Financial Services and Markets Act 2000 (as amended, "**FSMA**") that revoked and replaced the UK Securitisation Regulation. The new regime (the "**UK Securitisation Framework**") is comprised of (i) the Securitisation Regulations 2024 (SI 2024/102), as amended from time to time (the "**SR 2024**"), (ii) the Securitisation Part of the rulebook of published policy of the Prudential Regulation Authority of the Bank of England (the "**PRA**"), as amended from time to time (the "**PRA Rulebook**") and (iii) the securitisation sourcebook of the handbook of rules and guidance adopted by the United Kingdom Financial Conduct Authority (the "**FCA**"), as amended from time to time (the "**SECN**"), together with the relevant provisions of the FSMA.

It should be noted that the implementation of the UK Securitisation Framework is a protracted process and will be introduced in phases. The first phase was the publication of the Financial Services and Markets Act 2023 (Commencement No 7) Regulations 2024 on 2 September 2024, which revoked the previous UK Securitisation Regulation regime and replaced it with the recast SR 2024 with effect from 1 November 2024. In 2025, it is expected that there will be a phase two to the reforms whereby the UK government, the PRA and the FCA will consult on further changes including, but not limited to, the recast of the transparency and reporting requirements. Therefore, as at the date of this Prospectus, not all the details are known on the implementation of the UK Securitisation Framework. In addition, while the UK Securitisation Framework regime brings some alignment with the EU Securitisation Regulation regime, it also introduces new points of divergence and the risk of further divergence between EU and UK regimes cannot be ruled out in the longer term as it is not known at this stage how the ongoing reforms or any future reforms will be finalised and implemented in the UK or the EU.

The UK Securitisation Framework includes principles-based due diligence requirements which are applicable to UK institutional investors (as defined in the UK Securitisation Framework) in a securitisation. These obligations arise from (i) regulations 32B, 32C and 32D of the SR 2024 (the "**OPS Due Diligence Rules**"), (ii) SECN 4 (the "**FCA Due Diligence Rules**") and (iii) Article 5 of Chapter 2 of the PRA Securitisation Rules (the "**PRA Due Diligence Rules**" and, together with the OPS Due Diligence Rules and the FCA Due Diligence Rules, the "**UK Due Diligence Rules**"). Among other things, prior to holding a securitisation position, such institutional investors are required to verify certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements and, on transactions notified as a

simple, transparent and standardised securitisation, compliance of that transaction with the EU or UK STS requirements, as applicable.

If a UK institutional investor fails to comply with the UK Due Diligence Rules then, depending on the regulatory requirements applicable to such UK institutional investor, an additional risk weight, regulatory capital charge and/or other regulatory sanction may be applied to such securitisation investment and/or imposed on the UK institutional investor.

In respect of the UK Due Diligence Rules, potential UK institutional investors should note in particular that:

- (a) in respect of the risk retention requirements set out in (i) SECN 5 (the "**FCA Risk Retention Rules**") and (ii) Article 6 of Chapter 2 of the PRA Securitisation Rules together with Chapter 4 of the PRA Securitisation Rules (the "**PRA Risk Retention Rules**" and, together with the FCA Risk Retention Rules, the "**UK Risk Retention Rules**"), the Seller commits to retain a material net economic interest with respect to this Transaction in compliance with Article 6(3)(a) of the Securitisation Regulation and Commission Delegated Regulation (EU) 2023/2175 or any successor delegated regulation only and not in compliance with the UK Risk Retention Rules; and
- (b) in respect of the transparency requirements set out in (i) SECN 6, SECN 11 (including its Annexes) and SECN 12 (including its Annexes) (the "**FCA Transparency Rules**") and (ii) Article 7 of Chapter 2 of the PRA Securitisation Rules, Chapter 5 of the PRA Securitisation Rules (including its Annexes) and Chapter 6 of the PRA Securitisation Rules (including its Annexes) (the "**PRA Transparency Rules**" and, together with the FCA Transparency Rules, the "**UK Transparency Rules**"), the Issuer in its capacity as designated reporting entity under Article 7 of the Securitisation Regulation will make use of the standardised templates developed by ESMA in respect of the Securitisation Regulation Disclosure Requirements for the purposes of this Transaction and will not make use of the standardised templates adopted by the FCA.

UK institutional investors should be aware that whilst, at the date of this Prospectus, the Securitisation Regulation Disclosure Requirements and the UK Transparency Rules are very similar, the Securitisation Regulation and UK Securitisation Framework (including but not limited to the Securitisation Regulation Disclosure Requirements and the UK Transparency Rules) are likely to diverge. No assurance can be given that the information included in this Prospectus or provided in accordance with the Securitisation Regulation Disclosure Requirements will be sufficient for the purposes of assisting such UK institutional investors in complying with their due diligence obligations under the UK Due Diligence Rules.

Therefore, relevant UK institutional investors are required to independently assess and determine the sufficiency of the information described in this Prospectus for the purposes of complying with the UK Due Diligence Rules, and any corresponding national measures which may be relevant to investors, and no assurance can be given that this is the case. None of the Issuer, the Arranger, the Joint Lead Managers, the Transaction Security Trustee, the Servicer, the Seller or any of the other Transaction Parties makes any representation that any such information described in this Prospectus is sufficient in all circumstances for such purposes.

The UK Securitisation Framework also includes criteria and procedures in relation to the designation of securitisations as simple, transparent and standardised, or STS, within the meaning of Regulation 9 of the SR 2024 ("**UK STS**"). The Transaction described in this Prospectus is not intended to be designated as a UK STS securitisation for the purposes of the UK Securitisation Framework. Pursuant to Regulation 12(3) of the SR 2024, a securitisation which meets the

requirements for an STS-Securitisation for the purposes of the Securitisation Regulation, which is notified to ESMA in accordance with the applicable requirements before 11 p.m. (GMT) on 31 December 2024 and which is included in the ESMA List may be deemed to satisfy the "STS" requirements for the purposes of the UK Securitisation Framework. On 22 November 2024, the SR 2024 was amended to extend this deadline to 11 p.m. (GMT) on 30 June 2026. Investors should therefore consider the consequence from a regulatory perspective of the Notes not being considered an STS Securitisation, including (but not limited to) that the lack of such designation may negatively affect the regulatory position of the Notes and, in addition, have a negative effect on the price and liquidity of the Notes in the secondary market

***Reliance on Verification "VERIFIED BY SVI" by STS Verification International GmbH***

Investors should not evaluate their notes investments solely on the basis of the verification of STS Verification International GmbH ("**SVI**").

SVI has been authorised by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*), as the competent authority pursuant to Art 29 of the Securitisation Regulation to act in all EU countries as third party pursuant to Art 28 of the Securitisation Regulation to verify compliance with the STS Criteria pursuant to Articles 19 to 26e of the Securitisation Regulation. SVI grants a registered verification label "**verified – STS VERIFICATION INTERNATIONAL**" if a securitisation complies with the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 26e of the Securitisation Regulation. The aim of the Securitisation Regulation is to restart high-quality securitisation markets, and the implementation of a framework for simple, transparent and standardised transactions with corresponding STS criteria shall contribute to this. However, it should be noted that the STS verification performed by SVI does not affect the liability of an originator or special purpose vehicle in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of verification services from SVI shall not affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation. Notwithstanding confirmation by SVI, which verifies compliance of a securitisation with the STS Requirements (see "COMPLIANCE WITH STS REQUIREMENTS"), such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation.

SVI has carried out no other investigations or surveys in respect of the Issuer or the Notes concerned other than as set out in the verification report prepared by SVI and disclaims any responsibility for monitoring the Issuer's continuing compliance with these standards or any other aspect of the Issuer's activities or operations. Furthermore, SVI has not provided any form of advisory, audit or equivalent service to the originator, Issuer or sponsor.

SVI is not a legal advisor and nothing in the verification report prepared by SVI shall be regarded as legal advice in any jurisdiction.

Accordingly, the verification report prepared by SVI is only an expression of opinion by SVI after application of its verification methodology and not a statement of fact. It is not a guarantee or warranty that ECB, any of the ESAs or national competent authorities, courts, investors or any other person will accept the STS status of the relevant securitisation. Therefore, no person should rely on the verification report prepared by SVI in determining the STS status but must perform its own analysis and reach its own conclusions.

SVI assumes due performance of the contractual obligation thereunder by each of the parties and the representations made and warranties given in each case by any persons or parties to SVI or in any of the documents are true, not misleading and complete. SVI shall have no liability for any loss of any kind suffered by any person as a result of a securitisation where the verification report

prepared by SVI indicated that it met, in whole or in part, the STS Requirements, certain CRR or SRT requirements being held for any reason as not so meeting the relevant requirements or not being able to have lower capital allocated against it save in the case of deliberate fraud by SVI. SVI shall also not have any liability for any action taken or action from which any person has refrained from taking as a result of the verification report prepared by SVI.

### ***Basel Capital Accord and regulatory capital requirements***

The European authorities have incorporated the Basel III framework into European Union law, primarily through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directive 2006/48/EC and 2006/49/EC (Capital Requirements Directive – "**CRD**"), as amended from time to time, e.g. by Directive (EU) 2019/878 of 20 May 2019 (the "**CRD V**") and Directive (EU) 2024/1619 of 31 May 2024 (the "**CRD VI**"), and the CRR, as amended from time to time, e.g. by Regulation (EU) 2019/876 of 20 May 2019 (the "**CRR II**") and Regulation (EU) 2024/1623 of 31 May 2024 (the "**CRR III**"). The CRR III became applicable as of 1 January 2025. In respect of the CRD VI, Member States have 18 months to transpose the directive into national legislation.

CRR III implements changes to the output floor which had been introduced to reduce excessive variability of banks' capital requirements calculated with internal models. The output floor will be implemented on a transitional basis starting with 50% as of 1 January 2025 and ending with 72.5% from 1 January 2030 onwards. CRR III also implements changes to the p-factor, for exposures that are risk weighted using the Securitisation Internal Ratings-Based Approach (SEC-IRBA) or the Internal Assessment Approach, shall, until 31 December 2032, apply the following factor p: (a)  $p = 0,25$  for an STS transaction (b)  $p = 0,5$  for non-STS transactions. Further key changes of CRR III are changes to the risk weight provisions.

Additionally, Regulation (EU) No 2015/61 of 10 October 2014 (the "**LCR Regulation**") sets out assumed asset inflow and outflow rates to better reflect actual experience in times of stress. On 19 November 2018, Delegated Regulation (EU) 2018/1620 amending the LCR Regulation (the "**Delegated Regulation**") entered into force, pursuant to which, inter alia, transactions exposures of securitisations, which qualify as simple, transparent and standardised securitisations in accordance with the Securitisation Regulation, shall qualify as Level 2B high quality liquid assets, if they additionally fulfil the conditions laid down in Article 13 of the LCR Regulation.

The CRR III and the CRD VI could affect the risk-based capital treatment of the Notes for investors which are subject to bank capital adequacy requirements under these provisions or implementing measures and may have negative implications on the cost of regulatory capital for certain investors and thereby on the overall return from an investment of the Notes and the liquidity of the Notes. Therefore, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them by the CRR III and the CRD VI and its amendments. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

### ***Overcollateralisation of Loans***

According to German law, the granting of security for a loan may be held invalid and the security or part of the security may have to be released if the loan is overcollateralised. Overcollateralisation occurs where the creditor is granted collateral the value of which excessively exceeds the value of the secured obligations or if the granting of security leads to an inappropriate disadvantage for the debtor. Although there is no direct legal authority on point, the Issuer is of the view that the Purchased Receivables are not overcollateralised; although it cannot be ruled out that a German

court would hold otherwise. In the Receivables Purchase Agreement, the Seller has warranted to the Issuer that the Related Collateral to Purchased Receivables is legal, valid, binding and enforceable.

#### ***Re-characterisation of the English law collateral as a Floating Charge***

Pursuant to the English Security Deed, the Issuer has, as a continuing security for the discharge and payment of Transaction Secured Obligations (including the Transaction Security Trustee Claim) charged to the Transaction Security Trustee by way of first fixed charge all of its right, title, interest and benefit, present and future, in, under and to the Swap Agreement. Whether this charge will be upheld as a fixed charge rather than as a floating charge will depend, among other things, on whether the Transaction Security Trustee has under the respective agreement actual control over the Issuer's ability to deal with the relevant assets and their proceeds and, if so, whether such control is exercised by the Transaction Security Trustee in practice. If any courts of competent jurisdiction consider that the elements required to establish the creation of a fixed charge have not been satisfied in respect of the security, the Issuer would expect that the security be re-characterised as a floating charge. The claims of the Transaction Security Trustee under any fixed charge which is re-characterised as a floating charge will be subject to matters which are given priority over a floating charge by law, including fixed charges, any expenses of winding-up and the claims of preferential creditors.

### **IV. TAXATION RISKS**

#### ***The Common Reporting Standard***

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements the Common Reporting Standard ("**CRS**") in a European context and creates a mandatory obligation for all European Union member states to exchange financial account information in respect of residents in other European Union member states on an annual basis.

For the purposes of complying with its obligations under CRS and DAC II, if any, the Issuer shall be entitled to require Noteholders to provide any information regarding their and, in certain circumstances, their controlling persons' tax status, identity or residence in order to satisfy any reporting requirements which the Issuer may have as a result of CRS and DAC II and Noteholders will be deemed, by their holding, to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) or any other person to the relevant tax authorities who will exchange the information with the tax authorities of other participating jurisdictions, as applicable. Failure by the Issuer to comply with its CRS and DAC II obligations, if any, may result in the Issuer being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed as a result under applicable law. Such monetary penalties may lead to an inability of the Issuer to pay fully or partially interest on the Notes and or to redeem part or all of the Notes.

#### ***Taxes on the income in Germany***

A foreign corporation is subject to unlimited German resident taxation if it maintains its place of effective management and control (*Geschäftsleitung*) in Germany. It may become subject to limited German corporate income taxation if (i) it maintains a permanent establishment (*Betriebsstätte*) (in such case the Issuer might also become subject to German trade tax) or (ii) has a permanent representative (*Ständiger Vertreter*) in Germany. There is no clear statement from the German tax authorities or German fiscal courts regarding the requirements applicable in ABS-transactions which might lead to the conclusion that an issuer either, maintains its place of effective management and control (*Geschäftsleitung*) in Germany or becomes subject to limited corporate income taxation. If the German tax authorities and German fiscal courts come to the conclusion that the Issuer is subject



to unlimited (corporate) income (and trade tax) taxation in Germany, the Issuer's worldwide income would generally be subject to German tax except for non-German branch income which is tax-exempted according to the provision of any applicable tax treaty; ancillary charges might be assessed additionally. If the German tax authorities and German fiscal courts come to the conclusion that the Issuer is subject to limited (corporate) income (and trade tax) taxation in Germany, generally all income attributable to the German nexus of the Issuer would be subject to tax in Germany; plus ancillary charges (if any).

Any German corporate income tax and trade tax amounts paid by the Issuer to the German tax authorities would reduce the amounts available for payments under the Notes.

### ***Value Added Tax***

The VAT position of a foreign Issuer in an ABS-transaction with a German originator was not subject to a decision of the German fiscal courts yet. If the German tax authorities and the German fiscal courts came to the conclusion – either with respect to the complete transaction from the beginning or as of the occurrence of a Servicer Replacement Event – that the transaction qualifies as a taxable factoring supplied by the Issuer to the Seller, the difference between the nominal value of the sold receivables and the purchase price would be subject to German VAT. The person liable for such German VAT would be Seller unless the Issuer would be treated as maintaining its effective place of management and control or a permanent establishment in Germany; please refer to the preceding paragraph "Taxes on the income in Germany" for such risk factor. Should the Issuer be treated as maintaining its effective place of management and control or a permanent establishment in Germany, the Issuer would be the person liable for such German VAT at a VAT rate of 19% calculated on the difference between the nominal value of the Purchased Receivables and the purchase price. Any VAT amounts paid by the Issuer to the German tax authorities not being recoverable from the Seller would reduce the amounts available for payments under the Notes.

If – after a Servicer Termination Event – the transaction is not classified as factoring by the German tax authorities and the servicing of the Receivables is assumed by a German replacement servicer then the servicing would attract German VAT if the place of supply of such services is in Germany (either because the Issuer would not be deemed as a taxable person for German VAT purposes and/or would be treated as maintaining its effective place of management and control or a permanent establishment in Germany). In such case the Issuer would not be entitled to a credit or refund of input VAT if it e.g. does not qualify as a taxable person for German VAT purposes.

### ***U.S. Foreign Account Tax Compliance Act***

In constellations with a US connection the regulations of the Foreign Account Tax Compliance Act ("**FATCA**") could apply. Under the FATCA regime and the corresponding local regulations in Luxembourg, and Germany specific financial and non-financial institutions are required to exchange tax relevant information with the US tax authorities. A non-compliance with such reporting obligations can result in a duty to withhold 30 per cent. U.S. withholding tax on, inter alia, interest and other fixed or determinable annual or periodical income of persons or entities taxable in the US. However, if an amount in respect of such withholding tax were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the Terms and Conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors in the Notes may receive less interest or principal than expected.

### ***Base Erosion and Profit Shifting***

The Issuer is liable to Luxembourg corporate income tax on its worldwide net profits under the ordinary rules applicable to Luxembourg companies, except that it can deduct commitments to investors and other creditors. Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market (commonly known as "**ATAD**", implemented under Luxembourg law with the law of 21 December 2018), as amended by Council Directive (EU) 2017/952 of 29 May 2019 (commonly known as "**ATAD 2**", implemented under Luxembourg law of 20 December 2019, together with the law of 21 December 2018 the "**ATAD Laws**"), introduced new tax measures into Luxembourg law, including certain rules aimed at limiting the deductibility of so-called "exceeding borrowing costs" and hybrid mismatch rules.

Whilst certain exemptions and safe harbour provisions apply with respect to the limitation of exceeding borrowing costs (for example, exceeding borrowing costs remain deductible up to EUR 3 million every year), these new rules may in certain situations result in the limitation, respectively the denial, of the deduction of payments to investors for Luxembourg tax purposes, which may adversely affect the income tax position of the Issuer and as such affect generally its ability to make payments to the holders of the Notes. Securitisation vehicles are subject to the limitation on exceeding borrowing costs (it being noted that securitisation vehicles under the Securitisation Regulation currently benefit from an exemption but which is expected to be removed).

On 22 December 2021, the Council of the European Union published the proposal for a Council Directive laying down rules to prevent the misuse of so-called shell entities for tax purposes and amending Directive 2011/16/EU (the "**ATAD 3 Proposal**"). Under the ATAD 3 Proposal, certain reporting obligations would be imposed on entities resident in a Member State for tax purposes that cross certain substance "gateways". If, in addition, these entities qualify as shell entities pursuant to specific substance tests, they would not be able to access the benefits of double tax treaties in force with their jurisdiction of residence, as well as of certain EU Directives. Based on discussions at the level of the Council of the EU, it cannot be excluded that the current ATAD 3 Proposal will be materially amended and/or replaced by a new directive proposal and that the ATAD 3 Proposal would become instead a new directive on exchange of information.

Consequently, the possible impact of the ATAD 3 Proposal on the Issuer remains currently unknown.

Further to Action 1 of the BEPS project, the OECD published blueprints (commonly referred to as "**BEPS 2.0**") divided into two "**pillars**" of issues, seeking to address tax challenges arising from digitalization of the economy, and proposing fundamental changes to the international tax system. Pillar One proposes the reallocation of taxing rights between jurisdictions, and Pillar Two additional global anti-base erosion rules. On 20 December 2021, the OECD published detailed rules to assist in the implementation of Pillar Two. On 14 December 2022, the Council of the EU adopted a directive to implement Pillar Two at EU level to be transposed into member states' national law by the end of 2023 (Council Directive (EU) 2022/2523). The law of 22 December 2023 on minimum effective taxation ("**Pillar Two Law**") transposed the Pillar Two rules into Luxembourg national law.

The OECD/G20 Inclusive Framework on BEPS provided administrative guidance dated 17 June 2024 on Pillar Two stating that jurisdictions may provide exemptions for securitisation entities (as defined in such guidance) in relation to the application of the top-up tax.

The Luxembourg law of 20 December 2024 has amended the Pillar Two Law taking into account administrative guidance provided by the OECD in June 2024 (the "**Amended Pillar Two Law**"). Luxembourg chose to include securitisation vehicles within the scope of the Qualifying Domestic Minimum Top-Up Tax ("**QDMTT**") while providing that the tax burden of the QDMTT determined for a securitisation vehicle is due by another constituent entity located in the same jurisdiction and part

of the same MNE group. However, if the securitisation vehicle stands as the only constituent entity in Luxembourg, then the QDMTT may still be levied at the level of the securitisation vehicle. The Issuer has been informed that there are other constituent entities located in Luxembourg which are part of the same MNE group, so that it should not become subject to QDMTT. If this were to change and depending on the application of the technical details of BEPS 2.0, the Issuer may suffer additional tax.

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

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

### ***Interest payments to non-cooperative jurisdictions***

Luxembourg law foresees that interest payments are non-deductible at the level of the payer, if the beneficial owner of the interest is a collective entity (within the meaning of Article 156 of the Luxembourg income tax law) which is directly or indirectly related to the payer (within the meaning of Article 56 of the Luxembourg income tax law) and which is established in a State that is on the European list of non-cooperative States for tax purposes. The list currently in force can be found in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes (2025/6322/25). By way of exception, the interest remains deductible if the taxpayer can justify valid commercial reasons for the payment. Following the adoption of Council conclusions on the revised EU list of jurisdictions dated 18 February 2025, the jurisdictions currently on that list are American Samoa, Anguilla, Fiji, Guam, Palau, Panama, Russia, Samoa, Trinidad and Tobago, US Virgin Islands and Vanuatu. The application of this rule may result in the denial of a tax deduction of a portion of the interest accrued on the Notes.

## **V. COMMERCIAL RISKS**

### ***Replacement of the Servicer***

If the appointment of the Servicer is terminated, the Issuer with the assistance of the Corporate Administrator and the Back-Up Servicer Facilitator may appoint a Replacement Servicer pursuant to the Servicing Agreement. Any Replacement Servicer which may replace the Servicer in accordance with the terms of the Servicing Agreement would have to be able to administer the Purchased Receivables in accordance with the terms of the Servicing Agreement, be duly qualified and licensed to administer finance contracts in Germany such as the Loan Contracts, be a bank or credit institution established within the European Economic Area and supervised in accordance with the relevant EU directives, and may be subject to certain residence and/or regulatory requirements. Further, it should be noted that any Replacement Servicer (other than a (direct or indirect) subsidiary of the Seller or of a parent of the Seller to whom the Seller may outsource the servicing and collection of its receivables and related collateral) may charge a servicing fee on a basis different from that of the Servicer, which servicing fee is intended to be paid (i) from the Replacement Servicer Fee Reserve Account funded by the RSF Reserve Depositor or the Seller as Servicer (as applicable) and outside of the applicable Priorities of Payment or (ii) solely to the extent the funds standing to the credit of the Replacement Servicer Fee Reserve Account are insufficient for this purpose, as item *fourth* of the Pre-Enforcement Interest Priority of Payments, or, as applicable, item *fourth* of the

Post-Enforcement Priority of Payments. In addition, it should be noted that if the Seller intends to outsource the servicing and collection of its receivables and related collateral to a subsidiary of the Seller or of a parent of the Seller, upon such outsourcing, the Servicer (which is currently the Seller) will be replaced by the new (direct or indirect) subsidiary of the Seller or of a parent of the Seller in its capacity as new Servicer.

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

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

Accordingly, the Noteholders are relying on the business judgement and practices of the Servicer when enforcing claims against the Debtors, including taking decisions with respect to enforcement in respect of the Purchased Receivables and any Related Collateral.

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

No assurance can be given that the Servicer will promptly forward all amounts collected from Debtors pursuant to the relevant Loan Contracts to the Issuer in respect of a particular Collection Period in accordance with the Servicing Agreement. It should be noted that no cash reserve (other than the Commingling Reserve Required Amount following the occurrence of a Commingling Reserve Trigger Event or a Change of Control Event (as applicable) and, with respect to costs and expenses and interest payable on the Notes only, the Required Liquidity Reserve Amount) will be established to avoid any resulting shortfall in the payments of principal and interest by the Issuer in respect of the Notes on the Payment Date immediately following such Collection Period in accordance with the relevant Priority of Payment.

***Risk of Late Payment of Loan Instalments***

The Issuer is subject to the risk of insufficiency of funds as a result of late payment by a Debtor of an instalment due on a Receivable which would reduce the value of a Receivable for the Issuer. In addition, under the Servicing Agreement, the Servicer may, in specific circumstances, grant a deferral of the date on which certain payments are due under the Loan Contracts. This results in a risk of late payment of instalments pursuant to the Loan Contracts underlying the Purchased Receivables.

Further, it should be noted that the Credit and Collection Policy provides that, upon request of a debtor under a performing loan, the Servicer may agree to modify such loan on the basis of communication with the respective debtor and a credit analysis, resulting e.g. in a suspension, postponement or reduction of payments of principal and interest amounts (for further detail in this regard, please see the section "CREDIT AND COLLECTION POLICY" below). The net cash flows arising from the Receivables may be affected by decisions made or actions taken and such modifications implemented (if any) by the Servicer pursuant to the Credit and Collection Policy.

***Adverse macroeconomic and geopolitical developments may have a material negative impact on the performance of the Purchased Receivables***

The ongoing geopolitical developments, including the war in Ukraine (associated with the risk of a military expansion to further states) and other geopolitical tensions and uncertainties, such as the rising tensions between Russia and Sweden, Russia and Finland, Israel and Iran, increased military and other activity in the Baltic Sea, the escalated conflict between Israel and Hamas including the attacks on shipping routes carried out by Houthi insurgents, and any potential increase in geopolitical tensions in Asia, particularly relating to Taiwan and the sanctions imposed by the United States, the United Kingdom, the European Union, in particular against Russia as well as any uncertainties

arising from any developments in global trade (such as any tariffs or similar imposed by the US), may result in an adverse impact on global economic, financial, political, social or government conditions which may result or already resulted in (including but not limited to) limited access to workplaces and supplies, and limited availability of key personnel, higher inflation, higher interest rates, higher cost of living, declining access to credit, lower or stagnating wages, increasing unemployment, changes in government regulatory, fiscal or tax policies, including changes in applicable tax rates and the modification of existing or adoption of new tax legislation, sanctions regimes, removal of subsidies, reduced public spending, increases in fuel prices, weakness in energy markets (including electricity cuts) or a loss of consumer confidence. Such conditions may have an adverse impact on both the operational business of the Seller and the financial performance of the Purchased Receivables in the future and therefore, the Noteholders may suffer a risk of a reduction or non-receipt of principal and/or interest due to them in respect of their Notes.

### **Conflicts of Interest**

Banco Santander, S.A., being affiliated with the Seller, is acting as a Joint Lead Manager and Arranger in connection with this Transaction. Banco Santander, S.A. will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Further, Banco Santander, S.A. will have the benefit of the representations and warranties given under the Subscription Agreement. Banco Santander, S.A., as Joint Lead Manager and Arranger in connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefore in connection with this Transaction.

BofA Securities is acting as a Joint Lead Manager in connection with this Transaction. BofA Securities will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Further, BofA Securities will have the benefit of the representations and warranties given under the Subscription Agreement. BofA Securities, as Joint Lead Manager in connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefore in connection with this Transaction.

UniCredit Bank GmbH is acting as Joint Lead Manager in connection with this Transaction. UniCredit Bank GmbH will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Further, UniCredit Bank GmbH will have the benefit of the representations and warranties given under the Subscription Agreement. UniCredit Bank GmbH, as Joint Lead Manager in connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefore in connection with this Transaction.

In particular, the Joint Lead Managers will be placing the Notes as set out in the Subscription Agreement which will be entered into by the Seller, the Issuer and the Joint Lead Managers. In case any of the Joint Lead Managers will be a beneficial owner of any Notes, it will exercise the rights associated with such Note in its own discretion, which may or may not be in the best interest of other holders of the Notes.

The Bank of New York Mellon is acting through its Frankfurt Branch and its London Branch in a number of capacities in connection with this Transaction. In particular, The Bank of New York Mellon, Frankfurt Branch, is acting in its capacity as Account Bank and Data Trustee under this Transaction and The Bank of New York Mellon, London Branch is acting in its capacity as Principal Paying Agent, Interest Determination Agent, Cash Administrator, Calculation Agent and Back-Up Servicer Facilitator. The Bank of New York Mellon will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party (and only in such capacity) and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. The Bank of New York Mellon, in connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefore in connection with this Transaction.

BNY Mellon Corporate Trustee Services Limited is acting in its capacity as Transaction Security Trustee in connection with this Transaction. BNY Mellon Corporate Trustee Services Limited will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. BNY Mellon Corporate Trustee Services Limited, in its capacity as Transaction Security Trustee in connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefore in connection with this Transaction.

Intertrust (Luxembourg) S.à r.l. (which absorbed CSC Luxembourg Services S.à r.l. by merger effective as of 30 April 2024) is acting in its capacity as Corporate Administrator in connection with this Transaction. Intertrust (Luxembourg) S.à r.l. will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Intertrust (Luxembourg) S.à r.l. in its capacity as Corporate Administrator in connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefore in connection with this Transaction.

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main is acting in its capacity as an Interest Rate Swap Counterparty in connection with this Transaction. DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main is acting in its capacity as an Interest Rate Swap Counterparty in connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefore in connection with this Transaction.

Santander Consumer Bank AG is acting in its capacity as an RSF Reserve Depositor in connection with this Transaction. Santander Consumer Bank AG will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Santander Consumer Bank AG is acting in its capacity as RSF Reserve Depositor in

connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefore in connection with this Transaction.

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

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

#### ***Forecasts and Estimates***

Estimates of the weighted average lives of the Notes contained in this Prospectus, together with any other projections, forecasts and estimates in this Prospectus are forward-looking statements. Such projections are speculative in nature and it can be expected that some or all of the assumptions underlying the projections will not prove to be correct or will vary significantly from actual results.

Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any forward-looking statements are not guarantees of performance and that investing in the Notes involves risks and uncertainties, many of which are beyond the control of the Issuer. None of the parties to the Transaction Documents has attempted to verify any such statements, nor does it make any representation, express or implied, with respect thereto.

#### ***Historical Data***

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

#### ***Reliance on Representations and Warranties***

If the Portfolio does not correspond, in whole or in part, to the representations and warranties made by the Seller in the Receivables Purchase Agreement, the Issuer has certain rights of recourse against the Seller. These rights are not collateralised with respect to the Seller except that, in the case of a breach of certain representations and warranties, the Seller will be required to pay Deemed Collections to the Issuer. Consequently, a risk of loss exists in the event that such a representation or warranty is breached and the corresponding Deemed Collections are not paid. This could potentially cause the Issuer to default under the Notes.

***No Independent Investigation and Limited Information, Reliance on Representations and Warranties***

None of the Joint Lead Managers, the Arranger (if different), the Transaction Security Trustee or the Issuer has undertaken or will undertake any investigations, searches or other actions to verify the details of the Purchased Receivables or to establish the creditworthiness of any Debtor or any other party to the Transaction Documents. Each such person will rely solely on the accuracy of the representations and warranties given by the Seller to the Issuer in the Receivables Purchase Agreement in respect of, *inter alia*, the Purchased Receivables, the Debtors, the Loan Contracts underlying the Purchased Receivables and the Related Collateral, including, without limitation, security interests in the Financed Vehicles. The benefit of all such representations and warranties given to the Issuer will be transferred by the Issuer in favour of the Transaction Security Trustee under the Transaction Security Agreement.

The Seller is under no obligation to, and will not, provide the Joint Lead Managers, the Arranger (if different), the Transaction Security Trustee or the Issuer with financial or other information specific to individual Debtors and certain underlying Loan Contracts to which the Purchased Receivables relate. The Joint Lead Managers/Arranger, the Transaction Security Trustee and the Issuer will only be supplied with general information in relation to the aggregate of the Debtors and the underlying Loan Contracts. Further, none of the Joint Lead Managers, the Arranger (if different), the Transaction Security Trustee or the Issuer will have any right to inspect the internal records of the Seller.

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

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

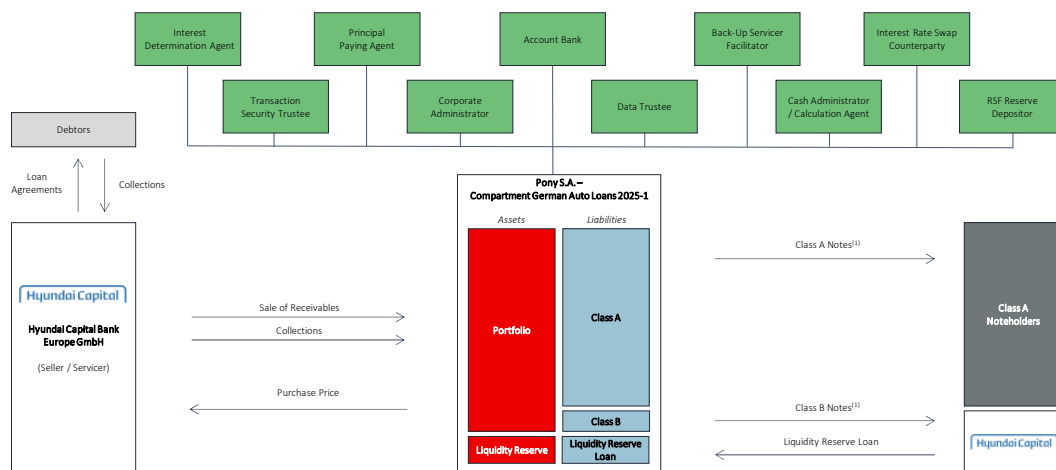


## OUTLINE OF THE TRANSACTION

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

### DIAGRAMMATIC OVERVIEW

(As of the close of business on the Closing Date)



<sup>(1)</sup> The Seller will retain not less than 5% of the nominal value of each of the Notes in compliance with Article 6(3)(a) of the EU Securitisation Regulation

## THE PARTIES (including direct or indirect ownership)

<b>Issuer</b>	Pony S.A., a public limited liability company ( <i>société anonyme</i> ) incorporated under the laws of the Grand Duchy of Luxembourg, having the status of an unregulated securitisation company ( <i>société de titrisation</i> ) subject to the Luxembourg Securitisation Law, registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, Luxembourg) under registration number B252293 and having its registered office at 28, Boulevard F.W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg, acting on behalf and for the account of its Compartment German Auto Loans 2025-1. See "THE ISSUER" (page 306 et seqq.).
<b>Corporate Administrator</b>	Intertrust (Luxembourg) S.à r.l. (which absorbed CSC Luxembourg Services S.à r.l. by merger effective as of 30 April 2024), a private limited liability company ( <i>société à responsabilité limitée</i> ) incorporated under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register ( <i>Registre de Commerce et des Sociétés, Luxembourg</i> ) under registration number B103123 and having its registered office at 28, Boulevard F.W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg. See "THE CORPORATE ADMINISTRATOR" (page 315).
<b>Seller and Originator</b>	Hyundai Capital Bank Europe GmbH, Friedrich-Ebert-Anlage 35-37, 60327 Frankfurt am Main, Germany. See "THE SELLER" (page 311).
<b>Servicer</b>	The Loan Contracts will be serviced by the Seller (in this capacity, " <b>Servicer</b> "). See "THE SELLER" (page 311).
<b>Transaction Security Trustee</b>	BNY Mellon Corporate Trustee Services Limited, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom. See "TRANSACTION SECURITY TRUSTEE" (page 314).
<b>Account Bank and Data Trustee</b>	The Bank of New York Mellon, Frankfurt Branch, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany. See "THE ACCOUNT BANK AND DATA TRUSTEE" (page 317).
<b>Principal Paying Agent, Cash Administrator, Calculation Agent, Interest Determination Agent and Back-Up Servicer Facilitator</b>	The Bank of New York Mellon, London Branch, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom. See "THE PRINCIPAL PAYING AGENT, CALCULATION AGENT, CASH ADMINISTRATOR, INTEREST DETERMINATION AGENT AND BACK-UP SERVICER FACILITATOR" (page 313).
<b>Lender</b>	The Seller in its function as lender under the Seller Loan Agreement. See "THE SELLER" (page 311).
<b>Arranger</b>	Banco Santander, S.A., Ciudad Grupo Santander, Avenida de Cantabria s/n, Edificio Encinar, 28660, Boadilla del Monte, Madrid, Spain.

<b>Joint Lead Managers</b>	<p>Banco Santander, S.A., Ciudad Grupo Santander, Avenida de Cantabria s/n, Edificio Encinar, 28660, Boadilla del Monte, Madrid, Spain.</p> <p>BofA Securities Europe S.A., 51, rue La Boétie, 75008 Paris, Republic of France.</p> <p>UniCredit Bank GmbH, Arabellastrasse 12, 81925 Munich, Federal Republic of Germany.</p> <p>See "SUBSCRIPTION AND SALE" (page 323).</p>
<b>Securitisation Advisor to the Seller and RSF Reserve Depositor</b>	Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany.
<b>Interest Rate Swap Counterparty</b>	DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main, Federal Republic of Germany. See "THE INTEREST RATE SWAP COUNTERPARTY" (page 316).
<b>Rating Agencies</b>	Fitch and S&P.

## THE NOTES

<b>The Transaction</b>	The Seller will sell and assign the Receivables, together with the Related Collateral, to the Issuer on or before the Closing Date pursuant to a receivables purchase agreement dated 24 March 2025 and entered into between the Issuer and the Seller (" <b>Receivables Purchase Agreement</b> "). During the Replenishment Period, the Seller may, subject to certain requirements, at its option, sell and assign Additional Receivables to the Issuer pursuant to the Receivables Purchase Agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Receivables Purchase Agreement" (page 164 et seq.).
<b>Classes of Notes</b>	The EUR 511,500,000 Class A Floating Rate Notes due on the Payment Date falling in December 2035 (" <b>Class A Notes</b> ") and the EUR 38,500,000 Class B Fixed Rate Notes due on the Payment Date falling in December 2035 (" <b>Class B Notes</b> ") will be backed by the Portfolio. See "TERMS AND CONDITIONS OF THE NOTES" (page 101).
<b>Closing Date</b>	26 March 2025.
<b>Form and Denomination</b>	Each of the Classes of Notes will initially be represented by a Temporary Global Note of the relevant Class in bearer form, without interest coupons attached. The Global Notes of the Class A Notes will be deposited with a common safekeeper for Clearstream Luxembourg and Euroclear and the Global Notes for the Class B Notes will be deposited with a common depositary for Clearstream Luxembourg and Euroclear. The

Notes will be transferred in book-entry form only. The Notes will be issued in denominations of EUR 100,000. The Global Notes will not be exchangeable for definitive securities. See "TERMS AND CONDITIONS OF THE NOTES – Form and Denomination" (page 101).

### **Status and Priority**

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

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

The Class A Notes rank *pari passu* among themselves in respect of security. Following the occurrence of an Issuer Event of Default (as defined in Condition 3.5 (*Issuer Event of Default*) of the Terms and Conditions), the Class A Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments. The Class B Notes rank *pari passu* among themselves in respect of security. Following the occurrence of an Issuer Event of Default, the Class B Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments.

Following the expiry of the Replenishment Period, principal payments will only be made in respect of the Class A Notes and the Class B Notes according to the Pre-Enforcement Principal Priority of Payments, see "CREDIT STRUCTURE – Pre-Enforcement Priority of Payments" (page 94) and "TERMS AND CONDITIONS OF THE NOTES – Replenishment and Redemption – 7.6Pre-Enforcement Principal Priority of Payments" (page 115).

### **Limited Recourse**

The Notes will be limited recourse obligations of the Issuer. See "TERMS AND CONDITIONS OF THE NOTES – Provision of Security; Limited Payment Obligation; Issuer Event of Default" (page 104) and "RISK FACTORS - Liability under the Notes; Limited Recourse" (page 19).

### **Replenishment**

During the Replenishment Period, the Seller may, at its option, effect a replenishment of the Portfolio underlying the Notes by offering to sell Additional Receivables to the Issuer in an amount not exceeding the Replenishment Available Amount pursuant to the Receivables Purchase Agreement. Pursuant to the Receivables Purchase Agreement and subject to certain requirements, the Issuer is obliged to purchase such Additional Receivables from the Seller. See "TERMS AND CONDITIONS OF THE NOTES – Replenishment and Redemption" (page 111)

and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Receivables Purchase Agreement" (page 164).

**Replenishment Period**

The Replenishment Period will start on the Closing Date and end on (i) the Payment Date falling in December 2025 (inclusive) or, if earlier, (ii) the date on which an Early Amortisation Event occurs (exclusive).

**Early Amortisation Event**

The occurrence of any of the following events during the Replenishment Period shall constitute an "**Early Amortisation Event**":

- (a) the Cumulative Net Loss Ratio exceeds 0.50% as of any Cut-Off Date prior to or on the Cut-Off Date November 2025;
- (b) a Purchase Shortfall Event;
- (c) a Termination Event or a Servicer Termination Event;
- (d) a debit balance on the Class B Principal Deficiency Sub-Ledger higher than EUR 0 would be remaining on two consecutive Payment Dates (for the avoidance of doubt after crediting the Class B Principal Deficiency Sub-Ledger on such Payment Dates as per item *eight* of the Pre-Enforcement Interest Priority of Payments);
- (e) an event of default or a termination event, as defined in the Swap Agreement.

**Interest**

Each Class A Note entitles the holder thereof to receive from the Pre-Enforcement Available Interest Amount on each Payment Date interest at the rate of one-month EURIBOR plus 0.49% *per annum* ("**Class A Note Interest Rate**") on the nominal amount of each Class A Note outstanding immediately prior to such Payment Date. Each Class B Note entitles the holder thereof to receive from the Pre-Enforcement Available Interest Amount on each Payment Date interest at the rate of 1% *per annum* ("**Class B Note Interest Rate**") on the nominal amount of each Class B Note outstanding immediately prior to such Payment Date. See "TERMS AND CONDITIONS OF THE NOTES Payments of Interest" (page 108).

The Interest Period with respect to each Payment Date will be the period commencing on (and including) the Payment Date immediately preceding such Payment Date and ending on (but excluding) such Payment Date with the first Interest Period commencing on (and including) the Closing Date and ending on (but excluding) the first Payment Date. See "TERMS AND CONDITIONS OF THE NOTES - Payments of Interest" (page 108). Payments of interest will be in accordance with the Pre-Enforcement Interest Priority of Payments and the Post-Enforcement Priority of Payments, as applicable.

<b>Payment Dates</b>	During the Replenishment Period, payments of interest and following the expiration of the Replenishment Period, payments of principal and interest will be made to the Noteholders on the fourteenth (14th) calendar day of any calendar month, unless such date is not a Business Day in which case the Payment Date shall be the next succeeding Business Day, unless such date would thereby fall into the next calendar month, in which case such date shall be the immediately preceding Business Day, commencing in April 2025. Unless the Notes are redeemed earlier in full, the final Payment Date will be the Legal Maturity Date.
<b>Calculation Date</b>	Means with respect to a Payment Date the 2 <sup>nd</sup> Business Day preceding such Payment Date.
<b>Legal Maturity Date</b>	Unless previously redeemed as described herein, each Class of Notes will be redeemed on the Payment Date falling in December 2035, subject to the limitations set forth in Condition 3.2 ( <i>Limited Recourse</i> ) of the Terms and Conditions. The Issuer will be under no obligation to make any payment under the Notes after the Legal Maturity Date. See "TERMS AND CONDITIONS OF THE NOTES - Replenishment and Redemption - Legal Maturity Date" (page 112).
<b>Scheduled Maturity Date</b>	The Payment Date falling in December 2033. See "TERMS AND CONDITIONS OF THE NOTES - Replenishment and Redemption - Scheduled Maturity Date" (page 112).
<b>Amortisation</b>	The amortisation of the Notes will only commence after the expiration of the Replenishment Period  See "TERMS AND CONDITIONS OF THE NOTES - Replenishment and Redemption - Amortisation" (page 112).
<b>Early Amortisation</b>	The Notes will be subject to redemption prior to the scheduled expiration of the Replenishment Period if an Early Amortisation Event occurs. See above "OUTLINE OF THE TRANSACTION - Replenishment Period" (page 69).
<b>Optional Redemption upon occurrence of a Clean-up Call Event</b>	On any Payment Date following a Cut-Off Date on which a Clean-up Call Event has occurred, the Originator will have the option under the Receivables Purchase Agreement to repurchase all Purchased Receivables (together with any Related Collateral) (which have not been sold to a third party) at the Final Repurchase Price and, as a result, the Notes will be subject to early redemption in whole, but not in part, prior to their Scheduled Maturity Date, (i) subject to the Final Repurchase Price available to the Issuer being sufficient to redeem all Class A Notes at their current Note Principal Amount in accordance with the Pre-Enforcement Principal Priority of Payments and (ii) provided that the Pre-Enforcement Available Interest Amount shall be at least sufficient to pay any accrued interest on the Class A Notes in accordance with the Pre-

Enforcement Interest Priority of Payments. The Final Repurchase Price paid by the Originator shall be applied by the Issuer in redemption of such Notes on such Payment Date at their then current Note Principal Amount, together with all amounts ranking prior thereto according to the Pre-Enforcement Principal Priority of Payments and Condition 7.5 (*Early Redemption*) of the Terms and Conditions and shall be equal to the sum of: (a) for non-Defaulted Receivables and non-Delinquent Receivables, the sum of the Outstanding Principal Amounts of these non-Defaulted Receivables and non-Delinquent Receivables which are Purchased Receivables as at the Cut-Off Date immediately preceding the relevant Payment Date; plus (b) for Delinquent Receivables, the sum of the Final Determined Amounts of these Delinquent Receivables as at the Cut-Off Date immediately preceding the relevant Payment Date; plus (c) for Defaulted Receivables, the sum of the Final Determined Amounts of these Defaulted Receivables as at the Cut-Off Date immediately preceding the relevant Payment Date. See "TERMS AND CONDITIONS OF THE NOTES - Replenishment and Redemption - Early Redemption" (page 112).

For the avoidance of doubt, if and to the extent any excess funds exist after application of the Final Repurchase Price towards redemption of the Class A Notes, the Issuer shall apply such excess funds towards the redemption of the Class B Notes and, if and to the extent any additional excess funds exist after redemption of the Class B Notes, the Issuer shall apply such excess funds to the Pre-Enforcement Available Interest Amount.

**"Clean-up Call Event"** means if on any Cut-Off Date on or following which the Aggregate Outstanding Portfolio Principal Amount has been reduced to less than 10 per cent. of the initial Aggregate Outstanding Portfolio Principal Amount as of the first Cut-Off Date.

**Optional Redemption upon occurrence of a Tax Call Event**

On any Payment Date following a Cut-Off Date on which a Tax Call Event has occurred, the Originator will have the option under the Receivables Purchase Agreement to repurchase all outstanding Purchased Receivables (together with any Related Collateral) (which have not been sold to a third party) at the Final Repurchase Price, and as a result, the Notes will be subject to early redemption in whole, but not in part, prior to the Scheduled Maturity Date (i) subject to the Final Repurchase Price available to the Issuer being sufficient to redeem all the Class A Notes at their current Note Principal Amount in accordance with the Pre-Enforcement Principal Priority of Payments and (ii) provided that the Pre-Enforcement Available Interest Amount shall be at least sufficient to pay any accrued

interest on the Class A Notes in accordance with the Pre-Enforcement Interest Priority of Payments.

For the avoidance of doubt, if and to the extent any excess funds exist after application of the Final Repurchase Price towards redemption of the Class A Notes, the Issuer shall apply such excess funds towards the redemption of the Class B Notes and, if and to the extent any additional excess funds exist after redemption of the Class B Notes, the Issuer shall apply such excess funds to the Pre-Enforcement Available Interest Amount. The Final Repurchase Price paid by the Originator shall be applied by the Issuer in redemption of such Notes on such Payment Date at their then current Note Principal Amount, together with all amounts ranking prior thereto according to the Pre-Enforcement Principal Priority of Payments and Condition 7.5.1 (*Early Redemption*) of the Terms and Conditions and shall be equal to the sum of: (a) for non-Defaulted Receivables and non-Delinquent Receivables, the sum of the Outstanding Principal Amounts of these non-Defaulted Receivables and non-Delinquent Receivables which are Purchased Receivables as at the Cut-Off Date immediately preceding the relevant Payment Date; plus (b) for Delinquent Receivables, the sum of the Final Determined Amounts of these Delinquent Receivables as at the Cut-Off Date immediately preceding the relevant Payment Date; plus (c) for Defaulted Receivables, the sum of the Final Determined Amounts of these Defaulted Receivables as at the Cut-Off Date immediately preceding the relevant Payment Date. See "TERMS AND CONDITIONS OF THE NOTES - Replenishment and Redemption - Early Redemption" (page 112).

**"Tax Call Event"** means if the Issuer is or becomes at any time required by law to deduct or withhold in respect of any payment under the Notes current or future taxes, levies or governmental charges, regardless of their nature, which are imposed under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, the Issuer shall determine within twenty (20) calendar days of such circumstance occurring whether it would be practicable to arrange for the substitution of the Issuer in accordance with Condition 11 (*Substitution of the Issuer*) of the Terms and Conditions or to change its tax residence to another jurisdiction approved by the Transaction Security Trustee. The Transaction Security Trustee shall not give such approval unless each of the Rating Agencies has been notified in writing of such substitution or change of the tax residence of the Issuer. If the Issuer determines that any of such measures would be practicable, it shall effect such substitution in accordance with Condition 11 (*Substitution of the Issuer*) of the



Terms and Conditions or (as relevant) such change of tax residence within sixty (60) calendar days from such determination. If, however, it determines within twenty (20) calendar days of such circumstance occurring that none of such measures would be practicable or if, having determined that any of such measures would be practicable, it is unable so to avoid such deduction or withholding within such further period of sixty (60) calendar days.

#### **Taxation**

All payments of principal of and interest on the Notes will be made free and clear of, and without any withholding or deduction for or on account of, tax (if any) applicable to the Notes under any applicable jurisdiction, unless such withholding or deduction is required by law. If any such withholding or deduction is imposed, the Issuer will not be obliged to pay any additional or further amounts as a result thereof.

#### **Resolution of Noteholders**

In accordance with the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz*), the Notes contain provisions pursuant to which the Noteholders of any Class of Notes may agree by resolution to amend the Terms and Conditions of the respective Class of Notes and to decide upon certain other matters regarding the relevant Class of Notes including, without limitation, the appointment or removal of a common representative for the Noteholders of any Class of Notes. Resolutions of Noteholders of any Class of Notes properly adopted, by vote taken without a meeting in accordance with the Terms and Conditions, are binding upon all Noteholders of such Class of Notes. Resolutions which do not provide for identical conditions for all Noteholders of any Class of Notes are void, unless Noteholders of such Class of Notes which are disadvantaged expressly consent to their being treated disadvantageously. In no event, however, may any obligation to make any payment or render any other performance be imposed on any Noteholder of any Class of Notes by resolution. As set out in the Terms and Conditions, resolutions providing for certain material amendments to the Terms and Conditions require a majority of not less than 75 per cent. of the votes cast. Resolutions regarding other amendments are passed a simple majority of the votes cast. See "TERMS AND CONDITIONS OF THE NOTES - Resolution of Noteholders and Modifications" (page 118).

#### **Note Collateral**

The obligations of the Issuer under the Notes will be secured by first ranking security interests granted to the Transaction Security Trustee for the benefit of the Noteholders and other Beneficiaries, to secure the Transaction Security Trustee Claim and the Transaction Secured Obligations, in respect of (i) the Issuer's claims under the Purchased Receivables and any Related Collateral acquired by the Issuer pursuant to the

Receivables Purchase Agreement, (ii) the Issuer's claims under certain Transaction Documents and (iii) the Issuer claims under the Accounts, all of which have been assigned and transferred by way of security or pledged to the Transaction Security Trustee pursuant to the Transaction Security Agreement ("**Collateral**"), and by any other security interests regarding the rights of the Issuer under Swap Agreement granted by the Issuer to the Transaction Security Trustee pursuant to an English security charge dated 24 March 2025 (the "**English Security Deed**") (the Collateral and the English Security Deed collectively, the "**Note Collateral**").

Upon the occurrence of an Issuer Event of Default, the Transaction Security Trustee will enforce or will arrange for the enforcement of the Note Collateral and any credit in the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account, the Liquidity Reserve Account, the Purchase Shortfall Account and the Swap Cash Collateral Account (excluding certain amounts stated in Clause 22 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement) and any proceeds obtained from the enforcement of the Note Collateral pursuant to the Transaction Security Agreement will be applied exclusively in accordance with the Post-Enforcement Priority of Payments. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT - Post-Enforcement Priority of Payments" (page 144).

#### **Ratings**

The Class A Notes are on issue assigned a long-term rating of AAA(sf) by S&P and a long-term rating of AAA(sf) by Fitch. The Class B Notes will not be rated by S&P/Fitch.

#### **Approval, Listing and Admission to trading**

Application has been made to the *Commission de Surveillance du Secteur Financier* ("**CSSF**"), as competent authority under the Prospectus Regulation, for the prospectus to be approved for the purposes of the Prospectus Regulation. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the regulated market (segment for professional investors) of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. The direct cost of the admission of the Notes to be admitted to trading in the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange amounts to approximately EUR 12,750.

#### **Clearing**

Euroclear of 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream Luxembourg of 42 Avenue J.F. Kennedy, L-1855 Luxembourg (together, "**Clearing Systems**", "**International Central Securities Depositories**" or "**ICSDs**").

**Governing Law**

The Notes will be governed by, and construed in accordance with, the laws of the Federal Republic of Germany. Articles 470-1 to 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, shall not apply.

**Transaction Documents**

The Receivables Purchase Agreement, the Servicing Agreement, the Incorporated Terms Memorandum, the Corporate Administration Agreement, the Accounts Agreement, any Transaction Security Document, the Notes, the Data Trust Agreement, the Agency Agreement, the Seller Loan Agreement, the English Security Deed, the Swap Agreement and any amendment agreement, termination agreement or replacement agreement relating to any such agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS" (page 164).

**THE PORTFOLIO AND DISTRIBUTION OF FUNDS****Purchased Receivables and Related Collateral**

The Portfolio underlying the Notes consists of the Purchased Receivables and the Related Collateral. The Purchased Receivables are loan instalment claims arising under loan agreements originated by the Seller in its ordinary course of business under German law (the "**Loan Contracts**") entered into between the Seller, as lender, and certain debtors (the "**Debtors**"), as borrowers, for the purpose of financing (i) the acquisition of the relevant Financed Vehicles and, if relevant, (ii) the contribution owed by the Debtors for accession to certain insurance agreements in connection with the financing of the acquisition of the related Financed Vehicle. The Aggregate Outstanding Portfolio Principal Amount as of the beginning of business (in Frankfurt am Main) on the Closing Date was EUR 549,999,858.48. The Related Collateral includes, inter alia, the security interest in the Financed Vehicles obtained by the Seller and any guarantee given for the loan and insurance claims relating to the Financed Vehicles. The Purchased Receivables, together with the Related Collateral, will be assigned and transferred to the Issuer on or before the Closing Date and as of any Purchase Date during the Replenishment Period pursuant to the Receivables Purchase Agreement. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT" (page 130).

**Servicing of the Portfolio**

The Purchased Receivables and any Related Collateral will be administered, collected and enforced by the Seller in its capacity as Servicer under a servicing agreement ("**Servicing Agreement**") entered into with the Issuer dated 24 March 2025, and upon termination of the appointment of the Servicer following the occurrence of a Servicer Termination Event, by a Replacement Servicer appointed by the Issuer. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION

DOCUMENTS - Servicing Agreement" (page 168) and "CREDIT AND COLLECTION POLICY" (page 301).

**Back-Up Servicing of the Portfolio**

The Bank of New York Mellon, London Branch has agreed that it will act as Back-Up Servicer Facilitator and shall, using its reasonable efforts, identify a Replacement Servicer and procure that such Replacement Servicer agrees to act as a replacement servicer in this transaction.

**Funding and Use of Replacement Servicer Fee Reserve**

The RSF Reserve Depositor agrees to make available to the Issuer (i) a deposit in an amount equal to the Required Replacement Servicer Fee Reserve Amount within sixty (60) calendar days from the date on which a RSF Trigger Event occurs; and (ii) if at any time thereafter the RSF Reserve Depositor receives a notice from the Issuer that a RSF Reserve Shortfall Amount exists, a further deposit in an amount equal to such RSF Reserve Shortfall Amount within sixty (60) calendar days from the date of such notice (each and in aggregate, the "**RSF Reserve Deposit Amount**").

Upon the occurrence of a Change of Control Event, the Seller agrees to make available to the Issuer (i) a deposit in an amount equal to the Required Replacement Servicer Fee Reserve Amount within ten (10) calendar days as of the occurrence of such Change of Control Event (such funding date as well as the funding date under (i) of the preceding paragraph above, each a "**RSF Reserve Initial Funding Date**"); and (ii) if at any time thereafter the Seller receives a notice from the Issuer that a RSF Reserve Shortfall Amount exists, the RSF Reserve Deposit Amount within sixty (60) calendar days from the date of such notice.

In case the RSF Reserve Depositor or the Seller (as applicable) fails to deposit a RSF Reserve Deposit Amount, the Replacement Servicer Fee Reserve Account will be credited in accordance with the Pre-Enforcement Interest Priority of Payments and/or the Post-Enforcement Priority of Payments, as applicable.

In case a Change of Control Event occurs after a RSF Reserve Trigger Event has occurred and SCB has already funded the Replacement Servicer Fee Reserve Account in accordance with the Reserves Funding Agreement, the Seller shall proceed to fund the Replacement Servicer Fee Reserve Account with the RSF Reserve Deposit Amount in accordance with the Reserves Funding Agreement notwithstanding that the Replacement Servicer Fee Reserve Account has already been funded by SCB. The Issuer shall promptly return the balance on the Replacement Servicer Fee Reserve Account (minus any amounts already utilised) pertaining to the amounts funded by

SCB upon receipt of the RSF Reserve Deposit Amount from the Seller outside any applicable Priority of Payments.

In the event there is a difference in amounts of the RSF Reserve Deposit Amount funded by SCB and the amounts of the RSF Reserve Deposit Amount to be funded by the Seller, in case of any (i) shortfall, the Seller shall ensure that a further deposit in an amount equal to such shortfall is made; and (ii) excess, the Issuer shall ensure that such excess amounts are paid back to SCB.

For the avoidance of doubt, upon the occurrence of a Change of Control Event (even if a RSF Reserve Trigger Event occurred thereafter), it shall solely be the Seller's obligation to fund the Replacement Servicer Fee Reserve Account.

**Determination of RSF Reserve Shortfall Amount**

The "**RSF Reserve Shortfall Amount**" shall be determined as follows:

In connection with the appointment of a Replacement Servicer, the Purchaser shall use all reasonable endeavours to agree a fee with the Replacement Servicer (the "**Replacement Servicer Fee**") which does not exceed the Required Replacement Servicer Fee Reserve Amount.

If, notwithstanding the foregoing, the Replacement Servicer Fee ultimately agreed with the Replacement Servicer means that the aggregate amount of the Servicer Replacement Costs from the date of appointment of the Replacement Servicer until the estimated date on which the Purchaser is expected to have no further interest in any Purchased Receivables (the "**Aggregate Estimated Replacement Servicer Costs**") is expected to exceed the then current Required Replacement Servicer Fee Reserve Amount, the Purchaser will deliver notice to the RSF Reserve Depositor (or the Seller as Servicer upon the occurrence of a Change of Control Event) of the Aggregate Estimated Replacement Servicer Costs and, assuming the Replacement Servicer Reserve Account has already been funded to the full extent of the Required Replacement Servicer Fee Reserve Amount, request that the RSF Reserve Depositor (or the Seller as Servicer upon the occurrence of a Change of Control Event) deposits a further amount equal to the difference between the Aggregate Estimated Replacement Servicer Costs and the then current Required Replacement Servicer Fee Reserve Amount.

**Release and Return of the RSF Reserve Deposit Amount**

On each Payment Date after the RSF Reserve Initial Funding Date, if the balance standing to the credit of the Replacement Servicer Fee Reserve Account exceeds the Required Replacement Servicer Fee Reserve Amount, (prior to the occurrence of an Issuer Event of Default) the Issuer or (following the occurrence of an Issuer Event of Default) the

Transaction Security Trustee shall procure that the Cash Administrator returns any excess RSF Reserve Deposit Amount in the Replacement Servicer Fee Reserve Account outside the applicable Priority of Payments directly to (i) the RSF Reserve Depositor, if the RSF Reserve Depositor had funded the replacement servicer fee reserve in accordance with the Reserves Funding Agreement or (ii) the Seller, if the Seller had funded the replacement servicer fee in accordance with the Reserves Funding Agreement.

On the date on which the Purchaser has no further interest in any Purchased Receivable and the Replacement Servicer and the Transaction Security Trustee are notified by the Issuer that such is the case, (prior to the occurrence of an Issuer Event of Default) the Issuer or (following the occurrence of an Issuer Event of Default) the Transaction Security Trustee will procure that the Cash Administrator returns any remaining RSF Reserve Deposit Amount in excess of the Required Replacement Servicer Fee Reserve Amount in the Replacement Servicer Fee Reserve Account outside the applicable Priority of Payments directly to (i) the RSF Reserve Depositor, if the RSF Reserve Depositor had funded the replacement servicer fee reserve in accordance with the Reserves Funding Agreement or (ii) the Seller, if the Seller had funded the replacement servicer fee reserve in accordance with the Reserves Funding Agreement.

## **Interest Collections**

Subject to the Pre-Enforcement Interest Priority of Payments, the Interest Collections received on the Portfolio will be available for the payment of interest on the Notes.

**"Interest Collections"** means the element of interest comprised in each cash collection made or due to be made in respect of a Purchased Receivable (including interest, prepayment penalty, late payment or similar charges and any interest component of indemnities, taxes or other amounts payable to the Issuer from any party under the Transaction Documents or any third party) received by the Servicer on behalf of the Issuer from any third party (including from insurance policies), in each case which is irrevocable and final (provided that any direct debit (*Lastschriftinzug*) shall constitute an Interest Collection irrespective of any subsequent valid return thereof (*Lastschriftrückbelastung*)), but excluding Principal Collections, provided that, for the avoidance of doubt, any Interest Collection which is less than the amount then outstanding and due from the relevant Debtor shall be applied in accordance with Sections 366 et seqq. of the German Civil Code (*Bürgerliches Gesetzbuch*) or, with respect to consumers, pursuant to Section 497 (3) of the German Civil Code (*Bürgerliches Gesetzbuch*).

## **Principal Collections**

Subject to the Pre-Enforcement Principal Priority of Payments, the Principal Collections received on the Portfolio will, during the Replenishment Period, be available for the replenishment of the Portfolio (up to the Replenishment Available Amount) and, after the expiration of the Replenishment Period, for the payment of principal on the Notes.

"**Principal Collections**" means the element of principal comprised in each cash collection made or due to be made in respect of a Purchase Receivable (including any principal component of indemnities, taxes or other amounts payable to the Issuer from any party under the Transaction Documents or any third party) received by the Servicer on behalf of the Issuer from any third party (including from insurance policies), in each case which is irrevocable and final (provided that any direct debit (*Lastschriftinzug*) shall constitute a Principal Collection irrespective of any subsequent valid return thereof (*Lastschriftrückbelastung*)), and any Deemed Collections of such Purchased Receivable less any amount previously received but required to be repaid on account of a valid return of a direct debit (*Lastschriftrückbelastung*).

Pursuant to the Receivables Purchase Agreement, the Seller has undertaken to pay to the Issuer any Deemed Collection which is equal to the amount of the Outstanding Principal Amount (or the affected portion thereof) of any Purchased Receivable if such Purchased Receivable becomes a Disputed Receivable, such Purchased Receivable proves not to have been an Eligible Receivable on the Purchase Date, such Purchased Receivable is deferred, redeemed or modified other than in accordance with the Servicing Agreement or certain other events occur.

## **Defaulted Receivables**

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

## **Liquidity Reserve**

As of the Closing Date, the Notes will have the benefit of a liquidity reserve which will provide limited protection against shortfalls in the amounts to pay costs and expenses, interest and principal deficiencies in accordance with the Pre-Enforcement Interest Priority of Payments. See "CREDIT STRUCTURE - Liquidity Reserve" (page 95).

## **Commingling Reserve**

Only following the occurrence of a Commingling Reserve Trigger Event or a Change of Control Event (as applicable), the Notes will have the benefit of a commingling reserve which will provide limited protection against the commingling risk in respect of the Seller acting as the Servicer. See "CREDIT STRUCTURE - Commingling Reserve" (page 96).

**Set-Off Reserve**

Only following the occurrence of a Set-Off Reserve Trigger Event, the Notes will have the benefit of a set-off reserve which will provide limited protection against the set-off risk in respect of the Seller. See "CREDIT STRUCTURE - Set-Off Reserve" (page 98).

**Issuer's Sources of Income**

The following amounts will be used by the Issuer to pay interest on and principal of the Notes and to pay any amounts due to the other creditors of the Issuer: (i) all payments of principal and interest and certain other payments (such as Recoveries) and any Deemed Collections received under or with respect to the Purchased Receivables pursuant to the Receivables Purchase Agreement and/or the Servicing Agreement, (ii) all amounts received under the Swap Agreement, (iii) all amounts of interest, if any, earned on the euro denominated interest-bearing transaction account of the Issuer ("**Transaction Account**"), (iv) all amounts standing to the credit of the Liquidity Reserve Account, (v) all amounts standing to the credit of the Commingling Reserve Account (except interest earned on such amounts), (vi) all amounts standing to the credit of the Set-Off Reserve Account (except interest earned on such amounts), (vii) all amounts standing to the credit of the Purchase Shortfall Account, (viii) all final amounts paid by any third party as purchase price for Defaulted Receivables, (ix) any amounts standing to the credit of the Swap Cash Collateral Account (excluding interest earned on such amounts), (x) for the payment of fees to any Replacement Servicer only, all amounts standing to the credit of the Replacement Servicer Fee Reserve Account and (xi) all other amounts which constitute the Available Distribution Amount and which have not been mentioned in (i) to (x) above.

**Pre-Enforcement Available Interest Amount**

"**Pre-Enforcement Available Interest Amount**" shall mean, with respect to any Payment Date and the Collection Period ending on the Cut-Off Date prior to such Payment Date the sum of the following amounts:

- (a) Interest Collections received by the Seller or (if different) the Servicer during the Collection Period ending on such Cut-Off Date;
- (b) any other interest amounts paid by the Seller to the Issuer under or with respect to the Receivables Purchase Agreement or the Purchased Receivables or any Related Collateral and any other interest amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, the Purchased Receivables or any Related Collateral, in each case as collected during such Collection Period;



- (c) any Recoveries received by the Seller or (if different) the Servicer during the Collection Period ending on such Cut-Off Date;
- (d) any interest earned (if any) on any balance credit of the Transaction Account, the Liquidity Reserve Account and the Purchase Shortfall Account during such Collection Period;
- (e) the amounts (if any) standing to the credit of the Commingling Reserve Account allocable to Interest Collections (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Commingling Reserve Account), provided, however, that such amounts shall only be included in the Pre-Enforcement Available Interest Amount if and to the extent that the Seller or (if different) the Servicer has, as of the relevant Payment Date, failed to transfer to the Issuer any Interest Collections received or payable by the Seller or (if different) the Servicer during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding the relevant Payment Date or if the appointment of the Servicer under the Servicing Agreement has been automatically terminated pursuant to Clause 9.2 of the Servicing Agreement;
- (f) the amounts (if any) standing to the credit of the Liquidity Reserve Account;
- (g) any amount paid by the Interest Rate Swap Counterparty to the Issuer under the Swap Agreement (or otherwise received by the Issuer in respect thereof) on or before and with respect to the Payment Date immediately following such Cut-Off Date (excluding, however, (i) any Swap Collateral other than any proceeds from such Swap Collateral applied in satisfaction of payments due to the Issuer in accordance with the Swap Agreement upon early termination of the Swap Agreement, (ii) any Excess Swap Collateral, (iii) any amount received by the Issuer in respect of replacement swap premium to the extent that such amount is required to be applied directly to pay a termination payment due and payable by the Issuer to the Interest Rate Swap Counterparty upon termination of the Swap Agreement, and (iv) any Swap Tax Credits);
- (h) any Principal Addition Amounts as paid under item *first* of the Pre-Enforcement Principal Priority of Payments on such Payment Date; and
- (i) any amount (other than covered by (a) through (h) above) (if any) paid to the Issuer by any other party to any Transaction Document which according to such

Transaction Document is to be allocated to the Pre-Enforcement Available Interest Amount.

**Pre-Enforcement Available  
Principal Amount**

**"Pre-Enforcement Available Principal Amount"** shall mean, with respect to any Payment Date and the Collection Period ending on the Cut-Off Date prior to such Payment Date the sum of the following amounts:

- (a) any Principal Collections (including, for the avoidance of doubt, Deemed Collections paid by the Seller or (if different) the Servicer) received by the Seller or (if different) the Servicer during the Collection Period ending on such Cut-Off Date;
- (b) any other principal amounts paid by the Seller to the Issuer under or with respect to the Receivables Purchase Agreement or the Purchased Receivables or any Related Collateral and any other amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, the Purchased Receivables or any Related Collateral, in each case as collected during such Collection Period;
- (c) on a Clean-up Call Redemption Date or a Tax Call Redemption Date only, the Final Repurchase Price;
- (d) the amounts (if any) standing to the credit of the Commingling Reserve Account allocable to Principal Collections (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Commingling Reserve Account), provided, however, that such amounts shall only be included in the Pre-Enforcement Available Principal Amount if and to the extent that the Seller or (if different) the Servicer has, as of the relevant Payment Date, failed to transfer to the Issuer any Principal Collections (other than Deemed Collections within the meaning of item (B)(i)(a) of the definition of Deemed Collections) received or payable by the Seller or (if different) the Servicer during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding the relevant Payment Date or if the appointment of the Servicer under the Servicing Agreement has been automatically terminated pursuant to Clause 9.2 of the Servicing Agreement;
- (e) the amounts (if any) standing to the credit of the Set-Off Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Set-Off Reserve Account) provided, however, that such amounts shall only be included in the Pre-Enforcement Available Principal Amount if and to the extent that (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B) (i) of the definition of

Deemed Collections for the Collection Period ending on the relevant Cut-Off Date were not received by the Seller as a result of any of the actions described in item (B) (i) of the definition of Deemed Collections, and (ii) the Issuer does not have a right of set-off against the Seller or (if different) the Servicer with respect to such amounts on the relevant Payment Date;

- (f) the amounts (if any) standing to the credit of the Purchase Shortfall Account;
- (g) the amounts (if any) credited to the Class A Principal Deficiency Sub-Ledger and the Class B Principal Deficiency Sub-Ledger pursuant to item *eighth* of the Pre-Enforcement Interest Priority of Payments;
- (h) any amount (other than covered by (a) through (g) above) (if any) paid to the Issuer by any other party to any Transaction Document which according to such Transaction Document is to be allocated to the Pre-Enforcement Available Principal Amount.

#### **Principal Deficiency Ledger**

The Servicer (acting for and on behalf of the Issuer) will establish the Principal Deficiency Ledger to record on each Calculation Date for the relevant Collection Period as a debit any Defaulted Amounts and/or any Principal Addition Amounts and to record as a credit any amounts paid under item *eighth* of the Pre-Enforcement Interest Priority of Payments and which shall be comprised of the Class A Principal Deficiency Sub-Ledger and the Class B Principal Deficiency Sub-Ledger

On each Calculation Date in relation to the Payment Date, the relevant Principal Deficiency Sub-Ledgers will be debited with the Defaulted Amount for the relevant Collection Period and/or any Principal Addition Amounts in relation to the Relevant Payment Date in the following reverse sequential order of priority:

- (a) *first*, the Class B Principal Deficiency Sub-Ledger will be debited with the Defaulted Amount for the relevant Collection Period and/or any Principal Addition Amounts up to the Aggregate Outstanding Note Principal Amount of the Class B Notes; and
- (b) *second*, the Class A Principal Deficiency Sub-Ledger will be debited with the remaining Defaulted Amount for the relevant Collection Period and/or any remaining Principal Addition Amounts up to the Aggregate Outstanding Note Principal Amount of the Class A Notes.

The relevant Principal Deficiency Sub-Ledgers will be credited using the Pre-Enforcement Available Interest Amount in accordance with the Pre-Enforcement Interest Priority of Payments item *eighth* and in full sequential order in each case

up to an amount which has been recorded as a debit on the relevant Principal Deficiency Sub-Ledger on the Calculation Date prior to such Payment Date and which has not previously been cured:

- (a) *first*, to the Class A Principal Deficiency Sub-Ledger, until reduced to zero; and
- (b) *second*, to the Class B Principal Deficiency Sub-Ledger, until reduced to zero.

**Pre-Enforcement Interest  
Priority of Payments**

On each Payment Date, prior to the occurrence of an Issuer Event of Default, the Pre-Enforcement Available Interest Amount as calculated as of the Cut-Off Date immediately preceding such Payment Date shall be applied in accordance with the following order of priorities, in each case only to the extent payments of a higher priority have been made in full:

- (a) *first*, to pay any obligation of the Issuer with respect to tax under any applicable law (if any);
- (b) *second*, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;
- (c) *third*, to pay *pari passu* with each other on a *pro rata* basis any Administrative Expenses;
- (d) *fourth*, solely to the extent that the funds standing to the credit of the Replacement Servicer Fee Reserve Account are insufficient to settle the Replacement Servicer Costs which are due and payable on such date, to pay such amounts to the Replacement Servicer;
- (e) *fifth*, to pay any amount due and payable to the Interest Rate Swap Counterparty under the Swap Agreement, other than any termination payment (as determined pursuant to the Swap Agreement) due and payable to the Interest Rate Swap Counterparty if an event of default has occurred under the Swap Agreement with respect to the Interest Rate Swap Counterparty;
- (f) *sixth*, to pay (on a *pro rata* and *pari passu* basis) any aggregate Interest Amount due and payable on the Class A Notes;
- (g) *seventh*, to credit to the Liquidity Reserve Account an amount equal to the Required Liquidity Reserve Amount as of such Payment Date;
- (h) *eighth*, to credit in full sequential order the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon and the Class B Principal

Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Pre-Enforcement Available Principal Amount);

- (i) *ninth*, to pay (on a *pro rata* and *pari passu* basis) any aggregate Interest Amount due and payable on the Class B Notes;
- (j) *tenth*, to pay *pari passu* with each other on a *pro rata* basis any termination payment due and payable to the Interest Rate Swap Counterparty under the Swap Agreement other than those made under item *fifth*;
- (k) *eleventh*, to pay any due and payable interest amounts on the Liquidity Reserve Loan;
- (l) *twelfth*, to pay any due and payable principal amounts being equal to the Liquidity Reserve Reduction Amount until the Liquidity Reserve Loan is reduced to zero;
- (m) *thirteenth*, if a RSF Reserve Funding Failure has occurred which has not been remedied prior to such Payment Date, to credit the Replacement Servicer Fee Reserve Account the amount necessary to cause the balance of such account to be at least equal to the Required Replacement Servicer Fee Reserve Amount; and
- (n) *fourteenth*, to pay the Final Success Fee to Hyundai Capital Bank Europe GmbH,

provided that any payment to be made by the Issuer under items *first* to *fourth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using any amounts then credited to the Transaction Account and, if applicable, the Liquidity Reserve Account and the Purchase Shortfall Account.

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

On each Payment Date, prior to the occurrence of an Issuer Event of Default, the Pre-Enforcement Available Principal Amount as calculated as of the Cut-Off Date immediately preceding such Payment Date shall be applied in accordance with the following order of priorities (the "**Pre-Enforcement Principal Priority of Payments**"), in each case only to the extent payments of a higher priority have been made in full:

- (a) *first*, any Principal Addition Amounts to be applied to meet any Senior Expenses Deficit;
- (b) *second*, during the Replenishment Period, to pay the Purchase Price payable in accordance with the Receivables Purchase Agreement for any Additional Receivables purchased on such Payment Date, but only up to the Replenishment Available Amount;

- (c) *third*, during the Replenishment Period, to credit the Purchase Shortfall Account with the Purchase Shortfall Amount occurring on such Payment Date;
- (d) *fourth*, to pay any Class A Notes Principal due and payable (*pro rata* on each Class A Note);
- (e) *fifth*, only after the Class A Notes have been redeemed in full, to pay any Class B Notes Principal due and payable (*pro rata* on each Class B Note); and
- (f) *sixth*, to apply any remaining amount in accordance with the Pre-Enforcement Interest Priority of Payments on such Payment Date.

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

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

- (a) the Issuer becomes insolvent or the insolvency is imminent or the Issuer is in a situation of illiquidity (*cessation de paiements*) and absence of access to credit (*ébranlement de crédit*) within the meaning of Article 437 of the Luxembourg commercial code or the Issuer initiates or consents or otherwise becomes subject to administrative dissolution without liquidation procedure (*procédure de dissolution administrative sans liquidation*), bankruptcy adjudication against the Issuer, reprieve from payment (*sursis de paiement*), liquidation, examinership, insolvency, reorganisation (including judicial reorganisation and amicable reorganisation) or similar proceedings under any applicable law, which affect or prejudice the performance of its obligations under the Notes or the other Transaction Documents, and are not, in the opinion of the Transaction Security Trustee, being disputed in good faith with a reasonable prospect of discontinuing or discharging the same, or such proceedings are not instituted for lack of assets;
- (b) the Issuer defaults in the payment of any interest due and payable in respect of the Most Senior Class of Notes (unless, where the Class B Notes are the Most Senior Class of Notes) and such default continues for a period of at least five (5) Business Days;
- (c) a distress, execution, attachment or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is not discharged or does not otherwise cease to apply within thirty (30) calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the Issuer makes a conveyance or assignment for the benefit of its creditors generally; or
- (d) the Transaction Security Trustee ceases to have a valid and enforceable security interest in any of the Collateral

or any other security interest created under any Transaction Security Document.

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

**Post-Enforcement Available Distribution Amount**

Means, with respect to any Payment Date following the occurrence of an Issuer Event of Default, an amount equal to the sum of:

- (a) the Pre-Enforcement Available Interest Amount;
- (b) the Pre-Enforcement Available Principal Amount;
- (c) the enforcement proceeds credited on the Transaction Account (to the extent not included in (a) or (b), but, for the avoidance of doubt, the amounts standing to the credit of the Replacement Servicer Fee Reserve Account in excess of the Required Replacement Servicer Fee Reserve Amount will be released directly to the RSF Reserve Depositor or the Seller as Servicer (as applicable) outside the Post-Enforcement Priority of Payments); and
- (d) any other credit balance credited on the Transaction Account (to the extent not included in (a) or (b) or (c)).

**Post-Enforcement Priority of Payments**

After the occurrence of an Issuer Event of Default, the Post-Enforcement Available Distribution Amount will be applied on each Payment Date in accordance with the following priority of payments (in sequential order and only to the extent that the more senior ranking items have been paid):

- (a) *first*, to pay any obligation of the Issuer with respect to tax under any applicable law (if any);
- (b) *second*, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;
- (c) *third*, to pay *pari passu* with each other on a *pro rata* basis any Administrative Expenses;
- (d) *fourth*, solely to the extent that the funds standing to the credit of the Replacement Servicer Fee Reserve Account are insufficient to settle any Replacement Servicer Costs due and payable on such date, to pay such amounts to the Replacement Servicer;
- (e) *fifth*, to pay any amount due and payable to the Interest Rate Swap Counterparty under the Swap Agreement, other than any termination payment (as determined pursuant to the Swap Agreement) due and payable to the Interest Rate Swap Counterparty if an event of

default has occurred under the Swap Agreement with respect to the Interest Rate Swap Counterparty;

- (f) *sixth*, to pay *pari passu* with each other on a *pro rata* basis any aggregate Interest Amount due and payable on the Class A Notes;
- (g) *seventh*, to pay (on a *pro rata* and *pari passu* basis) the redemption of the Class A Notes until the Aggregate Outstanding Note Principal Amount of the Class A Notes is reduced to zero;
- (h) *eighth*, to pay *pari passu* with each other on a *pro rata* basis any aggregate Interest Amount due and payable on the Class B Notes;
- (i) *ninth*, to pay (on a *pro rata* and *pari passu* basis) the redemption of the Class B Notes until the Aggregate Outstanding Note Principal Amount of the Class B Notes is reduced to zero;
- (j) *tenth*, to pay any swap termination payments due under the Swap other than those made under item *fifth*;
- (k) *eleventh*, to pay any due and payable interest amounts on the Liquidity Reserve Loan;
- (l) *twelfth*, to pay any due and payable principal amounts until the Liquidity Reserve Loan is reduced to zero;
- (m) *thirteenth*, if a RSF Reserve Funding Failure has occurred which has not been remedied prior to such Payment Date, to credit the Replacement Servicer Fee Reserve Account the amount necessary to cause the balance of such account to be at least equal to the Required Replacement Servicer Fee Reserve Amount;
- (n) *fourteenth*, to pay the Final Success Fee to Hyundai Capital Bank Europe GmbH,

provided that any payment to be made by the Issuer under items *first* to *fourth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using the Post-Enforcement Available Distribution Amount or (in the case of any taxes under item *fourth*) amounts standing to Replacement Servicer Fee Reserve Account.



## VERIFICATION BY SVI

SVI has been authorised by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) as third party pursuant to Article 28 of the Securitisation Regulation.

The verification label "**verified – STS VERIFICATION INTERNATIONAL**" has been officially registered as a trade mark and is licensed to an issuer of securities if the securities meet the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 26e of the Securitisation Regulation.

The verification label is issued on the basis of SVI's verification process, which is explained in detail on the SVI website ([www.sts-verification-international.com](http://www.sts-verification-international.com)). The verification process is based on the SVI verification manual. It describes the verification process and the individual inspections in detail. The verification manual is authoritative for all parties involved in the verification process and its application ensures an objective and uniform verification of transactions to be verified.

The Originator will include in its notification pursuant to Article 27(1) of the Securitisation Regulation a statement that compliance of its securitisation with the STS criteria has been verified by SVI.

See also "**Reliance on Verification "VERIFIED BY SVI" by STS Verification International GmbH**".

## THE EU RISK RETENTION AND EU TRANSPARENCY REQUIREMENTS

### EU Risk Retention Requirements

The Seller will retain for the life of the Transaction a material net economic interest through an exposure of not less than 5 per cent. in the Transaction as required by paragraph (a) of Article 6(3) of the Securitisation Regulation, provided that the level of retention may reduce over time in compliance with Article 10(2) of Commission Delegated Regulation (EU) 2023/2175 or any successor delegated regulation. On the Closing Date, such interest will, in accordance with paragraph (a) of Article 6(3) of the Securitisation Regulation, be comprised as follows: The Seller will retain, in its capacity as originator within the meaning of the Securitisation Regulation, on an ongoing basis for the life of the transaction, such net economic interest through an exposure of not less than 5 per cent. of the nominal value of each Class of Notes. The Seller undertakes not to sell such material net economic interest (within the meaning of the Securitisation Regulation) or make it subject to any credit risk mitigation, short position or any other hedge except to the extent permitted under or pursuant to the Securitisation Regulation (which does not take into account any implementing rules of the Securitisation Regulation in a relevant jurisdiction) or any applicable regulatory technical standards. The Seller did not select receivables to be transferred to the Issuer with the aim of rendering losses on the transferred receivables, measured over the life of the Transaction, higher than the losses over the same period on comparable assets held on the balance sheet of the Seller. The Seller in its capacity as servicer will service all of the retained exposures, the securitised exposures and comparable exposures held on its balance sheet in accordance with its Credit and Collection Policy.

Any failure by the Seller to fulfil the obligations under Article 6 of the Securitisation Regulation may cause this Transaction to be non-compliant with the Securitisation Regulation.

None of the Issuer, the Joint Lead Managers, the Arranger or the Seller makes any representation that the measures taken by the Seller aiming for compliance with the risk retention requirements under Article 6 of the Securitisation Regulation (and/or any implementing rules) are or will be actually sufficient for such purposes.

### EU Transparency Requirements

Pursuant to Article 7(1) of the Securitisation Regulation, the "**originator**", "**sponsor**" and "**securitisation special purpose entity**" of a "**securitisation**" (each as defined in the Securitisation Regulation) shall make available to the Noteholders, to the competent authorities referred to in Article 29 of the Securitisation Regulation and, upon request, to potential investors certain information in relation to a securitisation transaction. Pursuant to Article 7 (2) of the Securitisation Regulation, the originator, sponsor and securitisation special purpose entity of a securitisation (each as defined in the Securitisation Regulation) shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Paragraph 1 of Article 7 of the Securitisation Regulation.

### Designation

For the purposes of Article 7(2) of the Securitisation Regulation (and without prejudice to the responsibility of the originator pursuant to Article 22(5) of the Securitisation Regulation), the Issuer has been designated as the entity responsible for compliance with the Securitisation Regulation Disclosure Requirements and will either fulfil such requirements itself or shall procure that such requirements are complied with on its behalf by the Servicer.

## Reporting under the Securitisation Regulation

The Issuer (or the Servicer on its behalf) will make the information required under the Securitisation Regulation Disclosure Requirements available to the Repository.

Under the Receivables Purchase Agreement and the Servicing Agreement, the Servicer agreed to prepare the information required pursuant to Article 7(2) of the Securitisation Regulation for the Issuer. In particular, after the Closing Date, the Servicer will prepare monthly investor reports wherein relevant information with regard to the Purchased Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller for the purposes of which the Seller will provide the Issuer with all information required in accordance with Article 7 of the Securitisation Regulation (based on the template prescribed by Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE). The Issuer shall be entitled to decide in its own reasonable discretion in coordination with the Servicer whether it will produce two investor reports for the relevant monthly period, i.e. an investor report substantially in the form and with the contents set out in schedule 2 (*Sample Investor Report*) of the Servicing Agreement and an investor report containing the information required pursuant to the Securitisation Regulation Disclosure Requirements, or only an investor report containing the information required pursuant to the Securitisation Regulation Disclosure Requirements. The Issuer (or the Servicer on the Issuer's behalf) shall be entitled to amend the monthly investor report in every respect to comply with the Securitisation Regulation Disclosure Requirements. For the avoidance of doubt, the Issuer (or the Servicer on the Issuer's behalf) shall even be entitled to replace the monthly investor report in full to comply with the Securitisation Regulation Disclosure Requirements. The Servicer will also provide, upon request by the Issuer, such further information as requested by the Noteholders for the purposes of compliance of such Noteholder with the requirements under the Securitisation Regulation and the implementation into the relevant national law, subject to applicable law and availability.

In order to comply with the transparency requirements provided for by Article 7 and Article 22 of the Securitisation Regulation, the Servicer on behalf of the Issuer:

- (a) has made available via the Repository to any potential investor in the Notes before pricing of the Notes data on static and dynamic historical default and loss performance relating to more than five years period ending in Q4 2024 in respect of loan receivables substantially similar to the Receivables;
- (b) has made available – via <https://www.intex.com> – to any potential investor in the Notes before pricing of the Notes an accurate liability cash flow model representing precisely the contractual relationship between the Receivables and the payments flowing between the Seller, the Noteholders, the Issuer and any other party to the Transaction which contained an amount of information sufficient to allow such potential investor to price the Notes;
- (c) has made available via the Repository to any potential investor in the Notes before pricing of the Notes information on the underlying exposures referred to in Article 7(1)(a) of the Securitisation Regulation;
- (d) has made available via the Repository to any potential investor in the Notes before pricing of the Notes the Transaction Documents (other than the Subscription Agreement) and this Prospectus in a draft form;

- (e) has made available via the Repository to any potential investor in the Notes before pricing of the Notes a draft of the STS notification referred to in Article 27 of the Securitisation Regulation; and
- (f) will make available via the Repository in final versions of this Prospectus, the Transaction Documents (other than the Subscription Agreement) and the STS notification referred to in Article 27 of the Securitisation Regulation within 15 days from the Closing Date.

In particular, for the purpose of compliance with Article 22(4) of the Securitisation Regulation, the Servicer used its best efforts to make available to the reporting entity information related to the environmental performance of the assets financed under the Loan Contracts. It will use its best efforts to have such available information reported to investors, on an ongoing basis, in order to comply with the requirements of Article 22(4) of the Securitisation Regulation.

Any failure by the Issuer or the Servicer to fulfil the obligations under the Securitisation Regulation Disclosure Requirements may cause this Transaction to be non-compliant with the Securitisation Regulation.

None of the Issuer, Hyundai Capital Bank Europe GmbH (in its capacity as Seller and Servicer), the Joint Lead Managers, the Arranger, any other Transaction Party, their respective Affiliates nor any other person makes any representation, warranty or guarantee that the information provided by any party (other than such party itself) with respect to the transactions described in the Prospectus are compliant with the requirements of the Securitisation Regulation and no such person shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated by the Prospectus to satisfy or otherwise comply with the requirements of the Securitisation Regulation.

As outlined under section "**Investor compliance with due diligence requirements under the UK Securitisation Framework**" the Issuer in its capacity as designated reporting entity under Article 7 of the Securitisation Regulation will make use of the standardised templates developed by ESMA in respect of the Securitisation Regulation Disclosure Requirements for the purposes of this Transaction and will not make use of the standardised templates adopted by the FCA.

### **EU Due Diligence Requirements**

Prospective investors and Noteholders should be aware of Article 5 of the Securitisation Regulation which, among others, requires institutional investors (as defined in the Securitisation Regulation) prior to holding a securitisation position to verify that the originator, sponsor or original lender (each as defined in the Securitisation Regulation) retains on an ongoing basis a material net economic interest in accordance with Article 6 of the Securitisation Regulation and the risk retention is disclosed to the institutional investor in accordance with Article 7 of the Securitisation Regulation.

Each prospective investor and Noteholder is, required to independently assess and determine the sufficiency of the information described in the preceding paragraphs for the purposes of complying with Article 5 et seqq. of the Securitisation Regulation, and none of the Issuer, Seller, the Joint Lead Managers, the Arranger or any other Transaction Party gives any representation or assurance that such information is sufficient for such purposes. In addition, if and to the extent the Securitisation Regulation or any similar requirements are relevant to any prospective investor and Noteholder, such investor and Noteholder should ensure that it complies with the Securitisation Regulation or such other applicable requirements (as relevant). Prospective investors who are uncertain as to the requirements which apply to them in any relevant jurisdiction should seek guidance from the competent regulator.

## COMPLIANCE WITH STS REQUIREMENTS

The Seller, in its capacity as Originator, will make available to the investors the STS Notification in accordance with the Securitisation Regulation Disclosure Requirements.

The compliance of this Transaction with the requirements for simple, transparent and standardised non-ABCP securitisations provided for by Articles 19 to 22 of the Securitisation Regulation (the "**STS Requirements**") will be verified on or before the Closing Date by STS Verification International GmbH (SVI) , in its capacity as third party authorised pursuant to Article 28 of the Securitisation Regulation. No assurance can be provided that the Transaction described in this Prospectus does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future. Prospective investors should verify the current status of the securitisation transaction described in this Prospectus on the European Securities and Markets Authority's website.

The Seller, in its capacity as Originator, will notify the European Securities and Markets Authority that the Securitisation meets the STS Requirements in accordance with Article 27 of the Securitisation Regulation and such notification will be available under:

[https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_stsre](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre).

**Compliance with the STS Requirements is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under Directive 2014/65/EU on markets in financial instruments (as amended, restated or supplemented) ("MiFID II") and it is not a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC), as amended from time to time.**

## CREDIT STRUCTURE

### Cash Collection Arrangements

Payments by the Debtors under the Purchased Receivables are due on a monthly basis, generally on the first (1st) or fifteenth (15th) calendar day, interest being payable in arrears. Prior to a Servicer Termination Event, all Collections will be paid by the Servicer to the Transaction Account maintained by the Issuer with the Account Bank on the Payment Date immediately following each Collection Period unless the Issuer applies part or all of the Collections and amounts standing to the credit of the Purchase Shortfall Account (if any) to the replenishment of the Portfolio (including by way of set-off, where relevant) in accordance with the Pre- Enforcement Priority of Payments and the other terms of the Receivables Purchase Agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS" - "Servicing Agreement" and "Receivables Purchase Agreement" and "THE ACCOUNTS AND THE ACCOUNTS AGREEMENT".

The Servicer will identify all amounts to be paid into the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account, the Liquidity Reserve Account, the Replacement Servicer Fee Reserve Account, the Swap-Collateral Account or the Purchase Shortfall Account by crediting or by calculating such amounts to be credited by SCB (as applicable in case of the Commingling Reserve Account and the Replacement Servicer Fee Reserve Account) to the respective account and ledgers established for such purpose.

If at any time (i) the Account Bank Required Rating is not met, or (ii) the Account Bank is no longer rated by any of the Rating Agencies, the Issuer will be required, in the case of limb (a) of the definition of Account Bank Event within sixty (60) calendar days, in the case of limb (b) of the definition of Account Bank Event within thirty (30) calendar days after such event as described in limb (a) or (b) of the definition of Account Bank Event, as the case may be, to transfer any amounts credited to any Account, at no cost to the Issuer, to an alternative bank with at least the Account Bank Required Rating.

### Available Distribution Amount

The Available Distribution Amount is defined in the "SCHEDULE DEFINITIONS". See "SCHEDULE DEFINITIONS - Available Distribution Amount" and comprises the Pre-Enforcement Available Interest Amount and the Pre-Enforcement Available Principal Amount and/or the Post-Enforcement Available Distribution Amount, as the case may be. Each of the Pre-Enforcement Available Interest Amount and the Pre-Enforcement Available Principal Amount will be calculated as at each Cut-Off Date with respect to the Collection Period ending on such Cut-Off Date for the purpose of determining, inter alia, the amounts to be applied under the relevant Pre-Enforcement Priorities of Payments on the immediately following Payment Date. The Post-Enforcement Available Distribution Amount will be calculated with respect to the Cut-Off Date on any Payment Date following the occurrence of an Issuer Event of Default.

The amounts to be applied under the relevant Pre-Enforcement Priorities of Payments will vary during the life of the Transaction as a result of possible variations in the amount of Collections and certain costs and expenses of the Issuer. The amount of Collections received by the Issuer under the Receivables Purchase Agreement will vary during the life of the Transaction as a result of the level of delinquencies, defaults, repayments and prepayments in respect of the Purchased Receivables.

### Pre-Enforcement Priority of Payments

The Pre-Enforcement Available Interest Amount will, pursuant to the Terms and Conditions and the Receivables Purchase Agreement, be applied on each Payment Date in accordance with the Pre-

Enforcement Interest Priority of Payments. The Pre-Enforcement Available Principal Amount will, pursuant to the Terms and Conditions and the Receivables Purchase Agreement, be applied on each Payment Date in accordance with the relevant Pre-Enforcement Principal Priority of Payments. The amount of interest and principal payable under the Notes on each Payment Date will depend notably on the amount of the respective Collections received by the Issuer during the Collection Period immediately preceding such Payment Date and certain costs and expenses of the Issuer. Other than in accordance with item *eighth* of the Pre-Enforcement Interest Priority of Payments, Interest Collections will not be used to cover principal deficiencies. Pursuant to item *eighth* of the Pre-Enforcement Interest Priority of Payments, the relevant Principal Deficiency Sub-Ledgers will be credited in full sequential order, in each case up to an amount which has been recorded as a debit on the relevant Principal Deficiency Sub-Ledger on the Calculation Date prior to the relevant Payment Date and which has not previously been cured, i.e. (i) *first*, the Class A Principal Deficiency Sub-Ledger until reduced to zero and (ii) *second*, the Class B Principal Deficiency Sub-Ledger until reduced to zero,; see also "TERMS AND CONDITIONS OF THE NOTES - Replenishment and Redemption - Pre-Enforcement Principal Priority of Payments" and "TERMS AND CONDITIONS OF THE NOTES - Payments of Interest - Pre-Enforcement Interest Priority of Payments".

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

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

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

Upon the occurrence of an Issuer Event of Default prior to the full discharge of all Transaction Secured Obligations, any amounts payable by the Issuer will be paid in accordance with the Post-Enforcement Priority of Payments.

### **Liquidity Reserve**

On or before the Closing Date, the Issuer will establish an account with the Account Bank (the "**Liquidity Reserve Account**") which shall be credited, on the Closing Date, with an amount equal to the Required Liquidity Reserve Amount. The initial endowment into the Liquidity Reserve Account by the Issuer will be made on the Closing Date from the proceeds of the Liquidity Reserve Loan granted by the Seller to the Issuer under the Seller Loan Agreement, in an amount equal to the Required Liquidity Reserve Amount.

On each Payment Date prior to the occurrence of an Issuer Event of Default to the extent the amount standing to the credit of the Liquidity Reserve Account falls below the Required Liquidity Reserve Amount and subject to the availability of funds for such purpose, the Issuer will apply an amount equal to the Required Liquidity Reserve Amount less the amount standing to the credit of the Liquidity Reserve Account from the Pre-Enforcement Available Interest Amount towards

replenishment of the Liquidity Reserve Account up to the Required Liquidity Reserve Amount in accordance with the Pre-Enforcement Interest Priority of Payments.

**"Required Liquidity Reserve Amount"** shall mean,

- (a) on the Closing Date EUR 5,115,000; and
- (b) on each Payment Date falling after the Closing Date but prior to the occurrence of an event listed in Paragraph (c) below, the higher of (i) EUR 2,557,500 and (ii) 1% multiplied by the Aggregate Outstanding Note Principal Amount of the Class A Notes on the previous Payment Date; and
- (c) zero, on the Payment Date following the earliest of:
  - (i) such Payment Date being a Clean-Up Call Redemption Date; or
  - (ii) such Payment Date being a Tax Call Redemption Date; or
  - (iii) the Aggregate Outstanding Portfolio Principal Amount as of the Cut-Off Date preceding such Payment Date being reduced to zero; or
  - (iv) such Payment Date being the Legal Maturity Date.

### **Commingling Reserve**

If a Commingling Reserve Trigger Event occurs and provided that the Seller is the Servicer, the Seller shall (and in case of an insolvency of the Seller, Santander Consumer Bank AG ("**SCB**") shall), , calculate the Commingling Reserve Required Amount, inform SCB accordingly and SCB shall transfer the Commingling Reserve Required Amount to an account of the Issuer held with the Account Bank ("**Commingling Reserve Account**") within sixty (60) calendar days (in case of an insolvency of the Seller, within thirty (30) calendar days). If SCB ceases to own, directly or indirectly, at least 50 per cent. of the share capital of Seller (a "**Change of Control Event**" and provided that the Seller is the Servicer, the Seller shall calculate the Commingling Reserve Required Amount and shall transfer the Commingling Reserve Required Amount to the Commingling Reserve Account within ten (10) calendar days as of the occurrence of such Change of Control Event. The Seller in its capacity as Servicer shall calculate the Commingling Reserve Required Amount as of each Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event or a Change of Control Event (as applicable) and inform SCB accordingly.

If the balance credited to the Commingling Reserve Account as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event or a Change of Control Event (as applicable) is less than the Commingling Reserve Required Amount as calculated as of such Cut-Off Date, and provided that the Seller is the Servicer, (i) SCB shall within sixty (60) calendar days, transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Commingling Reserve Account if SCB had funded the reserve in accordance with the Reserves Funding Agreement; and (ii) the Seller shall within sixty (60) calendar days, transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Commingling Reserve Account if the Seller had funded the reserve in accordance with the Reserves Funding Agreement.

On each Payment Date following the occurrence of a Commingling Reserve Trigger Event or a Change of Control Event (as applicable), the Purchaser shall pay the Commingling Reserve Excess Amount, using the balance credited to the Commingling Reserve Account (i) to SCB, if SCB had funded the commingling reserve in accordance with the Reserves Funding Agreement; or (ii) to the Seller, if the Seller had funded the commingling reserve in accordance with the Reserves Funding Agreement.



In case a Change of Control Event occurs after a Commingling Reserve Trigger Event has occurred and SCB has already funded the Commingling Reserve Account in accordance with the Reserves Funding Agreement, the Seller shall proceed to fund the Commingling Reserve Account with the Commingling Reserve Required Amount in accordance with the Reserves Funding Agreement notwithstanding that the Commingling Reserve Account has already been funded by SCB. The Issuer shall promptly return the balance on the Commingling Reserve Account (minus any amounts already utilised) pertaining to the amounts funded by SCB upon receipt of the Commingling Reserve Required Amount from the Seller outside any applicable Priority of Payments. For the avoidance of doubt, upon the occurrence of a Change of Control Event (even if a Commingling Reserve Trigger Event occurred thereafter), it shall solely be the Seller's obligation to fund the Commingling Reserve Account.

A "**Commingling Reserve Trigger Event**" shall have occurred if, at any time, (i) SCB ceases to have the Commingling Required Rating or (ii) a Servicer Termination Event occurs, unless, in case of (i) the Seller has at least the Commingling Required Rating.

A "**Commingling Reserve Required Amount**" shall mean:

- (a) if on any Payment Date a Commingling Reserve Trigger Event or a Change of Control Event (as applicable) has occurred and is continuing, an amount equal to the sum of:
  - (i) the amount of the Scheduled Collections for the Collection Period immediately following the Cut-Off Date immediately preceding the relevant Payment Date multiplied by 1.5; plus
  - (ii) 1.75 per cent. of the Aggregate Outstanding Portfolio Principal Amount as of the relevant Cut-Off Date immediately preceding the relevant Payment Date; or
- (b) otherwise and/or if the Seller is no longer the Servicer, zero.

"**Commingling Reserve Excess Amount**" shall mean, as of any Payment Date, the excess of the amounts standing to the credit of the Commingling Reserve Account over the Commingling Reserve Required Amount, on the Cut-Off Date immediately preceding such Payment Date, taking into account a drawing (if any) in accordance with the relevant Pre-Enforcement Priority of Payments to be made on such Payment Date.

A "**Commingling Required Rating**" shall mean, with respect to any entity, that:

- (a) the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB or F2 (or its replacement) by Fitch; and
- (b) the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB+ (or its replacement) by S&P,

and, in each case, such rating has not been withdrawn.

A "**Scheduled Collection**" shall mean the Scheduled Interest Collection and the Scheduled Principal Collection.

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

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

## **Set-Off Reserve**

Only following the occurrence of a Set-Off Reserve Trigger Event, the Notes will have the benefit of a set-off reserve which will provide limited protection against the set-off risk in respect of the Seller. If, at any time, a Set-Off Reserve Trigger Event occurs, the Seller will be required, within sixty (60) calendar days, to transfer the Set-Off Reserve Required Amount to the Set-Off Reserve Account.

If the balance credited to the Set-Off Reserve Account as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event is less than the Set-Off Reserve Required Amount as calculated as of such Cut-Off Date, the Seller will be required to transfer an amount equal to such shortfall (as determined as of such Cut-Off Date) on the immediately following Payment Date to the Set-Off Reserve Account.

On any Payment Date following the occurrence of a Set-Off Reserve Trigger Event, the Issuer shall pay to the Seller the Set-Off Reserve Excess Amount (outside the applicable Priority of Payments).

**"Set-Off Reserve Excess Amount"** shall mean, as of any Payment Date, the excess of the amounts standing to the credit of the Set-Off Reserve Account over the Set-Off Reserve Required Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with the Pre-Enforcement Available Principal Amount.

A **"Set-Off Reserve Trigger Event"** shall have occurred if, at any time, (i) SCB ceases to have the Set-Off Required Rating or (ii) a Change of Control Event occurs, unless, in each case of (i) and (ii), the Seller has at least the Set-Off Required Rating.

A **"Set-Off Required Rating"** shall mean, with respect to any entity, that

- (a) the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB or F2 (or its replacement) by Fitch; and
- (b) the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by S&P,

and, in each case, such rating has not been withdrawn.

**"Set-Off Reserve Required Amount"** shall mean, if on any Payment Date:

- (a) a Set-Off Reserve Trigger Event has occurred and is continuing, the sum of the amounts which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the Cut-Off Date immediately preceding the relevant Payment Date, holds Seller Deposits, and are in each case equal to the lower of (x) the amount of such Seller Deposits and (y) the Outstanding Principal Amount of the Purchased Receivables owed by such Debtor as of the relevant Cut-Off Date, or
- (b) no Set-Off Reserve Trigger Event has occurred or is continuing, zero.

## **Replacement Servicer Fee Reserve**

On or before the Closing Date, the Issuer will establish an account with the Account Bank (the **"Replacement Servicer Fee Reserve Account"**).

The RSF Reserve Depositor agrees to make available to the Issuer (i) a deposit in an amount equal to the Required Replacement Servicer Fee Reserve Amount within sixty (60) calendar days from the date on which a RSF Trigger Event occurs; and (ii) if at any time thereafter the RSF Reserve Depositor receives a notice from the Issuer that a RSF Reserve Shortfall Amount exists, a further

deposit in an amount equal to such RSF Reserve Shortfall Amount within sixty (60) calendar days from the date of such notice (each and in aggregate, the "**RSF Reserve Deposit Amount**").

Upon the occurrence of a Change of Control Event, the Seller agrees to make available to the Issuer (i) a deposit in an amount equal to the Required Replacement Servicer Fee Reserve Amount within ten (10) calendar days as of the occurrence of such Change of Control Event (such funding date as well as the funding date under (i) of the preceding paragraph above, each a "**RSF Reserve Initial Funding Date**"); and (ii) if at any time thereafter the Seller receives a notice from the Issuer that a RSF Reserve Shortfall Amount exists, the RSF Reserve Deposit Amount within sixty (60) calendar days from the date of such notice.

In case the RSF Reserve Depositor or the Seller (as applicable) fails to deposit a RSF Reserve Deposit Amount, the Replacement Servicer Fee Reserve Account will be credited in accordance with the Pre-Enforcement Interest Priority of Payments and/or the Post-Enforcement Priority of Payments, as applicable.

On each Payment Date after the RSF Reserve Initial Funding Date, if the balance standing to the credit of the Replacement Servicer Fee Reserve Account exceeds the Required Replacement Servicer Fee Reserve Amount, (prior to the occurrence of an Issuer Event of Default) the Issuer or (following the occurrence of an Issuer Event of Default) the Transaction Security Trustee shall procure that the Cash Administrator returns any excess RSF Reserve Deposit Amount in the Replacement Servicer Fee Reserve Account outside the applicable Priority of Payments directly to (i) the RSF Reserve Depositor, if the RSF Reserve Depositor had funded the replacement servicer fee reserve in accordance with the Reserves Funding Agreement; or (ii) the Seller, if the Seller had funded the replacement servicer fee reserve in accordance with the Reserves Funding Agreement.

In case a Change of Control Event occurs after a RSF Reserve Trigger Event has occurred and SCB has already funded the Replacement Servicer Fee Reserve Account in accordance with the Reserves Funding Agreement, the Seller shall proceed to fund the Replacement Servicer Fee Reserve Account with the RSF Reserve Deposit Amount in accordance with the Reserves Funding Agreement notwithstanding that the Replacement Servicer Fee Reserve Account has already been funded by SCB. The Issuer shall promptly return the balance on the Replacement Servicer Fee Reserve Account (minus any amounts already utilised) pertaining to the amounts funded by SCB upon receipt of the RSF Reserve Deposit Amount from the Seller outside any applicable Priority of Payments.

In the event there is a difference in amounts of the RSF Reserve Deposit Amount funded by SCB and the amounts of the RSF Reserve Deposit Amount to be funded by the Seller, in case of any (i) shortfall, the Seller shall ensure that a further deposit in an amount equal to such shortfall is made; and (ii) excess, the Issuer shall ensure that such excess amounts are paid back to SCB.

For the avoidance of doubt, upon the occurrence of a Change of Control Event (even if a RSF Reserve Trigger Event occurred thereafter), it shall solely be the Seller's obligation to fund the Replacement Servicer Fee Reserve Account.

A "**RSF Trigger Event**" shall have occurred if, at any time:

- (a) SCB ceases to have the Servicer Required Rating; or
- (b) a Servicer Termination Event occurs; or
- (c) the Servicer terminates the Servicing Agreement for good cause (*aus wichtigem Grund*);

unless in case of (a) the Seller has at least the Servicer Required Rating.

**"Required Replacement Servicer Fee Reserve Amount"** shall mean, as of any date of determination:

- (a) prior to the occurrence and continuation of an RSF Trigger Event or a Change of Control Event (as applicable), zero; and
- (b) following the occurrence and continuation of an RSF Trigger Event or a Change of Control Event (as applicable), an amount equal to the product of (i) 1.0% and (ii) the remaining weighted average life of the Purchased Receivables as of the relevant Cut-Off Date, assuming a 0.0% CPR and a 0.0% CDR and (iii) the then current Aggregate Outstanding Portfolio Principal Amount, subject to a floor of EUR 250,000.

#### **Interest Rate Swap**

The Issuer has entered into the Swap Agreement with the Interest Rate Swap Counterparty in order to hedge certain interest rate risks arising in connection with the Class A Notes.

#### **Return of Reserves**

On the Payment Date on which the Notes are repaid in full, the funds then standing to the credit of the Liquidity Reserve Account, the Set-Off Reserve Account, the Commingling Reserve Account and the Replacement Servicer Fee Reserve Account (after application of the relevant Pre-Enforcement Priorities of Payments on such Payment Date) shall be returned to the Seller or SCB (as applicable).

## TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes are set out below. Appendix 1 to the Terms and Conditions is set out under "SCHEDULE DEFINITIONS". Appendix 2 to the Terms and Conditions is set out under "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT". Each of Appendix 1 and Appendix 2 forms an integral part of these Terms and Conditions.

### 1 Form and Denomination

- (a) Pony S.A., a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having the status of an unregulated securitisation company (*société de titrisation*) subject to the Luxembourg law on securitisation dated 22 March 2004, as amended (the "**Securitisation Law**"), registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under registration number B252293 and having its registered office at 28, Boulevard F.W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg, acting on behalf and for the account of its Compartment German Auto Loans 2025-1 ("**Issuer**") issues the following classes of amortising asset-backed notes in bearer form (each, a "**Class**" and collectively, "**Notes**") pursuant to these terms and conditions ("**Terms and Conditions**"):
- (i) Class A Floating Rate Notes due on the Payment Date falling in December 2035 ("**Class A Notes**") which are issued in an initial aggregate principal amount of EUR 511,500,000 and divided into 5,115 Notes each having a principal amount of and minimum denomination of EUR 100,000.
- (ii) Class B Fixed Rate Notes due on the Payment Date falling in December 2035 ("**Class B Notes**") which are issued in the aggregate principal amount of EUR 38,500,000 and divided into 385 Notes each having a principal amount of and minimum denomination of EUR 100,000.

The Notes will be issued on 26 March 2025 (the "**Closing Date**"). The Class A Notes shall be issued in new global note form and the Class B Notes shall be issued in classical global note form. The holders of the Notes are referred to as "**Noteholders**".

- (b) Each Class of Notes shall be initially represented by a temporary global bearer note ("**Temporary Global Note**") without interest coupons. The Temporary Global Notes shall be exchangeable, as provided in Paragraph (c) below, for the permanent global bearer notes which are recorded in the records of the ICSDs ("**Permanent Global Note**") without interest coupons representing each such Class. Definitive Notes and interest coupons shall not be issued. Each Permanent Global Note and each Temporary Global Note is also referred to herein as a "**Global Note**" and, together, as "**Global Notes**". Each Global Note representing the Class A Notes shall be deposited with an entity appointed as common safekeeper ("**Class A Notes Common Safekeeper**") by the ICSDs. Each Global Note representing the Class B Notes shall be deposited with an entity appointed as common depositary ("**Common Depositary**") by the Principal Paying Agent.
- (c) The Temporary Global Notes shall be exchanged for the Permanent Global Notes recorded in the records of the ICSD on a date ("**Exchange Date**") not earlier than forty (40) calendar days after the date of issue of the Temporary Global Notes upon delivery by the relevant participants to the ICSDs, as relevant, and by the ICSDs to

the Principal Paying Agent (as defined below in subsection (h)), of certificates in the form which forms part of the Temporary Global Notes and are available from the Principal Paying Agent for such purpose, to the effect that the beneficial owner or owners of the Notes represented by the relevant Temporary Global Note is not a U.S. Person or are not U.S. Persons (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) other than certain financial institutions or certain persons holding through such financial institutions. Each Permanent Global Note delivered in exchange for the relevant Temporary Global Note shall be delivered only outside of the United States.

**"United States"** shall mean, for the purposes of this Condition 1(c), the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands). Any exchange of a Temporary Global Note pursuant to this Condition 1(c) shall be made free of charge to the Noteholders.

- (a) The Notes will bear a legend on their Global Notes to the following effect:

"Any United States person (as defined in the Internal Revenue Code of the United States) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code of 1986, as amended."
- (b) Payments of interest or principal on the Notes represented by a Temporary Global Note shall be made only after delivery by the relevant participants to the ICSDs, as relevant, and by an ICSD to the Principal Paying Agent of the certifications described in Paragraph 1(c) above.
- (c) Each Global Note shall be manually signed by or on behalf of the Issuer and shall be authenticated by the Principal Paying Agent and, in respect of each Global Note representing the Class A Notes, effectuated by the Class A Notes Common Safekeeper.
- (d) The aggregate nominal amount of the Class A Notes represented by each Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. Absent errors, the records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Class A Notes) shall be conclusive evidence of the aggregate nominal amount of Notes represented by the relevant Global Note and, for these purposes, a statement issued by an ICSD stating the aggregate nominal amount of Class A Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

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

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

- (a) The provisions set out in Schedule 7 of the agency agreement ("**Agency Agreement**") between the Issuer, The Bank of New York Mellon, London Branch as principal paying agent (or any successor or substitute appointed with such capacity, "**Principal Paying Agent**"), as interest determination agent (or any successor or substitute appointed with such capacity, "**Interest Determination Agent**"), as cash administrator (or any successor or substitute appointed with such capacity, "**Cash Administrator**"), as back-up servicer facilitator (or any successor or substitute appointed with such capacity, "**Back-Up Servicer Facilitator**") and as calculation agent (or any successor or substitute appointed with such capacity, "**Calculation Agent**") and The BNY Mellon Corporate Trustee Services Limited as transaction security trustee (or any successor or substitute appointed with such capacity, "**Transaction Security Trustee**") dated 24 March 2025 which contain primarily the procedural provisions regarding resolutions of Noteholders shall hereby be fully incorporated into these Terms and Conditions. The Issuer shall specify, by means of a notification in accordance with Condition 13 (*Form of Notices*), at any time, but no later than upon publication of a convening notice for a Noteholders' meeting, a website for the purpose of publications under such procedural provisions. Such notification shall hereby be fully incorporated into these Terms and Conditions upon publication or delivery thereof in accordance with Condition 13 (*Form of Notices*).
- (b) Copies of the Global Notes are available to Noteholders free of charge at the main offices of the Issuer and of the Principal Paying Agent (as defined in Condition 9(a) (*Agents; Determinations Binding*)).
- (c) Certain terms not defined but used herein shall have the same meanings herein as in the Definitions Schedule attached as Appendix 1 or as in Appendix 2 to these Terms and Conditions ("**Appendix 1**" and "**Appendix 2**", respectively) each of which constitutes an integral part of these Terms and Conditions.
- (d) The Notes are subject to the provisions of a transaction security agreement ("**Transaction Security Agreement**") between, *inter alia*, the Issuer, the Principal Paying Agent, the Cash Administrator, the Calculation Agent, the Interest Determination Agent, the Arranger, the Joint Lead Managers, the Data Trustee, the Account Bank, the Seller, the Servicer, the Interest Rate Swap Counterparty and the Transaction Security Trustee dated 24 March 2025. The main provisions of the Transaction Security Agreement are set out in Appendix 2 to these Terms and Conditions ("**Appendix 2**") which constitutes an integral part of these Terms and Conditions. Terms defined in the Transaction Security Agreement shall have the same meanings herein.

## 2 Status and Priority

- (a) The Notes of any Class constitute direct, secured and (subject to Condition 3.2 (*Limited Recourse*)) unconditional obligations of the Issuer.
- (b) The obligations of the Issuer under the Class A Notes rank *pari passu* amongst themselves without any preference among themselves in respect of the applicable Priority of Payments. With respect to the other obligations of the Issuer, the

obligations of the Issuer under the Class A Notes rank senior to the Class B Notes and in accordance with the applicable Priority of Payments as set out in Condition 7.2 (*Amortisation*), Condition 6.5 (*Pre-Enforcement Interest Priority of Payments*), Condition 7.7 (*Post-Enforcement Priority of Payments*) and the Post-Enforcement Priority of Payments (as set out in Appendix 1). The obligations of the Issuer under the Class B Notes rank *pari passu* amongst themselves in respect of priority of payments. With respect to the other obligations of the Issuer, the obligations of the Issuer under the Class B Notes rank in accordance with the applicable Priority of Payments as set out in Condition 7.2 (*Amortisation*), Condition 6.5 (*Pre-Enforcement Interest Priority of Payments*), Condition 7.7 (*Post-Enforcement Priority of Payments*) and the Post-Enforcement Priority of Payments (as set out in Appendix 1).

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

#### 3.1 Security

Pursuant to the Transaction Security Agreement, the Issuer has assigned, transferred or pledged to the Transaction Security Trustee its rights and claims in all Purchased Receivables and any Related Collateral, all of its rights and claims arising under certain Transaction Documents to which the Issuer is a party, all present and future rights, claims and interests which the Issuer is or becomes entitled to from or in relation to the Accounts and all amounts standing to the credit of the Accounts and certain other rights specified in the Transaction Security Agreement, (such collateral as defined in Clause 7 (*Security Purpose*) of the Transaction Security Agreement "**Collateral**") as security for the Notes and other obligations specified in the Transaction Security Agreement. As to the form and contents of such provision of security, reference is made to Clauses 5 (*Transfer for Security Purposes of the Assigned Security*) and 6 (*Pledge*) and the other provisions of the Transaction Security Agreement (see Appendix 2). In addition, the Issuer has granted a security interest to the Transaction Security Trustee in respect of all present and future rights, claims and interests which the Issuer is or becomes entitled to from or in relation to the Interest Rate Swap Counterparty and/or any other party pursuant to or in respect of the Swap Agreement pursuant to an English Security Deed dated 24 March 2025, as amended, supplemented, amended and restated or novated (including by conclusion of a security agreement under the laws of another jurisdiction) from time to time (the "**English Security Deed**" and, the security interests granted in accordance with the English Security Deed, together with the Collateral, the "**Note Collateral**").

#### 3.2 Limited Recourse

- (a) Notwithstanding anything to the contrary under the Notes or in any other Transaction Document to which the Issuer is expressed to be a party, all amounts payable or expressed to be payable by the Issuer hereunder shall be recoverable solely out of the Post-Enforcement Available Distribution Amount (as defined in Appendix 1) which shall be generated by, and limited to (i) payments made to the Issuer by the Servicer under the Servicing Agreement, (ii) payments made to the Issuer by the Interest Rate Swap Counterparty under the Swap Agreement, (iii) payments made to the Issuer under the other Transaction Documents, (iv) proceeds from the realisation of the Note Collateral and (v) interest earned on the balance credited to the Transaction Account and, if applicable, the Purchase Shortfall Account, as available on the relevant Payment Date (as defined in Condition 5.1 (*Payment*



*Dates*)), in each case in accordance with and subject to the relevant Priorities of Payments and which shall only be settled if and to the extent that the Issuer is in a position to settle such claims using future profits, any remaining liquidation proceeds or any current positive balance of the net assets of the Issuer. The Notes shall not give rise to any payment obligation in excess of the Post-Enforcement Available Distribution Amount and recourse shall be limited accordingly.

- (b) The Issuer shall hold all monies paid to it in the Transaction Account, except (i) the Commingling Reserve Required Amount which the Issuer shall hold in the Commingling Reserve Account, (ii) the Set-Off Reserve Required Amount which the Issuer shall hold in the Set-Off Reserve Account, the Required Liquidity Reserve Amount which the Issuer shall hold in the Liquidity Reserve Account, (iii) any Swap Collateral, Swap Tax Credit and replacement swap premium received by the Issuer which the Issuer shall hold in the Swap Cash Collateral Account, (iv) the Required Replacement Servicer Fee Reserve Amount which the Issuer shall hold in the Replacement Servicer Fee Reserve Account and (v) the Purchase Shortfall Amount which the Issuer shall hold in the Purchase Shortfall Account. Furthermore, the Issuer shall exercise all of its rights under the Transaction Documents with the due care of a prudent businessman such that obligations under the Notes may be performed to the fullest extent possible.
- (c) The obligations of the Issuer arising hereunder are limited recourse obligations payable solely from the proceeds of the Note Collateral or any other future profits, remaining liquidation proceeds or other positive balance of net assets and, following realisation of the Note Collateral and the application of the proceeds thereof in accordance with the Post-Enforcement Priority of Payments, any claims of any party against the Purchaser (and the obligations of the Purchaser) shall be extinguished.
- (d) The Noteholders shall not (otherwise than as contemplated herein) take steps against the Issuer, the Company, any of its other compartments, its officers or directors to recover any sum so unpaid and, in particular, the Noteholders shall not petition or take any other step or action for the winding up, examinership, liquidation or dissolution of the Issuer, or its officers or directors, nor for the appointment of a liquidator, examiner, receiver or other person in respect of the Issuer or its assets.

### **3.3 Enforcement of Payment Obligations**

The enforcement of the payment obligations under the Notes shall only be effected by the Transaction Security Trustee for the benefit of all Noteholders, provided that each Noteholder shall be entitled to proceed directly against the Issuer in the event that the Transaction Security Trustee, after having become obliged to enforce the Note Collateral and having been given notice thereof, fails to do so within a reasonable time period and such failure continues. The Transaction Security Trustee shall foreclose on the Note Collateral upon the occurrence of an Issuer Event of Default on the Conditions and in accordance with the terms of the Transaction Security Agreement, including, in particular, Clauses 18 (*Enforcement of Note Collateral*) and 19 (*Payments upon occurrence of an Issuer Event of Default*) of the Transaction Security Agreement (see Appendix 2) and the English Security Deed.

### **3.4 Obligations of the Issuer only**

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

### 3.5 Issuer Event of Default

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

- (a) the Issuer becomes insolvent or the insolvency is imminent or the Issuer is in a situation of illiquidity (*cessation de paiements*) and absence of access to credit (*ébranlement de crédit*) within the meaning of Article 437 of the Luxembourg commercial code or the Issuer initiates or consents or otherwise becomes subject to administrative dissolution without liquidation procedure (*procédure de dissolution administrative sans liquidation*), bankruptcy adjudication against the Issuer, reprieve from payment (*sursis de paiement*), liquidation, examinership, insolvency, reorganisation (including judicial reorganisation and amicable reorganisation) or similar proceedings under any applicable law, which affect or prejudice the performance of its obligations under the Notes or the other Transaction Documents, and are not, in the opinion of the Transaction Security Trustee, being disputed in good faith with a reasonable prospect of discontinuing or discharging the same, or such proceedings are not instituted for lack of assets;
- (b) the Issuer defaults in the payment of any interest due and payable in respect of the Most Senior Class of Notes (unless, where the Class B Notes are the Most Senior Class of Notes) and such default continues for a period of at least five (5) Business Days;
- (c) a distress, execution, attachment or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is not discharged or does not otherwise cease to apply within thirty (30) calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the Issuer makes a conveyance or assignment for the benefit of its creditors generally; or
- (d) the Transaction Security Trustee ceases to have a valid and enforceable security interest in any of the Note Collateral or any other security interest created under any Transaction Security Document.

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

## 4 General Covenants of the Issuer

### 4.1 Restrictions on Activities

As long as any Notes are outstanding, the Issuer shall not be entitled, unless (i) each Rating Agency has been notified of such action and the prior consent of the Transaction Security Trustee has been obtained or (ii) required by applicable law, to engage in or undertake any of the activities or transactions specified in Clause 38 (*Actions of the Issuer Requiring Consent*) of the Transaction Security Agreement (see Appendix 2).

### 4.2 Appointment of Transaction Security Trustee

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

## 5 Payments on the Notes

### 5.1 Payment Dates

Payments of interest and, after the expiration of the Replenishment Period, principal in respect of the Notes to the Noteholders in accordance with the provisions herein shall become due and payable monthly on the fourteenth (14th) day of each calendar month or if such day is not a Business Day, on the next succeeding day which is a Business Day unless such date would thereby fall into the next calendar month, in which case the payment will be made on the immediately preceding Business Day, commencing in April 2025 (each such day, a "**Payment Date**").

"**Business Day**" shall mean a day on which commercial banks and foreign exchange markets are open or required to be open for business in London (United Kingdom), Frankfurt (Germany), Mönchengladbach (Germany) and Luxembourg and on which the T2 System is open for business.

### 5.2 Note Principal Amount

Payments of interest and, after the expiration of the Replenishment Period, payments of principal and interest on each Note as of any Payment Date shall be made on the Note Principal Amount of each Note and shall be made outside the United States. The "**Note Principal Amount**" of any Notes as of any date shall equal the initial note principal amount of EUR 100,000 as reduced by all amounts paid prior to such date on such Note in respect of principal.

"**Aggregate Outstanding Note Principal Amount of the Class A Notes**" shall mean, as of any date, the sum of the Note Principal Amounts of all Class A Notes, "**Aggregate Outstanding Note Principal Amount of the Class B Notes**" shall mean, as of any date, the sum of the Note Principal Amounts of all Class B Notes. Each of the Aggregate Outstanding Note Principal Amount of the Class A Notes and the Aggregate Outstanding Note Principal Amount of the Class B Notes is referred to herein as a "**Aggregate Outstanding Note Principal Amount**".

### 5.3 Payments and Discharge

Payments of interest and, after the expiration of the Replenishment Period, payments of principal and interest in respect of the Notes shall be made by the Issuer, through the Principal Paying Agent, on each Payment Date to, or to the order of, the ICSDs, as relevant, for credit to the relevant participants in the ICSDs for subsequent transfer to the Noteholders. The Cash Administrator will instruct the Account Bank on behalf of the Issuer to make all payments of interest and principal on the Notes from the Transaction Account upon receipt of the respective notifications as provided for under Condition 8 (*Notifications*).

Payments in respect of interest on any Notes represented by a Temporary Global Note shall be made to, or to the order of, the ICSDs, as relevant, for credit to the relevant participants in the ICSDs for subsequent transfer to the relevant Noteholders upon due certification as provided in Condition 1(c) (*Form and Denomination*).

All payments made by the Issuer to, or to the order of, the ICSDs, as relevant, shall discharge the liability of the Issuer under the relevant Notes to the extent of the sums so paid. Any failure to make the entries in the records of the ICSDs referred to in Condition 5.2 (*Note Principal Amount*) shall not affect the discharge referred to in the preceding sentence.

## 6 Payments of Interest

### 6.1 Interest Calculation

- (a) Subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) and, in particular, subject to the Pre-Enforcement Interest Priority of Payments and, upon the occurrence of an Issuer Event of Default, the Post-Enforcement Priority of Payments, each Note shall bear interest on its Note Principal Amount from the Closing Date until the close of the day preceding the day on which such Note has been redeemed in full (both days inclusive).
- (b) The amount of interest payable by the Issuer in respect of each Note on any Payment Date ("**Interest Amount**") shall be calculated by the Calculation Agent by applying the relevant Interest Rate (Condition 6.3 (*Interest Rate*)), for the relevant Interest Period (Condition 6.2 (*Interest Period*)), to the relevant Note Principal Amount outstanding immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 360 and rounding the result to the nearest EUR 0.01 (with EUR 0.005 being rounded upwards).

### 6.2 Interest Period

"**Interest Period**" shall mean, with respect to the Notes, as applicable, the period commencing on (and including) any Payment Date and ending on (but excluding) the immediately following Payment Date, and the first Interest Period under the Notes shall commence on (and include) the Closing Date and shall end on (but exclude) the first Payment Date.

### 6.3 Interest Rate

- (a) The interest rate payable on the Note for each Interest Period (each, an "**Interest Rate**") shall be
  - (i) in the case of the Class A Notes, EURIBOR + 0.49% *per annum* and, for the avoidance of doubt, if such rate is below zero, the Interest Rate shall be zero,
  - (ii) in the case of the Class B Notes, 1% *per annum*.
- (b) "**EURIBOR**" for each Interest Period shall mean the rate for deposits in euro for a period of one month (with respect to the first Interest Period, the linear interpolation between one week and one month) which appears on Reuters screen page EURIBOR01 (or such other page as may replace such page on that service for the purpose of displaying Brussels inter-bank offered rate quotations of major banks) as of 11:00 a.m. (Brussels time) on the second Business Day immediately preceding the commencement of such Interest Period (each, a "**EURIBOR Determination Date**"), all as determined by the Interest Determination Agent.
- (c) If Reuters screen page EURIBOR01 is not available or if no such quotation appears thereon, in each case as at such time, the Issuer (acting on the advice of the Servicer with the Interest Determination Agent consultation), shall request the principal Euro-

zone office of the Reference Banks selected by it to provide the Interest Determination Agent with its offered quotation (expressed as a percentage rate *per annum*) for one-month deposits (with respect to the first Interest Period, the linear interpolation between one week and one month) in euro at approximately 11:00 a.m. (Brussels time) on the relevant EURIBOR Determination Date to prime banks in the Euro-zone inter-bank market for the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time. If two or more of the selected Reference Banks provide the Interest Determination Agent with such offered quotations, EURIBOR for such Interest Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one thousandth of a percentage point, with 0.000005 being rounded upwards). If on the relevant EURIBOR Determination Date fewer than two of the selected Reference Banks provide the Interest Determination Agent with such offered quotations, EURIBOR for such Interest Period shall be the rate *per annum* which the Interest Determination Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates communicated to the Interest Determination Agent by major banks in the Euro-zone, selected by the Issuer (acting on the advice of the Servicer with the Interest Determination Agent consultation), at approximately 11:00 a.m. (Brussels time) on such EURIBOR Determination Date for loans in euro to leading European banks for such Interest Period and in an amount that is representative for a single transaction in that market at that time. "**Reference Banks**" shall mean four major banks in the Euro-zone inter-bank market.

- (d) In the event that the Interest Determination Agent is on any EURIBOR Determination Date required but unable to determine EURIBOR for the relevant Interest Period in accordance with the above for any reason other than as described under (e) below, EURIBOR for such Interest Period shall be EURIBOR as determined on the previous EURIBOR Determination Date.
- (e) If there has been a public announcement of the permanent or indefinite discontinuation of EURIBOR that applies to the Notes at that time (the date of such public announcement being the "**Relevant Time**"), the Issuer (acting on the advice of the Servicer) shall, without undue delay, use commercially reasonable endeavours to propose an Alternative Base Rate in accordance with Condition 12(b) (*Modifications*) (the "**Relevant Condition**"). Any determination, decision or election that may be made by the Issuer (acting on the advice of the Servicer) in relation to the Alternative Base Rate pursuant to this Condition and Condition 12(b) (*Modifications*) including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding to the Noteholders.

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

#### 6.4 Interest Shortfall

Accrued interest not paid on any Payment Date related to the Interest Period in which it accrued, will be an "**Interest Shortfall**" with respect to the relevant Note. Without prejudice to item (b) of the definition of Issuer Event of Default, an Interest Shortfall shall become due and payable on the next Payment Date and on any following Payment Date (subject to

Condition 3.2 (*Limited Recourse*) until it is reduced to zero. Interest shall not accrue on Interest Shortfalls at any time.

## 6.5 Pre-Enforcement Interest Priority of Payments

On each Payment Date, prior to the occurrence of an Issuer Event of Default, the Pre-Enforcement Available Interest Amount as calculated as of the Cut-Off Date immediately preceding such Payment Date shall be applied in accordance with the following order of priorities ("**Pre-Enforcement Interest Priority of Payments**"), in each case only to the extent payments of a higher priority have been made in full:

- (a) *first*, to pay any obligation of the Issuer with respect to tax under any applicable law (if any);
- (b) *second*, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;
- (c) *third*, to pay *pari passu* with each other on a *pro rata* basis any Administrative Expenses;
- (d) *fourth*, solely to the extent that the funds standing to the credit of the Replacement Servicer Fee Reserve Account are insufficient to settle the Replacement Servicer Costs which are due and payable on such date, to pay such amounts to the Replacement Servicer;
- (e) *fifth*, to pay any amount due and payable to the Interest Rate Swap Counterparty under the Swap Agreement, other than any termination payment (as determined pursuant to the Swap Agreement) due and payable to the Interest Rate Swap Counterparty if an event of default has occurred under the Swap Agreement with respect to the Interest Rate Swap Counterparty;
- (f) *sixth*, to pay (on a *pro rata* and *pari passu* basis) any aggregate Interest Amount due and payable on the Class A Notes;
- (g) *seventh*, to credit to the Liquidity Reserve Account an amount equal to the Required Liquidity Reserve Amount as of such Payment Date;
- (h) *eighth*, to credit in full sequential order the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon and the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Pre-Enforcement Available Principal Amount);
- (i) *ninth*, to pay (on a *pro rata* and *pari passu* basis) any aggregate Interest Amount due and payable on the Class B Notes;
- (j) *tenth*, to pay *pari passu* with each other on a *pro rata* basis any termination payment due and payable to the Interest Rate Swap Counterparty under the Swap Agreement other than those made under item *fifth*;
- (k) *eleventh*, to pay any due and payable interest amounts on the Liquidity Reserve Loan;

- (l) *twelfth*, to pay any due and payable principal amounts being equal to the Liquidity Reserve Reduction Amount until the Liquidity Reserve Loan is reduced to zero;
  - (m) *thirteenth*, if a RSF Reserve Funding Failure has occurred which has not been remedied prior to such Payment Date, to credit the Replacement Servicer Fee Reserve Account the amount necessary to cause the balance of such account to be at least equal to the Required Replacement Servicer Fee Reserve Amount; and
  - (n) *fourteenth*, to pay the Final Success Fee to Hyundai Capital Bank Europe GmbH,
- provided that any payment to be made by the Issuer under items *first* to *fourth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using any amounts then credited to the Transaction Account and, if applicable, the Liquidity Reserve Account and the Purchase Shortfall Account.

## 6.6 Notifications

The Calculation Agent shall, as soon as practicable but no later than by 11:00 a.m. (Frankfurt time) one (1) Business Day prior to the EURIBOR Determination Date, determine the relevant Interest Period, Interest Amount, Interest Shortfall and Payment Date with respect to each Class of Notes and notify such information to each of the Principal Paying Agent, the Issuer, the Cash Administrator, the Corporate Administrator and the Transaction Security Trustee in writing without undue delay. Upon receipt of such information and if applicable, relevant completed forms, by no later than 11.00 a.m. (Frankfurt time) one (1) Business Day prior to the day of intended notification the Principal Paying Agent shall notify such information (i) as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market (segment for professional investors) of the Luxembourg Stock Exchange, to the Luxembourg Stock Exchange as well as to the holders of such Notes in accordance with Condition 13 (*Form of Notices*) and (ii) if any Notes are listed on any other stock exchange, to such exchange as well as to the holders of such Notes in accordance with Condition 13 (*Form of Notices*). In the event that such notification is required to be given to the Luxembourg Stock Exchange, this notification, together with any completed forms required by the Luxembourg Stock Exchange, shall be given no later than the close of the day of intended notification.

## 7 Replenishment and Redemption

### 7.1 Replenishment

No payments of principal in respect of the Notes shall become due and payable to the Noteholders during the Replenishment Period. On each Payment Date during the Replenishment Period, the Seller may sell and assign to the Issuer Additional Receivables in accordance with the provisions of the Receivables Purchase Agreement for an aggregate purchase price not exceeding the Replenishment Available Amount. The Issuer shall accept any Offer made by the Seller provided that the following conditions are satisfied as of such Payment Date: (a) in respect of each Additional Receivable the Eligibility Criteria are met and (b) each Additional Receivable and the Related Collateral are assigned and transferred in accordance with the provisions of the Receivables Purchase Agreement and the Data Trust Agreement. The Issuer shall be obligated to purchase and acquire Receivables for purposes of a Replenishment only to the extent that the obligation to pay the purchase price for the Receivables offered to the Issuer by the Seller for purchase on any Purchase Date can be satisfied by the Issuer by applying the Pre-Enforcement Available Principal Amount

as of the Cut-Off Date immediately preceding the relevant Purchase Date in accordance with the Pre-Enforcement Principal Priority of Payments.

## 7.2 Amortisation

Subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) and prior to the occurrence of an Issuer Event of Default, the Class A Notes and, after the Class A Notes have been redeemed in full, the Class B Notes in this order sequentially, shall be redeemed on each Payment Date falling on a date after the expiration of the Replenishment Period in an amount equal to the Pre-Enforcement Available Principal Amount less the sum of all amounts payable or to be applied (as the case may be) by the Issuer as set forth in the Pre-Enforcement Principal Priority of Payments under item *first*, provided that each Note of a particular Class shall be redeemed on each Payment Date in an amount equal to the redemption amount allocated to such Class divided by the number of Notes in such Class. Upon the occurrence of an Issuer Event of Default, the Post-Enforcement Available Distribution Amount shall be applied in each Payment Date as further set out in Condition 7.7 below.

**"Class A Notes Principal"** shall mean with respect to any Payment Date all or a portion of the Aggregate Outstanding Note Principal Amount of the Class A Notes on the previous Payment Date to be paid in accordance with the Pre-Enforcement Principal Priority of Payments;

**"Class B Notes Principal"** shall mean with respect to any Payment Date all or a portion of the Aggregate Outstanding Note Principal Amount of the Class B Notes on the previous Payment Date to be paid in accordance with the Pre-Enforcement Principal Priority of Payments.

## 7.3 Scheduled Maturity Date

On the Payment Date falling in December 2033 ("**Scheduled Maturity Date**"), each Class A Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the outstanding Note Principal Amount and, after all Class A Notes have been redeemed in full, the Class B Notes shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the outstanding Note Principal Amount, in each case subject to the availability of funds pursuant to the Pre-Enforcement Principal Priority of Payments. In the event of insufficient funds pursuant to the relevant Pre-Enforcement Priority of Payments, any outstanding Note shall be redeemed on the next Payment Date and on any following Payment Date in accordance with and subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) until each Note has been redeemed in full, subject to the Condition 7.4 (*Legal Maturity Date*).

## 7.4 Legal Maturity Date

On the Payment Date falling in December 2035 ("**Legal Maturity Date**"), each Class A Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the outstanding Note Principal Amount and, after all the Class A Notes have been redeemed in full, the Class B Notes shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the outstanding Note Principal Amount and, after all Class B Notes have been redeemed in full, in each case subject to the limitations set forth in Condition 3.2 (*Limited Recourse*). The Issuer will be under no obligation to make any payment under the Notes after the Legal Maturity Date.

## 7.5 Early Redemption



- 7.5.1 On any Payment Date following the Cut-Off Date on which the Aggregate Outstanding Portfolio Principal Amount has been reduced to less than 10 per cent. of the initial Aggregate Outstanding Portfolio Principal Amount as of the first Cut-Off Date, the Seller will have the option under the Receivables Purchase Agreement to repurchase all Purchased Receivables (together with any Related Collateral) (the "**Clean-up Call**") at the Final Repurchase Price and, as a result, the Notes will be subject to early redemption in whole, but not in part, prior to their Scheduled Maturity Date,
- (i) subject to the Final Repurchase Price being sufficient to redeem the Class A Notes at their outstanding Note Principal Amount in accordance with the Pre-Enforcement Principal Priority of Payments; and
  - (ii) provided that the Pre-Enforcement Available Interest Amount shall be at least sufficient to pay any accrued interest on the Class A Notes in accordance with the Pre-Enforcement Interest Priority of Payments.

The Seller shall advise the Issuer and the Principal Paying Agent of its intention to exercise the repurchase option on the Reporting Date in relation to the Payment Date ("**Clean-Up Call Redemption Date**").

The Final Repurchase Price to be paid by the Seller shall be applied by the Issuer in redemption of the Notes on the Clean-Up Call Redemption Date at their then current Note Principal Amount, together with all amounts ranking prior thereto according to the Pre-Enforcement Principal Priority of Payments and Condition and shall be determined as follows:

- (A) for non-Defaulted Receivables and non-Delinquent Receivables, the sum of the Outstanding Principal Amounts of these non-Defaulted Receivables and non-Delinquent Receivables which are Purchased Receivables as at the Cut-Off Date immediately preceding the relevant Payment Date, plus
- (B) for Delinquent Receivables, the sum of the Final Determined Amounts of these Delinquent Receivables as at the Cut-Off Date immediately preceding the relevant Payment Date, plus
- (C) for Defaulted Receivables, the sum of the Final Determined Amounts of these Defaulted Receivables as at the Cut-Off Date immediately preceding the relevant Payment Date,

whereby:

- (1) with respect to any Delinquent Receivables and the Defaulted Receivables, the Final Determined Amount as at the relevant Cut-Off Date shall be the fair value of such Delinquent Receivable or Defaulted Receivable, as the case may be, calculated as the Outstanding Principal Amount of such Delinquent Receivable or Defaulted Receivable at the end of the immediately preceding Collection Period minus an amount equal to any IFRS 9 Provisioned Amount for such Delinquent Receivable or Defaulted Receivable, as the case may be, and
- (2) the IFRS 9 Provisioned Amount with respect to any Delinquent Receivables and Defaulted Receivables on the relevant Cut-Off Date shall mean any amount that constitutes any expected credit loss for such Delinquent Receivable and/or Defaulted Receivable as determined by the Seller in accordance with IFRS 9 (as

amended) or any such equivalent financial reporting standard promulgated by the International Accounting Standards Board in order to replace IFRS 9.

For the avoidance of doubt, if and to the extent any excess funds exist after application of the Final Repurchase Price towards redemption of the Class A Notes, the Issuer shall apply such excess funds towards the redemption of the Class B Notes and, if and to the extent any additional excess funds exist after redemption of the Class B Notes, the Issuer shall apply such excess funds to the Pre-Enforcement Available Interest Amount.

Any such determination by the Seller shall be final and binding on each of the parties hereto and the Noteholders.

**7.5.2** If the Issuer is or becomes at any time required by law to deduct or withhold in respect of any payment under the Notes current or future taxes, levies or governmental charges, regardless of their nature, which are imposed under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, the Issuer shall determine within twenty (20) calendar days of such circumstance occurring whether it would be practicable to arrange for the substitution of the Issuer in accordance with Condition 11 (*Substitution of the Issuer*) or to change its tax residence to another jurisdiction approved by the Transaction Security Trustee. The Transaction Security Trustee shall not give such approval unless each of the Rating Agencies has been notified in writing of such substitution or change of the tax residence of the Issuer. If the Issuer determines that any of such measures would be practicable, it shall effect such substitution in accordance with Condition 11 (*Substitution of the Issuer*) or (as relevant) such change of tax residence within sixty (60) calendar days from such determination. If, however, it determines within twenty (20) calendar days of such circumstance occurring that none of such measures would be practicable or if, having determined that any of such measures would be practicable, it is unable so to avoid such deduction or withholding within such further period of sixty (60) calendar days, then the Seller will have the option under the Receivables Purchase Agreement to repurchase all Purchased Receivables (together with any Related Collateral) which have not been sold to a third party at the Final Repurchase Price,

- (i) subject to the Final Repurchase Price being sufficient to redeem the Class A Notes at their outstanding Note Principal Amount in accordance with the Pre-Enforcement Principal Priority of Payments; and
- (ii) provided that the Pre-Enforcement Available Interest Amount shall be at least sufficient to pay any accrued interest on the Class A Notes in accordance with the Pre-Enforcement Interest Priority of Payments.

**7.5.3** As a result, the Notes will be subject to early redemption in whole, but not in part, prior to the Scheduled Maturity Date on the date fixed for redemption (which must be a Payment Date) (the "**Tax Call Redemption Date**"), following a written notice thereof to be provided by the Issuer to the Transaction Security Trustee, the Principal Paying Agent and the Noteholders on the Reporting Date. The Final Repurchase Price to be paid by the Seller shall be determined as set out in subsection (a) above.

For the avoidance of doubt, if and to the extent any excess funds exist after application of the Final Repurchase Price towards redemption of the Class A Notes, the Issuer shall apply such excess funds towards the redemption of the Class B Notes and, if and to the extent

any additional excess funds exist after redemption of the Class B Notes, the Issuer shall apply such excess funds to the Pre-Enforcement Available Interest Amount.

Any such determination by the Seller shall be final and binding on each of the parties hereto and the Noteholders.

Upon redemption of the Notes as set out above, the Noteholders shall not receive any further payments of interest or principal and the provisions of Condition 3.2 (*Limited Recourse*) shall apply.

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

On each Payment Date, prior to the occurrence of an Issuer Event of Default, the Pre-Enforcement Available Principal Amount as calculated as of the Cut-Off Date immediately preceding such Payment Date shall be applied in accordance with the following order of priorities (the "**Pre-Enforcement Principal Priority of Payments**"), in each case only to the extent payments of a higher priority have been made in full:

- (a) *first*, any Principal Addition Amounts to be applied to meet any Senior Expenses Deficit;
- (b) *second*, during the Replenishment Period, to pay the Purchase Price payable in accordance with the Receivables Purchase Agreement for any Additional Receivables purchased on such Payment Date, but only up to the Replenishment Available Amount;
- (c) *third*, during the Replenishment Period, to credit the Purchase Shortfall Account with the Purchase Shortfall Amount occurring on such Payment Date;
- (d) *fourth*, to pay any Class A Notes Principal due and payable (*pro rata* on each Class A Note);
- (e) *fifth*, only after the Class A Notes have been redeemed in full, to pay any Class B Notes Principal due and payable (*pro rata* on each Class B Note); and
- (f) *sixth*, to apply any remaining amount in accordance with the Pre-Enforcement Interest Priority of Payments on such Payment Date.

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

Upon the occurrence of an Issuer Event of Default, on any Payment Date any Post-Enforcement Available Distribution Amount (as defined in Appendix 1) shall be applied in the order towards fulfilling the payment obligations of the Issuer, in each case to the extent payments of a higher priority have been made in full as set out in Clause 22 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement.

### **8 Notifications**

The Principal Paying Agent shall notify the Issuer, the Corporate Administrator, the Transaction Security Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 13 (*Form of Notices*), the Noteholders, and so long as any of the Notes are admitted to trading on the regulated market (segment for professional investors) on, and listed on the official list of, the Luxembourg Stock Exchange

- (a) with respect to each Payment Date, of the Interest Amount pursuant to Condition 6.1 (*Interest Calculation*);

- (b) with respect to each Payment Date, of the amount of Interest Shortfall pursuant to Condition 6.4 (*Interest Shortfall*), if any;
  - (c) with respect to each Payment Date falling on a date after the expiration of the Replenishment Period, of the Note Principal Amount of each Class of Notes and the Class A Notes Principal and the Class B Notes Principal, pursuant to Condition 7 (*Replenishment and Redemption*) to be paid on such Payment Date, if any; and
  - (d) in the event the payments to be made on a Payment Date constitute the final payment with respect to Notes pursuant to Condition 7.4 (*Legal Maturity Date*) or Condition 7.5 (*Early Redemption*), of the fact that such is the final payment; and
  - (e) of the occurrence of a Servicer Disruption Date,
- in each case, as notified by the Calculation Agent.

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

## 9 Agents; Determinations Binding

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

## 10 Taxes

Payments shall only be made by the Issuer after the deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed,

levied or collected (collectively, "**Taxes**") under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, to the extent that such deduction or withholding is required by law or pursuant to FATCA. The Issuer shall account for the deducted or withheld taxes with the competent government agencies and shall, upon request of a Noteholder, provide proof thereof. The Issuer is not obliged to pay any additional amounts as compensation for taxes.

## 11 Substitution of the Issuer

- (a) If, in the determination of the Issuer and the reasonable opinion of the Transaction Security Trustee (who may rely on one or more legal opinions from reputable law firms), as a result of any enactment of or supplement or amendment to, or change in, the laws of any relevant jurisdiction or as a result of an official communication of previously not existing or not publicly available official interpretation, or a change in the official interpretation, implementation or application of such laws that becomes effective on or after the Closing Date:
- (i) any of the Issuer, the Seller, the Servicer or the Interest Rate Swap Counterparty would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), be materially restricted from performing any of its obligations under the Notes or the other Transaction Documents to which it is a party; or
  - (ii) any of the Issuer, the Seller, the Servicer or the Interest Rate Swap Counterparty would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), (x) be required to make any tax withholding or deduction in respect of any payments on the Notes and/or the other Transaction Documents to which it is a party or (y) would not be entitled to relief for tax purposes for any amount which it is obliged to pay, or would be treated as receiving for tax purposes an amount which it is not entitled to receive, in each case under the Notes or the other Transaction Documents; then the Issuer shall inform the Transaction Security Trustee accordingly and shall, in order to avoid the relevant event described in Paragraph (i) or (ii) above, use its reasonable endeavours to arrange the substitution of the Issuer with a company incorporated in another jurisdiction in accordance with Condition (b) below or to effect any other measure suitable to avoid the relevant event described in Paragraph (i) above or this (ii).
- (b) The Issuer is entitled to substitute in its place another company ("**New Issuer**") as debtor for all obligations arising under and in connection with the Notes only subject to the provisions of Condition (a) and the following Conditions:
- (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Notes and the Transaction Documents by means of an agreement with the Issuer and or the other parties to the Transaction Documents, and that the Note Collateral created in accordance with Condition 3.1 (*Security*) is held by the Transaction Security Trustee for the purpose of securing the obligations of the New Issuer upon the Issuer's substitution;

- (ii) no additional expenses or legal disadvantages of any kind arise for either the Noteholders or the Interest Rate Swap Counterparty from such assumption of debt and the Issuer has obtained a tax opinion to this effect from a reputable tax lawyer in the relevant jurisdiction which can be examined at the offices of the Principal Paying Agent;
  - (iii) the New Issuer provides proof satisfactory to the Transaction Security Trustee that it has obtained all of the necessary governmental approvals in the jurisdiction in which it has its registered address and that it is permitted to fulfil all of the obligations arising under or in connection with the Notes without discrimination against the Noteholders in their entirety;
  - (iv) the Issuer and the New Issuer enter into such agreements and execute such documents necessary and provide such information as the Principal Paying Agent, the Account Bank and the Cash Administrator may require for the effectiveness of the substitution (including without limitation satisfying the Principal Agent's, the Account Bank's and the Cash Administrator's know your client requirements); and
  - (v) the Rating Agencies have been notified of such substitution. Upon fulfilment of the aforementioned Conditions, the New Issuer shall in every respect substitute the Issuer and the Issuer shall, vis-à-vis the Noteholders, be released from all obligations relating to the function of Issuer under or in connection with the Notes.
- (c) Notice of such substitution of the Issuer shall be given in accordance with Condition 13 (*Form of Notices*).
- (d) In the event of such substitution of the Issuer, each reference to the Issuer in these Terms and Conditions shall be deemed to be a reference to the New Issuer.

## **12 Resolution of Noteholders and Modifications**

- (a) Resolutions of Noteholders
  - (i) The Noteholders of any Class may agree by majority resolution to amend these Terms and Conditions, provided that no obligation to make any payment or render any other performance shall be imposed on any Noteholder of any Class by majority resolution.
  - (ii) Majority resolutions shall be binding on all Noteholders of the relevant Class. Resolutions which do not provide for identical Conditions for all Noteholders of relevant Class are void, unless the Noteholders of such Class who are disadvantaged have expressly consented to their being treated disadvantageously.
  - (iii) Noteholders of any Class may in particular agree by majority resolution in relation to such Class to the following:
    - (A) the change of the due date for payment of interest, the reduction, or the cancellation, of interest;
    - (B) the change of the due date for payment of principal;
    - (C) the reduction of principal;

- (D) the subordination of claims arising from the Notes of such Class in insolvency proceedings of the Issuer;
  - (E) the conversion of the Notes of such Class into, or the exchange of the Notes of such Class for, shares, other securities or obligations;
  - (F) the exchange or release of security;
  - (G) the change of the currency of the Notes of such Class;
  - (H) the waiver or restriction of Noteholders' rights to terminate the Notes of such Class;
  - (I) the substitution of the Issuer;
  - (J) the appointment or removal of a common representative for the Noteholders of such Class; and
  - (K) the amendment or rescission of ancillary provisions of the Notes of such Class.
- (iv) Resolutions shall be passed by simple majority of the votes cast. Resolutions relating to material amendments to these Terms and Conditions, in particular to provisions relating to the matters specified in Condition 12 (*Resolution of Noteholders and Modifications*) items (iii)(A) through (J)(I) and (K) above, require a majority of not less than 75% of the votes cast (a "**qualified majority**").
  - (v) Noteholders of the relevant Class may pass resolutions by vote taken without a meeting.
  - (vi) Each Noteholder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes of the relevant Class. As long as the entitlement to the Notes of the relevant Class lies with, or the Notes of the relevant Class are held for the account of, the Issuer or any of its affiliates (Section 271 (2) of the German Commercial Code (*Handelsgesetzbuch*)), the right to vote in respect of such Notes shall be suspended. The Issuer may not transfer Notes, of which the voting rights are so suspended, to another person for the purpose of exercising such voting rights in the place of the Issuer; this shall also apply to any affiliate of the Issuer. No person shall be permitted to exercise such voting right for the purpose stipulated in sentence 3, first half sentence, herein above.
  - (vii) No person shall be permitted to offer, promise or grant any benefit or advantage to another person entitled to vote in consideration of such person abstaining from voting or voting in a certain way.
  - (viii) A person entitled to vote may not demand, accept or accept a promise of, any benefit, advantage or consideration for abstaining from voting or voting in a certain way.
  - (ix) The Noteholders of any Class may by qualified majority resolution appoint a common representative (*gemeinsamer Vertreter*) ("**Noteholders' Representative**") to exercise rights of the Noteholders of such Class on behalf of each Noteholder. Any natural person having legal capacity or any

qualified legal person may act as Noteholders' Representative. Any person who:

- (A) is a member of the management board, the supervisory board, the board of directors or any similar body, or an officer or employee, of the Issuer or any of its affiliates;
- (B) holds an interest of at least 20% in the share capital of the Issuer or of any of its affiliates;
- (C) is a financial creditor of the Issuer or any of its affiliates, holding a claim in the amount of at least 20% of the outstanding Notes of such Class, or is a member of a corporate body, an officer or other employee of such financial creditor; or
- (D) is subject to the control of any of the persons set forth in subparagraphs (A) to (C) above by reason of a special personal relationship with such person, must disclose the relevant circumstances to the Noteholders of such Class prior to being appointed as a Noteholders' Representative. If any such circumstances arise after the appointment of a Noteholders' Representative, the Noteholders' Representative shall inform the Noteholders of the relevant Class promptly in appropriate form and manner.

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

- (x) The Noteholders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders of the relevant Class. The Noteholders' Representative shall comply with the instructions of the Noteholders of the relevant Class. To the extent that the Noteholders' Representative has been authorised to assert certain rights of the Noteholders of the relevant Class, the Noteholders of such Class shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Noteholders' Representative shall provide reports to the Noteholders of the relevant Class on its activities.
- (xi) The Noteholders' Representative shall be liable for the performance of its duties towards the Noteholders of the relevant Class who shall be joint and several creditors (*Gesamtgläubiger*); in the performance of its duties it shall act with the diligence and care of a prudent business manager. The liability of the Noteholders' Representative may be limited by a resolution passed by the Noteholders of the relevant Class. The Noteholders of the relevant Class shall decide upon the assertion of claims for compensation of the Noteholders of such Class against the Noteholders' Representative.
- (xii) Each Noteholders' Representative may be removed from office at any time by the Noteholders of the relevant Class without specifying any reasons. Each Noteholders' Representative may demand from the Issuer to furnish all information required for the performance of the duties entrusted to it. The Issuer shall bear the costs and expenses arising from the appointment of



each Noteholders' Representative, including reasonable remuneration of such Noteholders' Representative.

(b) Modifications

The Transaction Security Trustee shall be obliged, without any consent or sanction of the Noteholders and any of the other Beneficiaries, to concur with the Issuer in making any modification to the Transaction Security Agreement, the Terms and Conditions of the Notes or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary:

(i) for the purpose of changing EURIBOR that then applies in respect of the Class A Notes to an alternative base rate (any such rate, an "**Alternative Base Rate**") and making such other amendments as are necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf, including, without limitation, the application of an Adjustment Spread) to facilitate such change (a "**Base Rate Modification**"), provided that the Servicer, on behalf of the Issuer, certifies to the Transaction Security Trustee in writing (such certificate, a "**Base Rate Modification Certificate**") that:

(A) such Base Rate Modification is being undertaken due to:

- (1) a material disruption to EURIBOR or EURIBOR ceasing to exist or be published;
- (2) a public statement by the EURIBOR administrator that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR);
- (3) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
- (4) a public announcement of the permanent or indefinite discontinuation of EURIBOR that applies to the Class A Notes at such time;
- (5) a public statement by the supervisor for the EURIBOR administrator that means EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or
- (6) the reasonable expectation of the Servicer that any of the events specified in sub-paragraphs (1) through (5) above will occur or exist within six months,

and, in each case, such modification is required solely for such purpose and it has been drafted solely to such effect; and

(B) such Alternative Base Rate is:

- (1) a base rate published, endorsed, approved or recognised by the relevant regulatory authority or any stock exchange on which the Class A Notes are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing;
  - (2) a base rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification;
  - (3) a base rate utilised in a publicly-listed new issue of Euro denominated asset backed floating rate notes where the originator of the relevant assets is an Affiliate of Hyundai Capital Bank Europe GmbH; or
  - (4) such other base rate as the Servicer reasonably determines,
- and:
- (5) in each case, the change to the Alternative Base Rate will not, in the Servicer's opinion, be materially prejudicial to the interest of the Class A Noteholders; and
  - (6) for the avoidance of doubt, the Servicer may propose an Alternative Base Rate on more than one occasion provided that the Conditions set out in this Condition 12(b)(i) are satisfied;
- (ii) for the purpose of changing the base rate that then applies in respect of the Swap Agreement to an alternative base rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf) and the Interest Rate Swap Counterparty solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Swap Agreement to the base rate of the floating rate Notes following such Base Rate Modification (a "**Interest Rate Swap Rate Modification**"), provided that the Servicer, on behalf of the Issuer, certifies to the Transaction Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Interest Rate Swap Rate Modification Certificate**");

*provided that, in the case of any modification made pursuant to sub-paragraph (A) and (B) above:*

- (A) at least 30 days' prior written notice of any such proposed modification has been given to the Transaction Security Trustee;
- (B) the Base Rate Modification Certificate or the Interest Rate Swap Rate Modification Certificate, as applicable, in relation to such modification is provided to the Transaction Security Trustee and the Agents (with the right to rely on the relevant certificate) both at the time the Transaction Security Trustee and the Agents are notified of the proposed modification in accordance with sub-paragraph (A) above and on the date that such modification takes effect;

- (C) the consent of each Beneficiary (other than the Noteholders) which is party to the relevant Transaction Document (with respect to a Base Rate Modification or a Swap Rate Modification, any Transaction Document proposed to be amended by such Base Rate Modification or Interest Swap Rate Modification, as applicable) or which has a right to consent to such modification pursuant to the provisions of the relevant Transaction Document has been obtained;
  - (D) the person who proposes such modification (being, in the case of a Base Rate Modification or an Interest Rate Swap Rate Modification, the Servicer) pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Issuer and the Transaction Security Trustee and each other applicable party including, without limitation, any of the Agents and the Account Bank, in connection with such modifications;
  - (E) the Issuer certifies in writing to the Transaction Security Trustee that it has notified each Rating Agency of the proposed modification and, in its reasonable opinion, formed on the basis of due consideration and consultation with each Rating Agency (including, as applicable, upon receipt of oral confirmation from an appropriately authorised person at each Rating Agency), such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by each Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent); and
  - (F) the Issuer has provided at least 30 days' prior written notice to the Class A Noteholders of the proposed modification in accordance with Condition 13 (*Form of Notices*). If Noteholders representing at least 10 per cent. of the then Aggregate Outstanding Note Principal Amount of the Class A Notes have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which the relevant Notes are held) that they do not consent to the proposed Base Rate Modification, then such Base Rate Modification will not be made unless a resolution of the Noteholders of the Class A Notes has been passed in favour of such Base Rate Modification in accordance with Condition 12(a) (*Resolution of Noteholders and Modifications*) by a qualified majority of the Noteholders of the Class A Notes, provided that objections made in writing to the Issuer other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholders' holding of the Class A Notes.
- (iii) For the avoidance of doubt, until such resolution is passed and until an Alternative Base Rate is determined accordingly, the Interest Determination Agent shall use (i) the rate *per annum* which the Interest Determination Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates communicated to the Interest Determination Agent by

major banks in the Euro-zone, selected by the Issuer (acting on the advice of the Servicer with the Interest Determination Agent consultation), at approximately 11:00 a.m. (Brussels time) on such EURIBOR Determination Date for loans in euro to leading European banks for such Interest Period and in an amount that is representative for a single transaction in that market at that time or (ii), if the Interest Determination Agent is unable to make such determination for the relevant Interest Period in accordance with (i), the EURIBOR as determined on the last Interest Determination Date on which EURIBOR was still available. The Transaction Security Trustee shall not be obliged to agree to any modification under this Condition 12(b) which, in the sole opinion of the Transaction Security Trustee (acting reasonably) would have the effect of (a) exposing the Transaction Security Trustee to any liability against which it has not been indemnified and/or prefunded and/or secured to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, rights or indemnities, of the Transaction Security Trustee in the Transaction Documents and/or the Terms and Conditions of the Notes.

- (iv) The Issuer shall notify, or shall cause notice thereof to be given to, the Noteholders and the other Beneficiary of any such effected modifications in accordance with Condition 13 (*Form of Notices*).

### **13 Form of Notices**

- (a) All notices to the Noteholders hereunder shall be either (i) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Noteholders or (ii) made available for a period of not less than 5 Business Days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market (segment for professional investors) of the Luxembourg Stock Exchange on the following website: [www.luxse.com](http://www.luxse.com) or (iii) with respect to Securitisation Regulation Disclosure Requirements only, made available for a period of not less than 30 calendar days to the Repository pursuant to item (i) of this Condition 13(a) for such purpose.
- (b) Any notice referred to under Condition 13(a)(i) above shall be deemed to have been given upon delivery of such notice to Euroclear and Clearstream Luxembourg. Any notice referred to under Condition 13(a)(ii) and 13(a)(iii) above shall be deemed to have been given to all Noteholders on the day on which it is made available on the relevant website, provided that if so made available after 4:00 p.m. (Frankfurt time) it shall be deemed to have been given on the immediately following calendar day.
- (c) If any Notes are listed on any stock exchange other than the Luxembourg Stock Exchange, all notices to the Noteholders shall be published in a manner conforming to the rules of such stock exchange. Any notice shall be deemed to have been given to all Noteholders on the date of such publication conforming to the rules of such stock exchange.

## **14 Miscellaneous**

### **14.1 Presentation Period**

The presentation period for the Global Notes provided in Section 801(1), first sentence, of the German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to five (5) years after the date on which the last payment in respect of the Notes represented by such Global Note was due.

### **14.2 Replacement of Global Notes**

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

### **14.3 Governing Law**

The form and content of the Notes and all of the rights and obligations (including any non-contractual obligations) of the Noteholders and the Issuer under the Notes shall be governed in all respects by the laws of the Federal Republic of Germany. The application of the provisions of Articles 470-1 to 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, is expressly excluded.

### **14.4 Jurisdiction**

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

### **14.5 Judicial Assertion**

Subject to the limitations set forth in Condition 3.2 (*Limited Recourse*), any Noteholder may in any proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in his own name its rights arising under such Notes on the basis of:

- (a) a statement issued by the Custodian Bank with whom such Noteholder maintains a securities account in respect of the Notes (i) stating the full name and address of the Noteholder, (ii) specifying the aggregate Note Principal Amount of Notes credited to such securities account on the date of such statement and (iii) confirming that the Custodian Bank has given written notice to the Clearing Systems containing the information set out under items (i) and (ii) which has been confirmed by the Clearing Systems; and
- (b) a copy of the Global Notes representing the Notes, certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the original Global Notes representing the Notes.

For the purposes of this Condition 14.5, "**Custodian Bank**" means any bank or other financial institution of recognised standing authorised to engage in security custody business (*Wertpapierverwahrungsgeschäft*) with which a Noteholder maintains a securities account in respect of the Notes and which maintains an account with the Clearing Systems, including the Clearing Systems. Each Noteholder may, without prejudice to the foregoing, protect or enforce its rights and claims arising from the Notes in any other way legally permitted in proceedings pursuant to the laws of the country in which proceedings take place. Section 797 of the German Civil Code (*Bürgerliches Gesetzbuch*) shall not apply.

## OVERVIEW OF RULES REGARDING RESOLUTION OF NOTEHOLDERS

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

In addition to the provisions included in the Terms and Conditions of the Notes, the rules regarding the solicitation of votes and the conduct of the voting by Noteholders within each Class, the passing and publication of resolutions as well as their implementation and challenge before German courts are set out in Schedule 7 to the Agency Agreement which is incorporated by reference into the Terms and Conditions. Under the German Act on Debt Securities (*Schuldverschreibungsgesetz*), these rules are largely mandatory, although they permit in limited circumstances supplementary provisions set out in or incorporated into the Terms and Conditions.

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

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

With respect to each Class, the voting shall be conducted by the person presiding over the taking of votes (“**Chairperson**”) who shall be (i) a notary appointed by the Issuer, (ii) the Noteholders' Representative if such a representative has been appointed for a specific Class and has solicited the taking of votes, or (iii) a person appointed by the competent court.

With respect to each Class, the notice for the solicitation of the votes shall specify the period within which votes may be cast. Such period shall not be less than seventy-two (72) hours. During such period, the Noteholders of the respective Class may cast their votes to the Chairperson. The notice for the solicitation of votes shall give details as to the prerequisites which must be met for votes to qualify for being counted.

With respect to each Class, the Chairperson shall determine each Noteholders' entitlement to vote on the basis of evidence presented and shall prepare a roster of the Noteholders of the relevant Class entitled to vote. Each Noteholder of the relevant Class who has taken part in the vote may request from the Issuer, for up to one year following the end of the voting period, a copy of the minutes for such vote and any annexes thereto.

Each Noteholder of the relevant Class who has taken part in the vote may object in writing to the result of the vote within two (2) weeks following the publication of the resolutions passed. The objection shall be decided upon by the Chairperson. If the Chairperson does not remedy the objection, the Chairperson shall promptly inform the objecting Noteholder of such Class in writing.

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

### **Rules on Noteholders' Meetings under the German Act on Debt Securities**

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

Meetings of Noteholders of a Class may be convened by the Issuer and the Noteholders' Representative if such a representative has been appointed for such Class. Meetings of Noteholders of a Class must be convened if one or more Noteholders holding 5 per cent. or more of the outstanding Notes of the relevant Class so require for specified reasons permitted by statute.

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

With respect to each Class, the convening notice must include relevant particulars and must be made publicly available together with the agenda of the meeting setting out the proposals for resolution.

Each Noteholder of the relevant Class may be represented by proxy. A quorum exists if Noteholders representing by value not less than 50% of the outstanding Notes of the respective Class are present or represented at the meeting. If the quorum is not reached, a second meeting may be called at which quorum will be required, provided that where a resolution may only be adopted by a qualified majority, a quorum requires the presence of at least 25% of the principal amount of outstanding Notes of the relevant Class.

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

In insolvency proceedings instituted in Germany against the Issuer, the Noteholders' Representative of the respective Class, if appointed, is obliged and exclusively entitled to assert the Noteholders' rights under the Notes of such Class. Any resolutions passed by the Noteholders of a Class are subject to the provisions of the German Insolvency Code (*Insolvenzverordnung*).

If a resolution constitutes a breach of the statute or the Terms and Conditions of the Notes of a specific Class, Noteholders of such Class may bring an action to set aside such resolution. Such action must be filed with the competent court within one month following the publication of the resolution.



## **DEFINITIONS**

Defined terms in this Prospectus and in the Transaction Documents are written in capital letters. The definitions can be found in "SCHEDULE DEFINITIONS" to this Prospectus. Special defined terms for single agreements of the Transaction Documents or the Prospectus are defined in the single agreement or in the Prospectus respectively.

## THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT

The following sets out the main provisions of the Transaction Security Agreement. The full text of the Transaction Security Agreement (excluding any Schedules thereto) constitutes Appendix 2 to the Terms and Conditions and forms an integral part of the Terms and Conditions. The parties description, the text of the recitals and the schedules have been omitted from the following.

### 1 Definitions, Interpretation, No Liability, No Right to Petition and Governing Law

#### 1.1 Definitions

Unless otherwise defined herein or the context requires otherwise, capitalised terms used in this Agreement have the meanings ascribed to them in Clause 1 (*Definitions*) of the Incorporated Terms Memorandum (the "**Incorporated Terms Memorandum**"), as amended and restated from time to time, which is dated on or about the date of this Agreement. In addition:

"**Mandate Letter**" means the mandate letter entered into between, *inter alia*, the Security Trustee and Hyundai Capital Bank Europe GmbH dated 29 January 2025.

#### 1.2 Interpretation

Terms in this Agreement, except where otherwise stated or the context otherwise requires, shall be interpreted in the same way as set forth in Clause 2 (*Interpretation and Construction*) of the Incorporated Terms Memorandum.

#### 1.3 No Liability and no Right to Petition and Limitation on Payments

Clause 3 (*No Liability and no Right to Petition and Limitation on Payments*) of the Incorporated Terms Memorandum applies to this Agreement, *mutatis mutandis*, as if set out in full in this Agreement.

#### 1.4 Notices

Clause 4 (*Notices*) of the Incorporated Terms Memorandum applies to this Agreement, *mutatis mutandis*, as if set out in full in this Agreement.

#### 1.5 Applicable law, Jurisdiction

Clause 7 (*Governing Law; Jurisdiction*) of the Incorporated Terms Memorandum applies to this Agreement, *mutatis mutandis*, as if set out in full in this Agreement.

#### 1.6 Variations and Waivers

Clause 6 (*Variations and Waivers*) of the Incorporated Terms Memorandum applies to this Agreement, *mutatis mutandis*, as if set out in full in this Agreement.

### 2 Duties of the Transaction Security Trustee

This Agreement sets out the general rights and obligations of the Transaction Security Trustee which govern the performance of its functions under this Agreement. The Transaction Security Trustee shall perform the activities and services set out in this Agreement or contemplated to be performed by the Transaction Security Trustee pursuant to the terms of any other Transaction Document to which the Transaction Security Trustee is a party. Unless otherwise stated herein or in the Transaction Documents to which the

Transaction Security Trustee is a party, the Transaction Security Trustee is not obliged to supervise or monitor the discharge by any person of its payment and other obligations arising from the Notes or any other relevant Transaction Documents or to carry out duties which are the responsibility of the Issuer or any other person which is a party to any Transaction Document.

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

**3.1** The Transaction Security Trustee shall acquire and hold the security granted to it under this Agreement and exercise its rights (other than its rights under Clauses 27 (*Fees*) to 30 (*Taxes*) of this Agreement) and discharge its duties under the Transaction Documents as a trustee (*Treuhänder*) for the benefit of the Beneficiaries.

Without prejudice to the Post-Enforcement Priority of Payments, the Transaction Security Trustee shall exercise its duties under this Agreement with regard

- (a) as long as any of the Class A Notes are outstanding, only to the interests of the Class A Noteholders, and
- (b) if no Class A Notes remain outstanding, only to the interests of the Class B Noteholders, and
- (c) if no Notes remain outstanding, only to the interests of the Beneficiary ranking highest in the Post-Enforcement Priority of Payments to whom any amounts are owed.

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

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

**4.1** Transaction Security Trustee as Beneficiary / Insolvency of Transaction Security Trustee

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

To the extent that the Assigned Security (as defined in Clause 5.1 (*Assignment, Transfer and Pledge*) below) will be transferred to the Transaction Security Trustee for security purposes in accordance with Clause 5 (*Transfer for Security Purposes of the Assigned Security*), in the event of insolvency proceedings being commenced in respect of the Transaction Security Trustee, any Note Collateral held by the Transaction Security Trustee shall be transferred by the Transaction Security Trustee to the relevant new Transaction Security Trustee appointed in accordance with this Agreement. The Issuer and each Beneficiary who is a party to this Agreement hereby undertakes to assign any claim for segregation (*Aussonderung*) it may have in an insolvency of the Transaction Security Trustee with respect to this Agreement and

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

#### **4.2 Transaction Security Trustee Claim**

- (a) The Issuer hereby grants the Transaction Security Trustee a separate claim (the "**Transaction Security Trustee Claim**") entitling the Transaction Security Trustee to demand from the Issuer:
  - (i) that any present or future, actual or contingent obligation of the Issuer in relation to any Noteholder under any Note be fulfilled when due; and
  - (ii) that any present or future, actual or contingent obligation of the Issuer in relation to any Beneficiary under any other Transaction Document to which the Issuer is a party be fulfilled when due.
- (b) The obligation of the Issuer to make payments to the relevant Beneficiary shall remain unaffected by the provisions of Clause 4.2(a) above. The Transaction Security Trustee Claim may be enforced separately from the Beneficiary's claim in respect of the same payment obligation of the Issuer. The Transaction Security Trustee agrees with the Issuer and the other Beneficiaries to pay any sums received from the Issuer pursuant to this Clause 4.2 to the relevant Beneficiaries in accordance with the Post-Enforcement Priority of Payments upon the occurrence of an Issuer Event of Default; the relevant Transaction Secured Obligation shall only be deemed fulfilled when the payment due has been made by the Transaction Security Trustee to the relevant Beneficiary.

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

#### **5.1 Assignment, Transfer and Pledge**

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

- (a) all Purchased Receivables together with any assignable Related Collateral and all rights, claims and interests relating thereto;
- (b) all rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Seller or the Servicer and/or any other party pursuant to or in respect of the Receivables Purchase Agreement or the Servicing Agreement, including all rights of the Issuer relating to any additional security;
- (c) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to or from or in relation to the Lender and/or any other party pursuant to or in respect of the Seller Loan Agreement;
- (d) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to or from or in relation to the Seller as Servicer, SCB and/or any other party pursuant to or in respect of the Reserves Funding Agreement;
- (e) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Joint Lead Managers and/or any other party pursuant to or in respect of the Subscription Agreement;

- (f) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to a third party pursuant to or in respect of the sale to such third party of Defaulted Receivables;
- (g) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Data Trustee and/or any other party pursuant to or in respect of the Data Trust Agreement;
- (h) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Principal Paying Agent and/or the Calculation Agent and/or the Interest Determination Agent and/or Cash Administrator pursuant to the Agency Agreement;
- (i) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Corporate Administrator and/or any other party pursuant to or in respect of the Corporate Administration Agreement; and
- (j) all present and future rights, claims and interests in or in relation to any amounts standing to the credit of any account of the Issuer which may be opened in replacement of any of the Accounts,

in each case 5.1(a) to 5.1(j) including any and all related non-ancillary (*selbständige*) and ancillary (*unselbständige*) rights to determine unilaterally legal relationships (*Gestaltungsrechte*), including any termination rights (*Kündigungsrechte*) (together, the "**Assigned Security**").

The Issuer hereby pledges (*Verpfändung*) to the Transaction Security Trustee for the security purposes set out in Clause 7 (*Security Purpose*) all its present and future claims under each of the Accounts (the "**Account Pledge**"). The Issuer informed the Account Bank on the Account Pledge and the Account Bank confirmed receipt of such notification in the Accounts Agreement.

The rights of the Transaction Security Trustee under Section 402 of the German Civil Code (*Bürgerliches Gesetzbuch*) to receive from the Seller information and/or documents is limited to the extent that such demand does not result in a violation of the Secrecy Rules. Otherwise, the Seller shall deliver such information to the Issuer in encrypted form and shall deliver to the Data Trustee the relevant Portfolio Decryption Key(s), who may in turn release such Portfolio Decryption Key(s) only in accordance with Clause 5 (*Release of the Portfolio Decryption Key*) of the Data Trust Agreement.

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

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

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

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

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

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

- (a) the delivery (*Übergabe*) necessary to effect the transfer of title for security purposes with regard to the Financed Vehicles (and any car certificates (*Fahrzeugbriefe*), registration certificates part II (*Zulassungsbescheinigungen Teil II*) or equivalent documents with respect thereto) and any other movable Related Collateral and any contingency rights (*Anwartschaftsrechte*) to the ownership title in relation to such movable Related Collateral, if any, with regard to any subsequently inserted parts thereof or with regard to any subsequently arising co-owner's interest, is hereby replaced in that the Issuer and the Transaction Security Trustee hereby agree that the Issuer hereby assigns to the Transaction Security Trustee all claims, present or future, to request transfer of possession (*Abtretung aller Herausgabeansprüche gemäß Section 931 Bürgerliches Gesetzbuch*) against any third party (including any Debtors, Seller or (if different) Servicer) which is in the direct possession (*unmittelbarer Besitz*) or indirect possession (*mittelbarer Besitz*) of the Financed Vehicles (and any car certificates (*Fahrzeugbriefe*), registration certificates part II (*Zulassungsbescheinigungen Teil II*) or equivalent documents with respect thereto) or to other moveable Related Collateral. In addition to the foregoing it is hereby agreed that the Issuer shall, in the event that (but only in the event that) the related Financed Vehicle or other moveable Related Collateral is in the Issuer's direct possession (*unmittelbarer Besitz*), hold possession as fiduciary (*treuhänderisch*) on behalf of the Transaction Security Trustee and shall grant the Transaction Security Trustee indirect possession (*mittelbarer Besitz*) of the related Financed Vehicle and other moveable Related Collateral by keeping it with due care free of charge (*als Verwahrer*) and separate from other assets owned by it for the Transaction Security Trustee until revoked (*Besitzkonstitut*);
- (b) any notice to be given in order to effect transfer of title in the Assigned Security shall immediately be given by the Issuer in such form as the Transaction Security Trustee requires and the Issuer hereby agrees that if it fails to give such notice, the Transaction Security Trustee is hereby irrevocably authorised to give such notice on behalf of the Issuer;

- (c) any other thing to be done or form or registration to be effected to perfect a first priority security interest in the Assigned Security for the Transaction Security Trustee in favour of the Beneficiaries shall be immediately done and effected by the Issuer at its own costs; and
- (d) the Issuer shall provide any and all necessary details in order to identify the Financed Vehicles, title to which has been transferred hereunder from the Issuer to the Transaction Security Trustee as contemplated herein, at the latest on the date on which this Agreement becomes effective and in relation to Additional Receivables on the relevant Purchase Date during the Replenishment Period.

The Transaction Security Trustee hereby accepts such assignment and transfer.

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

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

#### **5.6 Acknowledgement of Assignment/Transfer**

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

#### **5.7 Non-Transferable Related Collateral**

If and to the extent that a Related Collateral is not assignable and transferrable for what reason so ever, such Related Collateral is held fiducially (*treuhänderisch*) for account and on behalf of the Issuer by the Seller and shall be held for account and on behalf of the Transaction Security Trustee by the Sellers. The regulations of the Agreement which refer to the assignment and transfer of Related Collateral apply to such non-transferable and assignable Related Collateral correspondingly. The Issuer, the Seller and the Transaction Security Trustee agree to the agreement relating to non-transferable Related Collateral.

## 6 Pledge

- 6.1 The Issuer hereby pledges (*Verpfändung*) to the Transaction Security Trustee all its present and future claims against the Transaction Security Trustee arising under this Agreement as well as its present and future claims under the Accounts Agreement and any other Transaction Document to which Transaction Security Trustee (in whatever capacity) is a party, which have not yet been transferred or pledged for security purposes under Clause 5.1 (*Assignment, Transfer and Pledge*).
- 6.2 The Issuer hereby gives notice to the Transaction Security Trustee of such pledge and the Transaction Security Trustee (in whatever capacity) hereby confirms receipt of such notice. The Transaction Security Trustee is under no obligation to enforce any claims of the Issuer against the Transaction Security Trustee (in whatever capacity) pledged to the Transaction Security Trustee pursuant to this Clause 6.

## 7 Security Purpose

The assignment, transfer and pledge of rights and claims pursuant to Clause 5 (*Transfer for Security Purposes of the Assigned Security*), with the exception of the assignment and transfer of the Related Collateral and all rights, claims and interests relating thereto pursuant to Clause 5.1(a) (*Assignment, Transfer and Pledge*) which serve to secure the Purchased Receivables, and the pledge pursuant to Clause 6 (*Pledge*) (and the Assigned Security together with such pledges and any other security interests granted by the Issuer to the Transaction Security Trustee pursuant to the English Security Deed are referred to herein as the "**Note Collateral**") serve to secure the Transaction Security Trustee Claim.

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

## 8 Collection Authorisation; Further Transfer

### 8.1 Collection Authorisation

- (a) The Issuer shall be authorised (*ermächtigt*) to collect or, have collected in the ordinary course of business or otherwise exercise or deal with (which term shall, for the avoidance of doubt, include the enforcement of any security) the rights assigned



and transferred for security purposes under Clause 5 (*Transfer for Security Purposes of the Assigned Security*) and the rights pledged pursuant to Clause 6 (*Pledge*).

- (b) Without affecting the generality of Clause 8.1(a), it is hereby agreed that the Transaction Security Trustee consents to the assignments, transfers and/or releases by the Issuer (or by the Servicer on behalf of the Issuer) of Purchased Receivables and Related Collateral to any third party in accordance with the Credit and Collection Policy and the release by the Servicer of any Related Collateral in accordance with the Receivables Purchase Agreement and/or the Servicing Agreement.

The authority and consents provided in Clauses 8.1(a) and 8.1(b) above, are deemed to be granted only to the extent that the Transaction Security Trustee procures that the obligations of the Issuer are fulfilled in accordance with the applicable Pre-Enforcement Priority of Payments, Condition 7.2 (*Amortisation*) of the Terms and Conditions and the requirements under this Agreement.

- (c) The authority and consents contained in Clauses 8.1(a) and 8.1(b) may be revoked by the Transaction Security Trustee if, in the Transaction Security Trustee's opinion, such revocation is necessary in order to avoid an adverse effect on the Note Collateral or their value which the Transaction Security Trustee considers material, and the Transaction Security Trustee gives notice thereof to the Issuer and the Seller. The authority and consents contained in Clauses 8.1(a) and 8.1(b) shall automatically terminate upon the occurrence of an Issuer Event of Default, but with respect to the Servicer and the Seller only upon notice thereof to the Seller and the Servicer (as the case may be).

## **8.2 Transfer Authorisation**

The Transaction Security Trustee shall be authorised to transfer the Assigned Security in the event that the Transaction Security Trustee is replaced and the Note Collateral is to be transferred to the new Transaction Security Trustee pursuant to Clauses 31.1 (*Resignation*) and 33.1 (*Transfer of Note Collateral*).

## **9 Enforcement and Enforceability**

The Note Collateral shall be enforced upon an Issuer Event of Default in accordance with Clause 18 (*Enforcement of Note Collateral*).

## **10 Release of Note Collateral**

As soon as the Transaction Security Trustee is satisfied that the Issuer has fully performed all obligations secured by this Agreement and to the extent the Note Collateral has not been previously released pursuant to this Agreement, the Transaction Security Trustee shall promptly release and, if applicable, transfer back to the Issuer or to the Issuer's order the Note Collateral pledged, assigned and/or transferred to it under this Agreement. The Transaction Security Trustee will however comply with mandatory statutory collateral release obligations.

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

- 11.1** The Issuer hereby represents and warrants by way of an independent guarantee irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to and covenants with the Transaction Security Trustee that the Transaction Security Trustee (in the

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

- 11.2** The Issuer hereby represents and warrants by way of an independent guarantee irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to the Transaction Security Trustee (in the Transaction Security Trustee's own name and on behalf of the Beneficiaries), that, as of the date of execution of this Agreement, the Issuer has the corporate power and the authority to enter into this Agreement and that all necessary corporate action has been taken and the validity and enforceability of this Agreement is not subject to any restriction of any kind, consent or other requirement or condition, that has not been satisfied at the date of execution of this Agreement (save that enforceability may be limited by bankruptcy, insolvency or other similar proceedings with respect to the Issuer or by general principles of good faith (*Treu und Glauben*)).
- 11.3** The Issuer shall be liable (without prejudice to Clause 1.3 (*No Liability and no Right to Petition and Limitation on Payments*)) to pay damages (*Schadenersatz wegen Nichterfüllung*) in the event that any Note Collateral transferred for security purposes in accordance with this Agreement proves to be invalid or if the transfer itself proves to be invalid.
- 11.4** The Issuer hereby covenants with the Transaction Security Trustee to notify the Transaction Security Trustee of the issue of any Notes within ten (10) Business Days from the date of issue thereof by way of notice in substantially the form set out in Schedule 1 (*Form of Note Identification Notice*) to the Transaction Security Agreement.
- 11.5** All parties to the Agreement shall obtain and keep all required licenses, approvals, authorisations and consents which are necessary or desirable in connection with the performance of the Agreement and procure that any of their agents obtains and maintain any such license.
- 11.6** The Issuer hereby covenants with the Transaction Security Trustee not to engage in any active portfolio management of the Purchased Receivables on a discretionary basis within the meaning of Article 20(7) of the Securitisation Regulation.

## **12 Representations and Warranties of the Transaction Security Trustee and Beneficiaries**

- 12.1** The Transaction Security Trustee hereby represents and warrants by way of an independent guarantee irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to the other parties that it is a company duly organised and registered under the laws of its jurisdiction of incorporation, and has full corporate power and authority to execute, deliver and perform this Agreement and the other Transaction Documents to which it is a party and the obligations expressly imposed upon it under this Agreement and the other Transaction Documents to which it is a party and has taken all necessary corporate action to authorise this Agreement on the terms and conditions hereof, the execution, delivery and performance of this Agreement on the terms and conditions hereof, and all obligations required under this Agreement.

- 12.2** It is hereby agreed (without prejudice to the other provisions of this Agreement, and in particular Clauses 32 (*Replacement of Transaction Security Trustee*) and 33.1 (*Transfer of Note Collateral*) hereof) that, in the event that any grounds for terminating the appointment of the Transaction Security Trustee under this Agreement pursuant to Clauses 31 (*Resignation*) or 32 (*Replacement of Transaction Security Trustee*) exist or come into existence, or if the Transaction Security Trustee does not possess any authorisation, registration or licence which is required for the performance of its duties and obligations hereunder, the Transaction Security Trustee shall, without undue delay remedy any such grounds, obtain such authorisations, registrations and licences and any other obligations of the Transaction Security Trustee and the other provisions of this Agreement shall not be affected by the Transaction Security Trustee failing to remedy such grounds or to have obtained such authorisations, registrations or licences.
- 12.3** Each Beneficiary (other than the Transaction Security Trustee) who is a party to this Agreement hereby represents and warrants by way of an independent guarantee irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) that, as of the date of execution of this Agreement, it has the corporate power and the authority to enter into this Agreement and that all necessary corporate action has been taken and the validity and enforceability of this Agreement is not subject to any restriction of any kind, consent or other requirement or condition on the part of such Beneficiary, that has not been satisfied as of the date of execution of this Agreement.

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

- 13.1** The Transaction Security Trustee shall take delivery of and keep in custody the documents which are delivered to it under the Transaction Documents (if any) and shall:
- (a) keep such documents for one year after the termination of this Agreement; or
  - (b) forward the documents to the New Transaction Security Trustee if the Transaction Security Trustee is replaced in accordance with Clauses 32 (*Replacement of Transaction Security Trustee*) and 33 (*Transfer of Note Collateral*) hereof.
- 13.2** In the event that the Transaction Security Trustee becomes aware of any variations in writing of the Transaction Documents, it shall immediately give notice thereof to the Rating Agencies.

### **14 Consent of the Transaction Security Trustee**

If the Issuer requests that the Transaction Security Trustee grants its consent pursuant to Clause 38 (*Actions of the Issuer Requiring Consent*) hereof, the Transaction Security Trustee may grant or withhold the requested consent at its discretion taking into account what the Transaction Security Trustee believes to be the interests of the Beneficiaries, giving due regard to the provisions of Clause 3.1 (*Position of Transaction Security Trustee in Relation to the Beneficiaries*). In any event, the Transaction Security Trustee shall give such consent if (regardless of whether the relevant action could, in the professional judgement of the Transaction Security Trustee, be materially prejudicial (*wesentlich nachteilig*) to the Beneficiaries) (i) the Transaction Security Trustee or the Issuer has notified each Rating Agency of such proposed action and (ii) one or more Noteholders representing at least 66 2/3 per cent. of the then Aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes (or, if no Notes remain outstanding, one or more Beneficiaries representing 51 per cent. of the then outstanding aggregate amount owed to all Beneficiaries) have given

their consent to such action, it being understood that the Transaction Security Trustee shall have no obligation to request such confirmation nor to make such notification and further being understood that the Transaction Security Trustee shall not in any circumstances be responsible for any losses, costs, damages, claims, expenses or inconvenience that may result from the exercise or non-exercise of its discretion, unless such losses, costs, damages, claims or expenses result directly from the gross negligence (*grobe Fahrlässigkeit*), wilful misconduct (*Vorsatz*) or fraud of the Transaction Security Trustee.

Notwithstanding the above and subject to giving at least five (5) Business Days prior notice to the Noteholders pursuant to Condition 13 (*Form of Notices*), by publishing such notice with the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)), the Issuer will be entitled to amend any term or provision of the Terms and Conditions or the Transaction Documents with the consent of the Security Trustee but without obtaining the consent of any other party (including the Noteholders) (i) to correct a manifest error or minor mistake, (ii) to comply with any laws, regulations or directives or directions of any governmental authority, and (iii) if this is necessary or beneficial for the effective functioning of the Transaction and not materially prejudicial (*wesentlich nachteilig*) to the interests of the Noteholders.

## **15 Breach of Obligations by the Issuer**

- 15.1** If the Transaction Security Trustee in the course of its activities obtains knowledge that the existence or the value of the Note Collateral is at risk due to any failure of the Issuer properly to discharge its obligations under this Agreement or the other Transaction Documents to which it is a party, the Transaction Security Trustee shall be authorised, at its discretion and subject to Clause 15.2 below, to take or initiate all actions which in the opinion of the Transaction Security Trustee are desirable or expedient to avert such risk. To the extent that the Issuer, in the opinion of the Transaction Security Trustee, does not duly discharge its obligations pursuant to Clause 33 (*Transfer of Note Collateral*) in respect of the Note Collateral, the Transaction Security Trustee shall in particular be authorised and obliged to exercise all rights arising under the relevant Transaction Documents on behalf of the Issuer.
- 15.2** The Transaction Security Trustee shall only be obliged to intervene in accordance with Clause 15.1 if, and to the extent that, it is satisfied that it will be fully indemnified and/or secured or pre-funded (either by reimbursement of costs, its ranking under the Pre-Enforcement Interest Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or in any other way it deems appropriate) against all costs and expenses resulting from its activities (including fees for retaining counsel, banks, auditors or other experts as well as the expenses of retaining third parties to perform certain duties) and against all liabilities (except for liabilities which arise from its own negligence, wilful misconduct (*Vorsatz*) or fraud (*Betrug*)), obligations and attempts to bring any action in or outside court. Clause 34 (*Liability and Standard of Care for Liability*) shall remain unaffected.

## **16 Further Obligations**

- 16.1** The Transaction Security Trustee shall perform its tasks and obligations under the other Transaction Documents to which it is a party in accordance with this Agreement.
- 16.2** The Transaction Security Trustee shall, unless otherwise provided for under this Agreement, decide on any consents or approvals to be given by it pursuant to the other Transaction Documents in its reasonable discretion in accordance with this Agreement (in particular Clauses 14 (*Consent of the Transaction Security Trustee*) and 35 (*General*) hereof).

**16.3** The Transaction Security Trustee hereby authorises the Issuer to re-assign any Purchased Receivable (or the affected portion thereof) and any Related Collateral relating thereto to the Seller in relation to which the Issuer has received a Deemed Collection pursuant to Clause 16.1 (*Deemed Collections*) of the Receivables Purchase Agreement.

## **17 Power of Attorney and further Assurance**

**17.1** The Issuer hereby grants the Transaction Security Trustee power of attorney, waiving, to the fullest extent permitted under applicable law, the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar restrictions under the laws of any other countries, with the right to grant substitute power of attorney, to act in the name of the Issuer with respect to all rights of the Issuer arising under the Transaction Documents (except for the rights vis-à-vis the Transaction Security Trustee). Such power of attorney shall be irrevocable.

**17.2** The power of attorney shall expire as soon as a New Transaction Security Trustee has been appointed pursuant to Clauses 31 (*Resignation*) or 32 (*Replacement of Transaction Security Trustee*) and the Issuer has issued a power of attorney to such New Transaction Security Trustee having the same content as the power of attorney previously granted in accordance with the provisions of this Clause 17 (*Power of Attorney and further Assurance*). The Transaction Security Trustee shall only act under this power of attorney in relation to the exercise of its rights and obligations under this Agreement.

**17.3** The Issuer shall from time to time execute and do all such things as the Transaction Security Trustee may require for perfecting or protecting the security created or intended to be created pursuant to this Agreement, and at any time after the Transaction Security becomes enforceable, the Issuer shall execute and do all such things as the Transaction Security Trustee may require in respect of the facilitation of the enforcement, in whole or in part, of the Transaction Security and the exercise of all powers, authorities and discretionary rights vested in the Transaction Security Trustee, including, without limitation, to make available to the Transaction Security Trustee copies of all notices to be given in accordance with the conditions, to notify the Transaction Security Trustee of all amendments to the Transaction Documents and to make available to the Transaction Security Trustee, upon request by the Transaction Security Trustee, all information required by the Transaction Security Trustee to perform its obligations under this Agreement.

## **18 Enforcement of Note Collateral**

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

The Note Collateral shall be subject enforcement upon the occurrence of an Issuer Event of Default, however, for the enforcement of any pledge the maturity of such pledge (*Pfandreife*) shall be met in addition to the occurrence of an Issuer Event of Default. The Transaction Security Trustee shall promptly, upon obtaining actual knowledge of an Issuer Event of Default, give notice thereof to the Noteholders pursuant to Clause 18.3 (*Notification*) and the Rating Agencies pursuant to Clause 1.4 (*Notices*).

### **18.2 Enforcement of Note Collateral**

Upon being notified by any person of the occurrence of an Issuer Event of Default or otherwise obtaining actual knowledge thereof, the Transaction Security Trustee shall subject to it being indemnified and/or secured or pre-funded to its satisfaction enforce or cause

enforcement of the Note Collateral in a manner determined at its reasonable discretion, subject to Clause 18.3 (*Notification*) and Clause 29 (*Right to Indemnification*).

### **18.3** Notification

Within fifteen (15) calendar days of the Transaction Security Trustee's obtaining knowledge of the occurrence of an Issuer Event of Default, the Transaction Security Trustee shall give notice to the Noteholders and the other Beneficiaries pursuant to Clause 13 (*Receipt and Custody of Documents; Notices*) and Clause 1.4 (*Notices*), specifying the manner in which it intends to enforce the Note Collateral (in particular, whether it intends to sell the Note Collateral) and apply the proceeds from such enforcement to satisfy the obligations of the Issuer, subject to the Post-Enforcement Priority of Payments. If, within thirty (30) calendar days of the publication of such notice, the Transaction Security Trustee receives written notice (i) from one or more Noteholders of the then Most Senior Class of Notes representing at least 51 per cent. of the Aggregate Outstanding Note Principal Amount of such then Most Senior Class of Notes outstanding or (ii) if no Notes remain outstanding, the other Beneficiaries representing at least 51 per cent. of the aggregate outstanding amount owed to all Beneficiaries have notified such objection to the Transaction Security Trustee, and (i) the Noteholders of the then Most Senior Class of Notes representing at least 51 per cent. of the Aggregate Outstanding Note Principal Amount of such then Most Senior Class of Notes outstanding or (ii) if no Notes remain outstanding, any other Beneficiary or Beneficiaries representing at least 51 per cent. of the aggregate outstanding amount owed to all Beneficiaries, have not proposed (either together with such objection or within thirty (30) calendar days thereafter) to the Transaction Security Trustee an alternative action or have instructed the Transaction Security Trustee to propose alternative action, the Transaction Security Trustee shall be free to decide in its own discretion whether and what action to take provided that such action has not previously been objected to as herein contemplated.

If the Transaction Security Trustee receives a written notice (i) the Noteholders of the then Most Senior Class of Notes representing at least 51 per cent. of the Aggregate Outstanding Note Principal Amount of such then Most Senior Class of Notes outstanding or (ii) if no Notes remain outstanding, from any other Beneficiary or Beneficiaries representing at least 51 per cent. of the aggregate outstanding amount owed to all Beneficiaries, proposing a manner to enforce the Note Collateral, the Transaction Security Trustee shall undertake such action. The Transaction Security Trustee shall, however, not be obliged to undertake any action under this Clause 18.3 other than notification of the Noteholders of the occurrence of an Issuer Event of Default if (and as long as) it has requested from the Class A Noteholders and the Class B Noteholders or the other Beneficiaries (as the case may be) requesting such action, an undertaking for full indemnification of the Transaction Security Trustee against any damages, losses, costs and expenses which might arise from such action and no such undertaking has been granted to it.

### **18.4** Indemnification

For the avoidance of doubt, the Transaction Security Trustee shall not be obliged to undertake any action required to be taken in accordance with an enforcement instruction (other than notification thereof pursuant to Clause 18.3 (*Notification*)) unless it is fully indemnified or secured or pre-funded to its satisfaction in accordance with Clause 29.2 (*Right to Indemnification*).

## 19 Payments upon occurrence of an Issuer Event of Default

Upon the occurrence of an Issuer Event of Default:

- (a) The Note Collateral may be exercised, collected, claimed and enforced exclusively by the Transaction Security Trustee.
- (b) The Transaction Security Trustee shall deposit the proceeds of any enforcement which it receives in the Transaction Account held in the name of the Issuer (but only to the extent that valid security has been created in favour of it under this Agreement) or, in the event that the Transaction Security Trustee has opened a Transaction Account in its own name in accordance with the Accounts Agreement which is held by the Transaction Security Trustee as a trust account (*Treuhandkonto*) for the benefit of the Noteholders and the other Beneficiaries, into such trust account.
- (c) The Transaction Security Trustee shall not be required to make payments on the obligations of the Issuer if, and as long as, in the opinion of the Transaction Security Trustee, there is a risk that such payment will jeopardise the fulfilment of any later maturing obligation of the Issuer ranking with senior priority pursuant to and in accordance with the Post-Enforcement Priority of Payments.
- (d) The Transaction Security Trustee shall make payments out of the proceeds of any enforcement of Note Collateral in accordance with the Post-Enforcement Priority of Payments.
- (e) Subject to the Post-Enforcement Priority of Payments, after all Transaction Secured Obligations have been satisfied in full, the Transaction Security Trustee shall pay out any remaining amounts to the Issuer.

## 20 Continuing Duties

For the avoidance of doubt and without affecting general applicable law with respect to any continuing effect of any other provisions of this Agreement, it is hereby agreed that Clauses 13 (*Receipt and Custody of Documents; Notices*) to 17 (*Power of Attorney and further Assurance*) shall continue to apply after the occurrence of an Issuer Event of Default.

## 21 Accounts

- 21.1** The Transaction Account of the Issuer set up and maintained pursuant to the Accounts Agreement and this Agreement shall be used for receipt of amounts relating to the Transaction Documents and for the fulfilment of the payment obligations of the Issuer. The Commingling Reserve Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Commingling Reserve Required Amount which is transferred to the Issuer by the Seller as Servicer or SCB (as applicable) following the occurrence of a Commingling Reserve Trigger Event or Change of Control Event in accordance with the Reserves Funding Agreement. The Set-Off Reserve Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Set-Off Reserve Required Amount which is transferred to the Issuer by the Seller following the occurrence of a Set-Off Reserve Trigger Event. The Liquidity Reserve Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Required Liquidity Reserve Amount which is transferred to the Issuer by the Seller upon the Closing Date. The Purchase Shortfall Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Purchase Shortfall Amount which is

transferred by the Issuer during the Replenishment Period. The Replacement Servicer Fee Reserve Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for the RSF Reserve Deposit Amount transferred to the Issuer by the Seller as Servicer or the RSF Reserve Depositor (as applicable) following the occurrence of a RSF Trigger Event or a Change of Control Event in accordance with the Reserves Funding Agreement. The Swap Cash Collateral Account set up and maintained pursuant to the Accounts Agreement shall be reserved for any Swap Collateral transferred to the Issuer by the Interest Rate Swap Counterparty in accordance with the Swap Agreement.

**21.2** The Issuer shall ensure that all payments made to the Issuer are made by way of a bank transfer to or deposit in the Transaction Account or, in case of a transfer of the Commingling Reserve Required Amount, to the Commingling Reserve Required Account or, in case of a transfer of the Set-Off Reserve Required Amount, to the Set-Off Reserve Account or, in case of a transfer of the Required Liquidity Reserve Amount, to the Liquidity Reserve Account, or in case of a transfer of the Replacement Servicer Fee Reserve Required Amount, to the Replacement Servicer Fee Reserve Account or, in case of a transfer of the Purchase Shortfall Amount, to the Purchase Shortfall Account or, in case of Swap Collateral, to the Swap Collateral Account. Should any amounts payable to the Issuer be paid in any way other than by deposit or bank transfer to the Transaction Account or, in case of the Commingling Reserve Required Amount, to the Commingling Reserve Account or, in case of the Set-Off Reserve Required Amount, to the Set-Off Reserve Account or, in case of the Required Liquidity Reserve Amount, to the Liquidity Reserve Account or, in case of the Replacement Servicer Fee Reserve Required Amount, to the Replacement Servicer Fee Reserve Account, or in case of the Purchase Shortfall Amount, to the Purchase Shortfall Account or, in case of the Required Replacement Servicer Fee Reserve Amount, to the Replacement Servicer Fee Reserve Account or, in case of Swap Collateral, the Swap Collateral Account, the Issuer shall promptly credit such amounts to the Transaction Account. The Pre-Enforcement Interest Priority of Payments, the Pre-Enforcement Principal Priority of Payments and the Post-Enforcement Priority of Payments shall remain unaffected.

**21.3** The Issuer shall not open any new bank account in addition to or as a replacement of, the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account, the Liquidity Reserve Account, the Purchase Shortfall Account, the Replacement Servicer Fee Reserve Account and the Swap Collateral Account, unless it has granted a security interest over any and all rights relating thereto to the Transaction Security Trustee under the relevant applicable law for the security purposes set out in Clause 7 (*Security Purpose*), and only after having obtained the consent of the Transaction Security Trustee in accordance with this Agreement. For the avoidance of doubt, upon notification to the Account Bank by the Transaction Security Trustee in respect of the occurrence of an Issuer Event of Default and upon the maturity of the respective pledge (*Pfandreife*) being met, the Transaction Security Trustee shall be entitled to exercise the rights of the Issuer under the Accounts Agreement assigned to the Transaction Security Trustee in accordance with this Agreement and over the Accounts secured in favour of the Transaction Security Trustee in accordance with this Agreement, including, without limitation, the right to give instructions to the Account Bank pursuant to the Accounts Agreement.

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

Upon the occurrence of an Issuer Event of Default and prior to the full discharge of all Transaction Secured Obligations, any credit (other than (i) any interest earned on any balance credited to the Commingling Reserve Account, (ii) any interest earned on any



balance credited to the Set-Off Reserve Account, (iii) any interest earned on any balance credited to the Replacement Servicer Fee Reserve Account and (iv) any Swap Collateral) on the Transaction Account, on the Commingling Reserve Account, on the Set-Off Reserve Account, on the Liquidity Reserve Account, on the Replacement Servicer Fee Reserve Account, on the Purchase Shortfall Account and on the Swap Collateral Account (including, for the avoidance of doubt, any account of the Transaction Security Trustee opened in accordance with the Accounts Agreement) and any proceeds obtained from the enforcement of the Note Collateral in accordance with Clause 18 (*Enforcement of Note Collateral*) (together, "**Credit**") shall be applied exclusively in accordance with the Post-Enforcement Priority of Payments.

## **23 Relationship to Third Parties**

- 23.1** In relation to the Note Collateral, the Post-Enforcement Priority of Payments shall, subject to applicable law, be binding on all creditors of the Issuer which are parties to this Agreement, provided that in relation to any other assets of the Issuer, the Post-Enforcement Priority of Payments shall only apply internally between the Beneficiaries, the Transaction Security Trustee and the Issuer; in respect of third party relationships, the rights of the Beneficiaries and the Transaction Security Trustee shall have equal rank to those of third party creditors of the Issuer.
- 23.2** The Post-Enforcement Priority of Payments shall also apply if the Transaction Secured Obligations are transferred to third parties by way of assignment, subrogation into a contract or otherwise.

## **24 Overpayment**

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

## **25 Retaining Third Parties**

- 25.1** The Transaction Security Trustee may upon consultation with the Seller and the Issuer retain the services of a suitable law firm, accounting firm, credit institution and other experts or seek information and advice from legal counsel, financial consultants, banks and other experts in the Federal Republic of Germany or elsewhere (and irrespective of whether such persons are already retained by the Transaction Security Trustee, the Issuer, a Beneficiary, or any other person involved in the transactions in connection with the Transaction Documents), to assist it in performing the duties assigned to it under this Agreement and the other Transaction Security Documents, and/or by delegating the entire or partial performance of the following duties:

- (a) the taking of specific measures under Clause 15 (*Breach of Obligations by the Issuer*), particularly the enforcement of certain claims of the Issuer or any Beneficiary;
- (b) enforcement of Note Collateral pursuant to Clause 18.2 (*Enforcement of Note Collateral*);
- (c) the settlement of payments under Clause 19 (*Payments upon occurrence of an Issuer Event of Default*);
- (d) the settlement of over-payments under Clause 24 (*Overpayment*);
- (e) any other duty of the Transaction Security Trustee under this Agreement and the other Transaction Security Documents if the delegation of the entire or partial performance of such duty is not, in the discretion of the Transaction Security Trustee, subject to Clause 3.1 (*Position of Transaction Security Trustee in Relation to the Beneficiaries*) materially prejudicial to the interests of the Beneficiaries.

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

## 25.2

- (a) The Transaction Security Trustee shall not be released or discharged from and shall remain responsible for the performance of such delegated obligations. The performance or non-performance, and the manner of performance, of any delegate of any of such delegated obligations shall not affect the Transaction Security Trustee's obligations. Any breach in the performance of the delegated obligations by such delegate shall not be treated as a breach of obligation by the Transaction Security Trustee pursuant to Section 278 of the German Civil Code (*Bürgerliches Gesetzbuch*).

The Transaction Security Trustee shall not be liable for the performance or non-performance or any wilful misconduct (*Vorsatz*) or negligence of such retained third parties (*Vorsatz und Fahrlässigkeit*). In any event, however, the Transaction Security Trustee shall remain liable for diligently selecting and supervising such delegates in accordance with Clause 34 (*Liability and Standard of Care for Liability*) hereof.

- (b) Subject to Clause 25.2(c) (*Retaining Third Parties*), the Transaction Security Trustee, acting diligently, may rely on any information and advice obtained from such retained third parties without having to make its own investigations or to supervise such retained parties.
- (c) The Transaction Security Trustee shall be liable for any damages or losses caused by it relying on such retained third parties or acting in reliance on information or advice of such retained third parties in accordance with Clause 25 (*Retaining Third Parties*) above.

- 25.3** The Transaction Security Trustee may sub-contract or delegate the performance of some (but not all) of its obligations other than those referred to in Clause 25.1 (*Retaining Third Parties*) provided that the Transaction Security Trustee shall not thereby be released or discharged from and shall remain responsible for the performance of such obligations and the performance or non-performance, and the manner of performance, of any subcontractor or delegate of any of such delegated obligations shall not affect the Transaction Security

Trustee's obligations. Any breach in the performance of the delegated obligations by such sub-contractor or delegate shall not be treated as a breach of obligation by the Transaction Security Trustee pursuant to Section 278 of the German Civil Code (*Bürgerliches Gesetzbuch*); however, the Transaction Security Trustee shall remain liable for diligently selecting and supervising such subcontractors and delegates in accordance with Clause 34 (*Liability and Standard of Care for Liability*) hereof.

- 25.4** The Transaction Security Trustee shall promptly notify in writing the Rating Agencies of every retainer of a third party made pursuant to this Clause 25 (*Retaining Third Parties*) (such notice to include the name of the third party).

## **26 Representations and Warranties of the Issuer**

The Issuer hereby represents and warrants that, at the date hereof:

- (a) the Company is a company duly incorporated under the laws of the Grand Duchy of Luxembourg with power to enter, on behalf and for the account of Compartment German Auto Loans 2025-1, into this Agreement and each other document and agreement relating hereto and to exercise its rights and perform its obligations hereunder and thereunder and all corporate and other action required to authorise the execution of and the performance by the Issuer of its obligations hereunder and thereunder has been duly taken;
- (b) Compartment German Auto Loans 2025-1 has been duly created by resolutions of the board of directors of the Company on 18 February 2025, pursuant to the articles of association of the Company;
- (c) under the laws of the Grand Duchy of Luxembourg in force at the date hereof, it will not be required to make any deduction or withholding from any payment it may make under this Agreement or any other document or agreement relating thereto to which it is expressed to be a party;
- (d) in any proceedings taken in the Grand Duchy of Luxembourg in relation to all or any of this Agreement and each other document and agreement relating hereto it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process;
- (e) all acts, conditions and things required to be done, fulfilled and performed in order (i) to enable it lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Agreement and each other document and agreement relating hereto and (ii) to ensure that the obligations expressed to be assumed by it herein and therein are legal, valid and binding have been done, fulfilled and performed;
- (f) under the laws of the Grand Duchy of Luxembourg in force at the date hereof the obligations expressed to be assumed by it in this Agreement and each other document and agreement relating hereto are legal and valid obligations binding on it in accordance with the terms hereof and thereof save as the same may be limited by the bankruptcy, insolvency or other similar laws of general application;
- (g) the Company complies with the Luxembourg law dated 31 May 1999, on the domiciliation of companies, as amended;

- (h) the Company has not issued financial instruments (instruments financiers) to the public on a continuous basis within the meaning of Article 19 of the Securitisation Law;
- (i) the Company has not entered into any transaction, directly on behalf and for the account of Compartment German Auto Loans 2025-1 or any other Compartment, which may have a material adverse effect on the ability of the Issuer to perform its payment obligations under Notes;
- (j) the Company has not taken any corporate action nor have any other steps been taken or legal proceedings been started or (to the best of its knowledge and belief) threatened against it for its winding-up, dissolution or re-organisation or for the appointment of a receiver, administrator, administrative receiver, examiner, trustee in bankruptcy, liquidator, sequestrator or similar officer of it or the Issuer or of any or all of its or the Issuer's assets or revenues and it is not unable to pay its debts when they fall due;
- (k) no action or administrative proceeding of or before any court or agency has been started or (to the best of its knowledge and belief) threatened as to which, in its judgement there is a likelihood of an adverse judgment which would have a material adverse effect on the Company's or the Issuer's business or financial condition or on the Company's or the Issuer's ability to perform its obligations under any of this Agreement or the other documents and agreements relating hereto;
- (l) save for the Transaction Security Documents it has not created any encumbrance over all or any of its present or future revenues or assets and the execution of this Agreement and each other document and agreement relating hereto and the exercise by it of its rights and performance of its obligations hereunder and thereunder will not result in the existence of nor oblige it to create any encumbrance over all or any of its present or future revenues or assets except as provided therein;
- (m) the execution of this Agreement and each other document and agreement relating hereto and the exercise by it of its rights and performance of its obligations hereunder and thereunder do not constitute and will not result in any breach of any agreement or treaty to which it is a party or which is binding upon it;
- (n) the execution of this Agreement and each other document and agreement relating hereto constitute, and the exercise of its rights and performance of its obligations hereunder and thereunder will constitute, private and commercial acts done and performed for private and commercial purposes;
- (o) no Issuer Event of Default has occurred and is continuing;
- (p) its obligations hereunder were entered into on arm's length terms; and
- (q) it has opened each of the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account, the Liquidity Reserve Account, the Replacement Servicer Fee Reserve Account, the Purchase Shortfall Account and the Swap Cash Collateral Account with the Account Bank.

## **27 Fees**

The Issuer shall pay the Transaction Security Trustee a fee as separately agreed upon between the Seller and the Transaction Security Trustee in the Mandate Letter. In the event

of the Note Collateral becoming enforceable or in the event of the Transaction Security Trustee finding it, in its professional judgment and after good faith consultation (except that in the case of the enforcement of the Note Collateral where fees are charged on a time-spent basis and such consultation is not required) with the Seller, expedient or being required to undertake any duties which the Transaction Security Trustee determines to be of an exceptional nature or otherwise outside the scope of the normal duties of the Transaction Security Trustee under this Agreement and the other Transaction Documents to which it is a party, the Issuer shall pay such additional remuneration as shall be agreed between the Transaction Security Trustee and the Issuer, and the Transaction Security Trustee shall be responsible to promptly inform the Rating Agencies of any change of the regular Transaction Security Trustee's fees (except for additional fees due to exceptional circumstances and outside the scope of its normal duties). In the event of the Transaction Security Trustee and the Issuer failing to agree upon such increased or additional remuneration, such matters shall be determined by an independent investment bank (acting as an expert and not as an arbitrator) selected by the Transaction Security Trustee and approved by the Issuer or, failing such approval, nominated by the Corporate Administrator, the expenses involved in such nomination and the fees of such investment bank being for the account of the Issuer, and the decision of any such investment bank shall be final and binding on the Issuer and the Transaction Security Trustee.

## **28 Reimbursement of Expenses**

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

## **29 Right to Indemnification**

- 29.1** The Issuer shall indemnify the Transaction Security Trustee and its officers, employees and directors in respect of all proceedings (including claims and liabilities in respect of taxes other than on the Transaction Security Trustee's own overall net profits, income or gains and subject to Clause 30.2 (*Taxes*), losses, claims and demands and all costs, charges, expenses, and liabilities to which the Transaction Security Trustee (or any third party pursuant to Clause 25 (*Retaining Third Parties*) may be or become liable or which may be incurred by the Transaction Security Trustee (or any such third party) in respect of anything done or omitted in relation to this Agreement and any of the other Transaction Documents, unless such costs and expenses are incurred by the Transaction Security Trustee or its officers, employees and directors due to a breach of the duty of care provided for in Clause 34 (*Liability and Standard of Care for Liability*).

For the avoidance of doubt it is hereby agreed that any indemnities shall be owed by the Issuer and that the Transaction Security Trustee has no right of indemnification against the Beneficiaries hereunder unless it has received instruction from any Beneficiary or Beneficiaries (other than the Noteholders) in accordance with Clause 18.3 (*Notification*).

- 29.2** The Transaction Security Trustee shall not be bound to take any action under or in connection with this Agreement or any other Transaction Document or any document executed pursuant to any of them including, without limitation, forming any opinion or employing any agent, unless in all cases, it is fully indemnified and/or secured or prefunded to its satisfaction (including under the Post-Enforcement Priority of Payments), and is reasonably satisfied that the Issuer will be able to honour any indemnity in accordance with the Post-Enforcement Priority of Payments, against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection with them for which purpose the Transaction Security Trustee may require payment in advance of such liabilities being incurred of an amount which it considers (without prejudice to any further demand) sufficient to indemnify it or security satisfactory to it.
- 29.3** The indemnities provided for in this Clause 29 (*Right to Indemnification*) shall survive the termination or expiry of this Agreement. For the avoidance of doubt, Clauses 29.1 and 29.2 above shall not affect other rights of the Transaction Security Trustee and the Issuer, respectively, including, without limitation, any right to claim damages under this Agreement.

## **30 Taxes**

- 30.1** The Issuer shall bear all stamp duties, transfer taxes and other similar taxes, duties or charges which are imposed in any jurisdiction on or in connection with (i) the creation of, holding of, or enforcement of the Note Collateral, (ii) any action taken by the Transaction Security Trustee pursuant to the Terms and Conditions of the Notes or the other Transaction Documents, and (iii) the issue of the Notes or the conclusion of Transaction Documents.
- 30.2** All payments of fees and reimbursements of expenses to the Transaction Security Trustee shall include any turnover taxes, value added taxes or similar taxes, other than taxes on the Transaction Security Trustee's net profits, overall income or gains, which are imposed in the future on the services of the Transaction Security Trustee under the Transaction Documents.

## **31 Resignation**

### **31.1** Resignation

The Transaction Security Trustee may resign from its office as Transaction Security Trustee at any time by giving two (2) months prior written notice to the Issuer and the Rating Agencies, provided that upon or prior to the last Business Day of such notice period an Eligible Institution has been appointed by the Issuer as successor (the "**New Transaction Security Trustee**") and such appointee assumes all rights and obligations arising from this Agreement, the other Transaction Security Documents and any other Transaction Document to which the Transaction Security Trustee is a party and which has been furnished with all authorities and powers that have been granted to the Transaction Security Trustee. The Issuer shall, upon receipt of the written notice of resignation referred to in the first sentence of this Clause 31.1 (*Resignation*) promptly appoint an Eligible Institution as New Transaction Security Trustee. The Transaction Security Trustee shall have the right (but no obligation) to nominate a New Transaction Security Trustee for appointment by the Issuer. The Issuer shall have the right to veto any nomination of a New Transaction Security Trustee by the resigning Transaction Security Trustee if such new Transaction Security Trustee is not an Eligible Institution or if any other Eligible Institution has been appointed by the Issuer to be the New Transaction Security Trustee and has accepted such appointment. The proposed

appointment of the New Transaction Security Trustee shall further be subject to Clauses 31.2 (*Effects of Resignation*) and 33.4 (*Notification to the Rating Agencies*) below.

### **31.2** Effects of Resignation

Any termination of the appointment of the Transaction Security Trustee shall not become effective unless (i) the Issuer has been liquidated and the proceeds of liquidation distributed to the Noteholders and the other Beneficiaries in accordance with this Agreement or, if earlier, no obligations under the Notes and the other Transaction Secured Obligations are outstanding, or (ii) a New Transaction Security Trustee has been appointed and has accepted such transaction security trusteeship (subject to Clause 33.4 (*Notification to the Rating Agencies*) below).

### **31.3** Continuation of Rights and Obligations

Notwithstanding a termination pursuant to Clause 31.1 (*Resignation*), the rights and obligations of the Transaction Security Trustee under all the Transaction Documents to which it is a party shall continue until the appointment of the new Transaction Security Trustee has become effective and the assets and rights have been assigned or transferred to it pursuant to Clause 33.1 (*Transfer of Note Collateral*). None of the provisions of this Clause 31 (*Resignation*) shall affect the right of the Transaction Security Trustee to resign from its office for good cause (*aus wichtigem Grund*) with immediate effect.

## **32 Replacement of Transaction Security Trustee**

The Issuer shall be authorised and obliged to replace the Transaction Security Trustee under all Transaction Documents to which the Transaction Security Trustee is a party with an Eligible Institution, if the Issuer has been so instructed in writing by (i) one or more Noteholders of the then Most Senior Class of Notes representing at least 25 per cent. of the Aggregate Outstanding Note Principal Amount of such Most Senior Class of Notes outstanding unless Noteholders of such Most Senior Class of Notes representing at least 50 per cent. of the Aggregate Outstanding Note Principal Amount of such Most Senior Class of Notes outstanding instruct the Issuer not to replace the Transaction Security Trustee, or (ii) if no Notes remain outstanding, any Beneficiary or Beneficiaries representing at least 25 per cent. of all Beneficiaries to which any amounts are owed, unless Beneficiaries representing at least 50 per cent. of all Beneficiaries to which any amounts are owed instruct the Issuer not to replace the Transaction Security Trustee.

Any replacement of the Transaction Security Trustee shall be notified by the Issuer to the Rating Agencies by giving not less than thirty (30) calendar days' notice.

## **33 Transfer of Note Collateral**

### **33.1** Transfer of Note Collateral

In the case of a replacement of the Transaction Security Trustee pursuant to Clause 31 (*Resignation*) or Clause 32 (*Replacement of Transaction Security Trustee*), the Transaction Security Trustee shall forthwith assign, transfer or pledge the Note Collateral and other assets and other rights it holds as fiduciary (*Treuhänder*) under any Transaction Security Document, as well as its Transaction Security Trustee Claim under Clause 4 (*Position of Transaction Security Trustee in Relation to the Issuer*) and the pledge granted to it pursuant to Clause 6 (*Pledge*) to the New Transaction Security Trustee. Without prejudice to this obligation, the Issuer shall hereby be irrevocably authorised to effect such assignment,

transfer or pledge on behalf of the Transaction Security Trustee as set out in the first sentence and is for that purpose exempted from the restrictions under Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions contained in the laws of any other country.

### 33.2 Assumption of Obligations

In the event of a replacement of the Transaction Security Trustee pursuant to Clause 31 (*Resignation*) or Clause 32 (*Replacement of Transaction Security Trustee*), the Transaction Security Trustee shall reach an agreement with the New Transaction Security Trustee that the New Transaction Security Trustee assumes the obligations of the Transaction Security Trustee under each Transaction Document to which the Transaction Security Trustee is a party.

### 33.3 Costs

The Transaction Security Trustee shall reimburse the Issuer for the costs (including legal costs and administration costs) or pay any costs incurred for the purpose of appointing a new Transaction Security Trustee up to an amount of EUR 20,000 (the "**Replacement Cost**"), in respect of its resignation pursuant to Clause 31 (*Resignation*) and, in respect of its replacement pursuant to Clause 32 (*Replacement of Transaction Security Trustee*), only, if such replacement is due to the conduct of the Transaction Security Trustee constituting good cause (*wichtiger Grund*) for termination. The outgoing Transaction Security Trustee shall, in case of a termination, reimburse (on a *pro rata* basis) to the Issuer any up-front fees paid by the Issuer for periods after the date on which the substitution of the Transaction Security Trustee is taking effect. Any legal costs above the Replacement Cost shall be reimbursed or paid by the Issuer upon receiving proper invoices. The outgoing Transaction Security Trustee shall only mandate law firm(s) after having obtained a written consent from the Seller and the Issuer for the purpose of appointing a new Transaction Security Trustee, such consent shall not be unreasonably withheld or delayed.

### 33.4 Notification to the Rating Agencies

- (a) The appointment of a New Transaction Security Trustee in accordance with Clause 31 (*Resignation*) or Clause 32 (*Replacement of Transaction Security Trustee*) shall be notified by the Issuer to the Rating Agencies.
- (b) Following such notifications, the appointment of the New Transaction Security Trustee shall take effect and shall be:
  - (i) published without delay in accordance with the Terms and Conditions of the Notes or, if this is not possible, in any other appropriate way; and
  - (ii) notified by Electronic Means to each Beneficiary other than the Noteholders.

### 33.5 Accounting

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

### 33.6 Transfer of Documents and Information

The Transaction Security Trustee shall be obliged to provide the New Transaction Security Trustee with all documents and other information relating its activities under or with respect



to each Transaction Security Document as the New Transaction Security Trustee may reasonably request.

### **34 Liability and Standard of Care for Liability**

- (a) The Transaction Security Trustee shall be liable for any breach of its obligations under this Agreement only if it fails to meet the standard of care it exercises in its own affairs (*Sorgfalt in eigenen Angelegenheiten*).
- (b) The Transaction Security Trustee shall not in any circumstances be liable to the Issuer, any Secured Party or any other person for any losses, liability, claims, damages or expenses arising out of any acts or omissions by it in the exercise of its rights, or the rights of the Secured Parties (or any of them) or the performance of its obligations hereunder, except in the case of its own gross negligence (*grobe Fahrlässigkeit*) or wilful misconduct (*Vorsatz*).
- (c) In no event shall the Transaction Security Trustee be liable for any Losses arising from the Transaction Security Trustee receiving or transmitting any data to the Issuer (or any Authorised Person) or acting upon any notice, instruction or other communications via any Electronic Means, except in the case of its own gross negligence (*grobe Fahrlässigkeit*) or wilful misconduct (*Vorsatz*). The Transaction Security Trustee has no duty or obligation to verify or confirm that the person who sent such instructions or directions is, in fact, a person authorised to give instructions or directions on behalf of the Issuer (or any Authorised Person). The Issuer agrees that the security procedures, if any, to be followed in connection with a transmission of any such notice, instructions or other communications, provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

### **35 General**

- 35.1** The Transaction Security Trustee shall not be liable for: (i) any action or failure to act of the Issuer or of other parties to the Transaction Documents; (ii) the Transaction Documents (including any security interest created thereunder) not being legal, valid, binding or enforceable, or for the fairness of the provisions of the Transaction Documents; (iii) a loss of documents related to the Note Collateral not attributable to the negligence of the Transaction Security Trustee.
- 35.2** The Transaction Security Trustee may call for and shall be at liberty to accept a certificate signed by any two (2) directors of the Issuer as sufficient evidence of any fact or matter or the expediency of any transaction or thing, and to treat such a certificate to the effect that any particular dealing or transaction or step or thing is, in the opinion of the persons so certifying, expedient or proper as sufficient evidence that it is expedient or proper, and the Transaction Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss or liability that may be caused by acting on any such certificate.
- 35.3** The Transaction Security Trustee shall (save as otherwise expressly provided herein) as regards all the powers, authorities and discretions vested in it by or pursuant to any Transaction Document (including this Agreement) to which the Transaction Security Trustee is a party or conferred upon the Transaction Security Trustee by operation of law (the exercise of which, as between the Transaction Security Trustee and the Beneficiaries, shall be conclusive and binding on the Beneficiaries) have discretion as to the exercise or non-exercise thereof and, provided it shall not have acted in violation of its standard of care as

set out in Clause 34 (*Liability and Standard of Care for Liability*), the Transaction Security Trustee shall not be responsible for any loss, costs, damages, expenses or inconvenience that may result from the exercise or non-exercise thereof.

- 35.4** The Transaction Security Trustee, as between itself and the Beneficiaries, shall have full power to determine all questions and doubts arising in relation to any of the provisions of any Transaction Document and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Transaction Security Trustee, shall be conclusive and shall bind the Transaction Security Trustee and the Beneficiaries. In particular, the Transaction Security Trustee may determine whether or not any event described in this Agreement is, in its opinion, materially prejudicial to the interests of Beneficiaries and if the Transaction Security Trustee shall certify that any such event is, in its opinion, materially prejudicial, such certificate shall be conclusive and binding upon the Issuer and the relevant Beneficiaries.
- 35.5** The Transaction Security Trustee may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of any Transaction Document is capable of remedy and, if the Transaction Security Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Beneficiaries.
- 35.6** Any consent given by the Transaction Security Trustee for the purposes of any Transaction Document may be given on such terms and subject to such Conditions (if any) as the Transaction Security Trustee thinks fit in its discretion (including the right to seek Noteholders' directions) and, notwithstanding anything to the contrary contained in any Transaction Document may be given retrospectively.
- 35.7** The Transaction Security Trustee shall not be responsible for recitals, statements, warranties or representations of any party (other than those relating to or provided by it) contained in any Transaction Document or other document entered into in connection therewith and may rely on the accuracy and correctness thereof (absent actual knowledge to the contrary) and shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of any such agreement or other document or security thereby constituted or evidenced. The Transaction Security Trustee may accept without enquiry, requisition or objection such title as the Issuer may have to the Note Collateral or any part thereof from time to time and shall not be bound to investigate or make any enquiry into the title of the Issuer to the Note Collateral or any part thereof from time to time.
- 35.8** The Transaction Security Trustee shall not be liable for any error of judgement made in good faith by any officer or employee of the Transaction Security Trustee assigned by the Transaction Security Trustee to administer its corporate trust matters unless such officer or employee has failed to observe the standard of care provided for in Clause 34 (*Liability and Standard of Care for Liability*).
- 35.9** No provision of this Agreement shall require the Transaction Security Trustee to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers or otherwise in connection with any Transaction Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it determines in its reasonable discretion that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.

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

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

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

## 36 Undertakings of the Issuer in Relation to the Note Collateral

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

- (a) not to sell the Note Collateral and to refrain from all actions and omissions to act (excluding, for the avoidance of doubt, the collection and enforcement of the Note Collateral in the ordinary course of business or otherwise dealing with the Note Collateral in accordance with the Transaction Documents) which may result in a significant (*wesentlichen*) decrease in the aggregate value or in a loss of the Note Collateral;
- (b) to mark in its books and documents the transfer for security purposes and the pledge to the Transaction Security Trustee and to disclose to third parties having a legal interest in becoming aware of the transfer for security purposes and the pledge that the transfer for security purposes and the pledge has taken place;
- (c) promptly to notify the Transaction Security Trustee in the event of becoming aware that the rights of the Transaction Security Trustee in the Note Collateral are impaired or jeopardised by way of an attachment or other actions of third parties, by sending a copy of the attachment or transfer order or of any other document on which the enforcement claim of the third party is based and which it has received, as well as all further documents available to it which are required or useful to enable the Transaction Security Trustee to file proceedings and take other actions in defence of its rights. In addition, the Issuer shall promptly inform the attachment creditor (*Pfändungsgläubiger*) and other third parties in writing of the rights of the Transaction Security Trustee in the Note Collateral; and
- (d) to permit the Transaction Security Trustee or its representatives to inspect its books and records at any time during usual business hours for purposes of verifying and enforcing the Note Collateral, to give any information necessary for such purpose, and to make the relevant records available for inspection.

## 37 Other Undertakings of the Issuer

37.1 The Issuer undertakes to:

- (a) promptly notify the Transaction Security Trustee and the Rating Agencies in writing if circumstances occur which constitute an Issuer Event of Default or if monies are not received pursuant to Clause 37.1(e) (*Other Undertakings of the Issuer*);
- (b) give the Transaction Security Trustee at any time such other information available to it which the Transaction Security Trustee may reasonably demand for the purpose of performing its duties under the Transaction Documents;
- (c) send to the Transaction Security Trustee upon request one copy of any balance sheet, any profit and loss accounts, any report or notice or any other memorandum sent out by the Issuer to its shareholders;
- (d) send or have sent to the Transaction Security Trustee a copy of any notice given to the Noteholders in accordance with the Terms and Conditions of the Notes immediately, or at the latest, on the day of the publication of such notice;
- (e) notify, and to ensure that the Principal Paying Agent notifies, the Transaction Security Trustee and the Cash Administrator immediately if the Principal Paying Agent and the Issuer do not receive the monies needed to discharge in full any obligation to

- pay or repay the full or partial principal or interest amounts due to the Noteholders and/or the Notes on any Payment Date;
- (f) notify the Transaction Security Trustee of any written amendment to any Transaction Document under which rights of the Transaction Security Trustee arise and to which the Transaction Security Trustee is not a party;
  - (g) comply with the Luxembourg law dated 31 May 1999, on the domiciliation of companies, as amended;
  - (h) to have always at least three independent directors;
  - (i) not to enter into any other agreements unless such agreement contains "**Limited Recourse**", "**Non-Petition**" and "**Limitation on Payments**" provisions as set out in Clause 1.3 (*No Liability and no Right to Petition and Limitation on Payments*) of this Agreement and any third party replacing any of the parties to the Transaction Documents is allocated the same ranking in the applicable Pre-Enforcement Priority of Payments and the Post-Enforcement of Payments as was allocated to such creditor and, such third party accedes to this Agreement as Replacement Beneficiary in accordance with Clause 39 (*Accession of Replacement Beneficiaries*) and (y) such agreement has been notified in writing to each Rating Agency;
  - (j) do all such things as are necessary to maintain and keep in full force and effect its corporate existence;
  - (k) ensure that it has the capacity and is duly qualified to conduct its business as it is conducted in all applicable jurisdictions;
  - (l) procure that no change is made to the general nature or scope of its business from that carried on at the date of this Agreement;
  - (m) carry on and conduct its business in its own name and in all dealings with all third parties and the public, identify itself by its own corporate name as a separate and distinct entity and not identify itself as being a division or part of any other entity whatsoever;
  - (n) hold itself out as a separate entity from any other person or entity and take reasonable measures to correct any misunderstanding regarding its separate identity known to it; and to ensure that the Company prepares and maintains full and complete books, records, stationary, invoices and checks, and financial statements separately from those of any other entity including, without limitation, any related company and shall ensure that any such financial statements will comply with generally accepted accounting principles;
  - (o) not to commingle its assets with those of any other entity or Compartment;
  - (p) observe all corporate and other formalities required by its constitutional documents;
  - (q) not to enter into any transaction, directly or on behalf and for the account of Compartment German Auto Loans 2025-1 or any other Compartment, which may have a material adverse effect on the ability of the Issuer to perform its payment obligations under Notes;
  - (r) unless the following notifications have already been made pursuant to another Transaction Document, without undue delay following the termination of the Servicer, to notify, or procure notification of, each Debtor of the assignment of the relevant

Purchased Receivables and the Related Collateral and to provide such Debtor with the contact details of the Issuer in accordance with Section 496(2) of the German Civil Code (*Bürgerliches Gesetzbuch*);

- (s) at all times ensure that its central management and control is exercised in Luxembourg;
- (t) subject to being provided by the Servicer with the relevant loan level details as contemplated by the Servicing Agreement, to use its best efforts to make loan level details available in such manner as may be required in future to comply with the Eurosystem eligibility criteria (as set out in Annex VIII (loan-level data reporting requirements for asset-backed securities) of the Guideline of the European Central Bank of 19 December 2014 on monetary policy instruments and procedures of the Eurosystem (recast) (ECB/2014/60) as amended from time to time), subject to applicable Secrecy Rules;
- (u) not engage in any active portfolio management of the Purchased Receivables on a discretionary basis within the meaning of Article 20(7) of the Securitisation Regulation;
- (v) in the context of the handling and processing of this Transaction any debtor-related data which is protected pursuant to the GDPR and the German Data Protection Act (*Bundesdatenschutzgesetz*), to only provide such personal data (i) to or (pursuant to Clause 3.2(c) of the data processing agreement as set out in Schedule 3 (*Data Processing Agreement*) hereto) to the order of the Transaction Security Trustee, (ii) the Corporate Administrator, (iii) any Replacement Servicer, in each case where and to the extent provided for in the Transaction Documents, or (iv) any professional advisers or auditors being subject to professional secrecy, and that no such debtor-related data will at any time be provided to any other Transaction Party, in particular, to any Noteholder. By entering into this Agreement, the Issuer and the Transaction Security Trustee hereby enter into the data processing agreement as set out in Schedule 3 (*Data Processing Agreement*). The data processing agreement (*Auftragsdatenverarbeitungsvereinbarung*) as set out in Schedule 3 (*Data Processing Agreement*) is an integral part of this Agreement and in particular (but without limitation), Clause 1 (*Definitions, Interpretation, No Liability, No Right to Petition and Governing Law*) hereof applies to the data processing agreement (*Auftragsdatenverarbeitungsvereinbarung*) as set out in Schedule 3 (*Data Processing Agreement*);
- (w) to use its best efforts to ensure compliance with any clearing, reporting or other obligations with respect to the Swap Agreement or any replacement swap imposed on it by virtue of Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 (as amended or supplemented) on OTC derivatives, central counterparties and trade repositories ("**EMIR**");
- (x) in case the Swap Agreement is terminated or the Interest Rate Swap Counterparty becomes insolvent, the Issuer will endeavour, but may not be able to, enter into replacement interest rate swap agreements with an eligible replacement interest rate swap counterparty;
- (y) carry out all relevant registrations regarding FATCA and, if applicable, with respect to the annual automatic exchange of financial information between tax authorities

developed by the Organisation for Economic Co-operation and Development (the "**Common Reporting Standard**");

- (z) comply with all laws, regulations, directives, judgments and governmental/administrative orders or ordinances applicable to it; and
- (aa) to maintain its accounts separate from those of any other person or entity.

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

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

## **38 Actions of the Issuer Requiring Consent**

**38.1** So long as any part of the Notes remains outstanding, the Issuer shall not be entitled, without the prior written approval of the Transaction Security Trustee (such approval shall not be given unless the requirements of Clause 14 (*Consent of the Transaction Security Trustee*) are fulfilled) or unless required by applicable law (and notified the other Rating Agencies), to:

- (a) engage in any business or any activities other than:
  - (i) the performance of its obligations under the Notes and the other Transaction Documents to which it is a party and under any other agreements which have been entered into in connection with the issue of the Notes or the other Transaction Documents;
  - (ii) the enforcement of its rights;
  - (iii) the performance of any acts which are necessary or desirable in connection with (i) and (ii) above; and
  - (iv) the execution of all further documents (including, for the avoidance of doubt, amendment agreements) and undertaking of all other actions, at any time and to the extent permitted by law, which, in the opinion of the Transaction Security Trustee or the Issuer, are necessary or desirable having regard to the interests of the Noteholders in particular, without limitation, in order to ensure that the Terms and Conditions of the Notes are always valid;

- (b) hold shares in any entity;
- (c) dispose or pledge of any assets or any part thereof or interest therein, unless permitted or contemplated under (a) above;
- (d) pay dividends or make any other distribution to its shareholders;
- (e) acquire obligations or securities of its shareholders;
- (f) incur further indebtedness (other than as contemplated in Clause 38.1(a)(i) above) and not enter into any derivatives agreement or derivatives transactions other than as expressly provided under the Swap Agreement where the transactions under the Swap Agreement are limited to interest rate derivatives whose written terms directly relate to all Class A Notes and the reduction of interest rate risks related to all Class A Notes and the Portfolio;
- (g) have any employees or own any real estate asset nor own or acquire any property or assets, except as contemplated in the Transaction Documents, nor have an interest in any bank account other than the Accounts and not make any investments with the funds on deposit in the Accounts (including in any securities);
- (h) incur, create, assume or suffer to exist or otherwise become liable in respect of any indebtedness, whether present or future; (other than as contemplated in Clause 38.1(a) above);
- (i) consolidate or merge with or into any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (j) materially amend its articles of association (*statuts*), save as necessary to update the registered address of the Corporate Administrator, provided that such new address will always be in the Grand Duchy of Luxembourg;
- (k) issue new shares or acquire shares, or capital or declare or pay dividends or any other distributions of any kind whatsoever (other than the dividends provided for under Clause 38.1(d) above and except as contemplated by the Transaction Documents);
- (l) seek to withdraw the ratings on any Class of Notes; or
- (m) open new accounts (other than as contemplated in Clause 38.1(a) or with a Successor Bank as contemplated in the Accounts Agreement).

**38.2** Notwithstanding any provision to the contrary in this Agreement or in any other Transaction Document and subject to the Issuer's compliance with all of its obligations under Clause 5.3 (*Transfer for Security Purposes of the Assigned Security*) above, each Party agrees that no consent of the Transaction Security Trustee shall be required with respect to (i) any replacement or substitution of a party to any Transaction Document (including, without limitation, any replacement or substitution made or proposed to be made for the purpose of averting an expected or imminent downgrade or withdrawal, or reversing a downgrade or withdrawal, of any minimum rating set forth in any Transaction Document) and (ii) any amendment or termination of any Transaction Document, and/or entry into any supplemental, substitute or additional document, in each case in connection with such replacement or substitution referred to under Clause 38.1(m) above, provided that the Issuer shall not enter into any such supplemental, substitute or additional document if the Issuer receives, no later than on the fifth (5th) Business Day following notification and provision of



the draft document by or on behalf of the Issuer to the Transaction Security Trustee, a notice from the Transaction Security Trustee to the effect that, in the reasonable view of the Transaction Security Trustee, such document would (if entered into) be in whole or in part materially prejudicial (*wesentlich nachteilig*) to the interests of the holders of the then outstanding Most Senior Class of Notes and provided further that the Issuer shall notify each of the Rating Agencies in writing of any replacement or substitution effected in accordance with this Clause 38.2.

### **39 Accession of Replacement Beneficiaries**

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

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

### **40 Severability; Co-Ordination**

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

**40.2** The parties mutually agree to take all measures and actions that become necessary under Clause 40.1 or for other reasons for the continued performance of this Agreement.

## **41 Variations, Remedies and Waivers**

- 41.1** This Agreement may be amended by the Issuer and the Transaction Security Trustee without the consent of the Beneficiaries (but with effect for the Beneficiaries) if such amendments, in the opinion of the Transaction Security Trustee, are not materially prejudicial (*wesentlich nachteilig*) to the interests of the Beneficiaries. For that purpose the Transaction Security Trustee is hereby irrevocably authorised to execute such amendments for and on behalf of the Beneficiaries. The Transaction Security Trustee is hereby irrevocably exempted to the fullest extent permitted under applicable law from the restrictions set out in Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions under any applicable law of any other country in connection with its performance under this Agreement.
- 41.2** This Agreement may only be amended with the consent of the Transaction Security Trustee and the Issuer.
- 41.3** This Agreement may also be amended from time to time in accordance with the provisions set out in Sections 5 to 21 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz)*) with the consent of (a) the Issuer and (b) the Noteholders of the then Most Senior Class of Notes evidencing not less than 75 per cent. of the aggregate outstanding principal amount of such outstanding Most Senior Class of Notes, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of modifying in any manner the rights of the Noteholders.
- 41.4** No failure to exercise, nor any delay in exercising, on the part of any party hereto, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy.
- 41.5** The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law or any other Transaction Document.

## **42 No Set-Off**

All payments by all parties to this Agreement to the Issuer are to be rendered without any deduction or retention due to any set-off or counterclaims. In particular, no party to this Agreement shall be entitled to set-off with a claim held or obtained against the Issuer.

## **43 Place of Performance**

Place of performance for all obligations of all parties is Frankfurt am Main.

## **44 Condition Precedent**

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

## **45 Counterparts**

- 45.1** This Agreement may be executed in any number of counterparts (Ausfertigungen), each of which when so executed shall be deemed to be an original. For the avoidance of doubt, execution may also be made by means of inclusion of an electronic signature.
- 45.2** Any requirement of written form (*Schriftformerfordernis*) hereunder shall also be satisfied by electronic transmission.

## OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS

### *Receivables Purchase Agreement*

On the Closing Date, the Issuer will purchase Receivables from the Seller in accordance with the Receivables Purchase Agreement. During the Replenishment Period, the Seller may offer to sell to the Issuer Additional Receivables in accordance with the Receivables Purchase Agreement for an aggregate purchase price not exceeding the Replenishment Available Amount. The Issuer will be obligated to purchase and acquire Receivables for purposes of a Replenishment only to the extent that the obligation to pay the purchase price for the Receivables offered to the Issuer by the Seller for purchase on any Purchase Date can be satisfied by the Issuer by applying the Pre-Enforcement Available Principal Amount as of the Cut-Off Date immediately preceding the relevant Purchase Date in accordance with the Pre-Enforcement Principal Priority of Payments. The obligation of the Issuer to pay the purchase price for any Additional Receivables in accordance with the Receivables Purchase Agreement will be netted against the obligation of the Seller acting as Servicer under the Servicing Agreement to transfer Collections to the Issuer on the Payment Date falling on the Purchase Date on which the Issuer purchases the relevant Additional Receivables from the Seller. Generally, the aggregate Outstanding Principal Amount of the Additional Receivables purchased by the Issuer on any Purchase Date (other than the Closing Date) may together with the Aggregate Outstanding Portfolio Principal Amount of all Receivables purchased prior to such Purchase Date not exceed the amount of EUR 550,000,000.

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

To be eligible for sale to the Issuer under the Receivables Purchase Agreement, each Receivable and any part thereof will have to meet the Eligibility Criteria set out in "**ELIGIBILITY CRITERIA**" herein.

In the event, that a Purchased Receivable proves not to have been an Eligible Receivable on the relevant Cut-Off Date, the Seller will have until the 60<sup>th</sup> day (or, if the Seller so elects, an earlier date) after the date that the Seller became aware or was notified of such breach of the Eligibility Criteria (whichever is earlier) to cure or correct such breach.

If the breach of the Eligibility Criteria should not be capable of remedy, the Seller will be entitled to replace the respective Purchased Receivables which proves not to have been an Eligible Receivable with an Eligible Receivable the Outstanding Principal Amount of which is not less than the Outstanding Principal Amount of the Purchased Receivable which proves not to have been an Eligible Receivable.

The offer by the Seller for the purchase of Receivables under the Receivables Purchase Agreement must contain certain relevant information for the purpose of identification of the Receivables. In each offer, the Seller must represent that certain representations and warranties with respect to the relevant Receivable were true and correct on the relevant Purchase Date. Upon acceptance, the Issuer will acquire or will be purported to acquire in respect of the relevant Loan Contracts unrestricted title to any and all outstanding Purchased Receivables arising under such Loan Contracts as from the Cut-Off Date immediately preceding the date of the offer, other than any Loan Instalments which have become due prior to or on such Cut-Off Date; together with all of the Seller's

rights, title and interest in the Related Collateral in accordance with the Receivables Purchase Agreement. As a result, the Issuer will obtain the full economic ownership in the Purchased Receivables with full recourse to the respective Debtors as from the relevant Cut-Off Date, including principal and interest, and is free to transfer or otherwise dispose over (*verfügen*) the Purchased Receivables, subject only to the contractual restrictions provided in the relevant Loan Contracts and the contractual agreements underlying the Related Collateral.

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

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

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

### **Deemed Collections**

If certain events (see the definition of Deemed Collections in "**SCHEDULE DEFINITIONS - Deemed Collections**") occur with respect to a Purchased Receivable, the Seller will be deemed to have received a Deemed Collection in the full amount of the Outstanding Principal Amount of such Purchased Receivable (or the affected portion thereof). To this end, the Seller has undertaken to pay to the Issuer Deemed Collections. Where (A)(v) in the definition of Deemed Collections applies, the Seller shall only be deemed to have received a Deemed Collection after expiration of the 60 day period (or, if the Seller so elects, an earlier date), which the Seller shall have after the date that the Seller became aware or was notified of a breach of the Eligibility Criteria (whichever is earlier) to cure or correct such breach. Upon receipt of such Deemed Collection in the full amount of the Outstanding Principal Amount of such Purchased Receivable (or the affected portion thereof), such Purchased Receivable and any relevant Related Collateral (or the affected portion thereof and unless it is extinguished due to circumstances making it a Disputed Receivable or is otherwise extinguished) will be automatically re-assigned to the Seller by the Issuer on the next succeeding Payment Date on a non-recourse or non-guarantee basis on the part of the Issuer. The costs of such assignment will be borne solely by the Seller. Similarly, the risk that the amount owed by a Debtor, either as part of the purchase price or otherwise, is reduced due to set-off, counterclaim, discount or other credit in favour of such Debtor, has been transferred to the Seller. To this end, the Seller will be deemed to receive such differential amount which will constitute a Deemed Collection.

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

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

### ***Use of Related Collateral***

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

### ***Taxes and Increased Costs***

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

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

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

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

### ***Insurance and Related Collateral***

Any insurance claims in respect of any Related Collateral form part of the Related Collateral which has been assigned to the Issuer under the Transaction Security Agreement. If the Seller or the Servicer receives any proceeds from property insurances or claims from third parties which have

damaged any Related Collateral as well as claims against the insurer of such third parties which form part of the Related Collateral, such proceeds will be used to repair such damaged Related Collateral. If the relevant damaged Related Collateral cannot be repaired, such proceeds will be applied in repayment of the relevant Loan Contract.

### **Notification of Assignment**

The Debtors and other relevant debtors (in particular property insurers) will only be notified by the Seller in respect of the assignment of the Purchased Receivables and Related Collateral upon request by the Issuer following the occurrence of a Notification Event. Should the Seller fail to notify the Debtors and the other relevant debtors within five (5) Business Days of such request, the Issuer may notify the Debtors and other relevant debtors of the assignment of the Purchased Receivables and Related Collateral itself.

Without prejudice to the foregoing, under the Servicing Agreement the Issuer is entitled to notify by itself or through any agent or require the Servicer to notify the Debtors, of the assignment if a Notification Event has occurred.

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

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

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

- (a) The Seller is over indebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings), dissolution proceedings or any measure taken by the BaFin pursuant to Sections 45, 46 and 46b of the German Banking Act (*Gesetz über das Kreditwesen*), to the extent applicable, and the Seller fails to remedy such status within twenty (20) Business Days.
- (b) Either of the Seller or the Servicer is in material breach of any of the covenants in relation to, inter alia, financial reporting, conduct of business, compliance with laws, rules, regulations, judgements, furnishing of information and inspection and keeping of records, the Credit and Collection Policy, tax, software and banking licences, prolongation or supplementation of Purchased Receivables, change of business policy, sales and liens as set out in the Receivables Purchase Agreement or any of the covenants set out in the Servicing Agreement.
- (c) A Servicer Termination Event (as defined in "**SERVICING AGREEMENT**" below) has occurred.

### **Repurchase of Purchased Receivables**

On any Payment Date on or following on which the Aggregate Outstanding Portfolio Principal Amount is less than 10 per cent of the Aggregate Outstanding Portfolio Principal Amount as of the

first Cut-Off Date, the Seller may exercise its option to repurchase all outstanding Purchased Receivables together with any Related Collateral.

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

### ***Liquidity Reserve***

Please see in this regard the Section "CREDIT STRUCTURE – Liquidity Reserve" on page 95 above.

### ***Set-Off Reserve***

Please see in this regard the Section "CREDIT STRUCTURE – Set-Off Reserve" on page 98 above.

### ***Servicing Agreement***

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

### ***Servicer's Duties***

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

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

- endeavour at its own expense to recover amounts due from the Debtors in accordance with the Credit and Collection Policy, see "CREDIT AND COLLECTION POLICY" (page 301 et seqq.). The Issuer will assist the Servicer in exercising all rights and legal remedies from and in relation to the Purchased Receivables and Related Collateral, as is reasonably necessary, yet will be reimbursed by the Servicer for any costs and expenses incurred;
- keep and maintain records, account books and documents in relation to the Purchased Receivables and the Related Collateral (including for tax purposes) in a manner such that these are easily distinguishable from those relating to other receivables in respect of which the Servicer is originator, servicer or depository, or otherwise;
- hold all records relating to the Purchased Receivables in its possession in trust (*treuhänderisch*) for, and, to the order of, the Issuer;
- assist the Issuer in discharging any Related Collateral in respect of any Purchased Receivables which have been paid;



- exercise and preserve all rights of the Issuer under the Loan Contracts and if no payment under the relevant Purchased Receivable is made on the due date thereof, enforce such Purchased Receivable through court proceedings;
- enforce the Related Collateral in accordance with the terms of the Servicing Agreement and the Receivables Purchase Agreement and apply the enforcement proceeds to the relevant secured obligations, and, insofar as such enforcement proceeds are applied to Purchased Receivables and constitute Collections, pay such Collections to the Issuer.

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

Pursuant to the Servicing Agreement, the Servicer will not materially amend the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment, and (ii) the Purchaser, the Seller (if different) and, (iii) where such amendment would in the reasonable opinion of the Servicer be expected to result in a loss (*Schaden*) for the holders of the then outstanding Classes, the Transaction Security Trustee has consented to such amendment in writing (such consent not to be unreasonably withheld).

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

### ***Commingling Reserve***

Please see in this regard the Section "CREDIT STRUCTURE – Commingling Reserve" on page 96 above.

### ***Replacement Servicer Fee Reserve***

Please see in this regard the Section CREDIT STRUCTURE – Replacement Servicer Fee Reserve on page 98 above.

### ***Use of Third Parties***

The Servicer may, subject to certain requirements, delegate and sub-contract its duties in connection with the servicing and enforcement of the Purchased Receivables and/or foreclosure on the Related Collateral, provided that such third party has all licences, registrations and authorisations required for the performance of the servicing delegated to it, in particular any licences or registrations required under the German Act on Legal Services (*Rechtsdienstleistungsgesetz*).

### ***Cash Collection Arrangements***

The Seller expects that the Debtors will continue to make all payments to the account of the Seller as provided in the Loan Contracts between each Debtor and the Seller and thereby obtain a valid discharge of their respective payment obligation. The Debtors will only receive notice of the sale and transfer of the relevant Purchased Receivables to the Issuer if a Notification Event has occurred



























































































































































































































































































































































































































































































