**PROSPECTUS DATED 14 JUNE 2021**

Edwin van Ankeren

**SILVER ARROW ATHLON NL 2021-1 B.V. as Issuer**

(*incorporated as a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid*), existing and incorporated under the laws of the Netherlands, with registered office at Prins Bernardplein 200, 1097 JB Amsterdam, the Netherlands, registered with the Dutch trade register (*Kamer van Koophandel*) under number 81937865, with Legal Entity Identifier 724500UE6DL8I2UAVB22. The unique number of the securitisation transaction described in this Prospectus is 635400HLKLGL1TKWHV82N202101.

*Unless otherwise indicated in this Prospectus or the context otherwise requires, capitalised terms used in this Prospectus have the meanings ascribed thereto in section 24.2 (Definitions) set out in this Prospectus. The principles of interpretation set out in section 24.1 (Interpretation) set out in this Prospectus shall apply to this Prospectus.*

**€ 500,000,000 Class A Floating Rate Notes due 2031, issue price: 100.913 per cent.**
**€ 167,600,000 Class B Fixed Rate Notes due 2031, issue price: 100 per cent.**

Athlon Car Lease Nederland B.V. as Seller

This document constitutes a prospectus (the **Prospectus**) within the meaning of articles 3(3) and 6(3) of Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) of Luxembourg in its capacity as competent authority under the Prospectus Regulation and the Luxembourg law of 16 July 2019 relating to prospectuses for securities (the **Prospectus Law**) for the approval of this Prospectus. The approval by the CSSF only relates to the EUR 500,000,000 Class A floating rate notes due 2031 (the **Class A Notes**) but not the EUR 167,600,000 Class B fixed rate notes due 2031 (the **Class B Notes** and, together with the Class A Notes, the **Notes**). The Class B Notes will not be listed. Such approval should not be considered as an endorsement of the quality of the Class A Notes or an endorsement of the Issuer that is the subject of this Prospectus. 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 as contemplated by this Prospectus and the quality or solvency of the Issuer in line with article 6 (4) of the Prospectus Law.

Application has been made to the Luxembourg Stock Exchange for the Class A Notes to be listed on the official list (the **Official List**) of the Luxembourg Stock Exchange on or about 16 June 2021 and admitted to trading on the Luxembourg Stock Exchange's regulated market (the **Regulated Market**). The Luxembourg Stock Exchange's regulated market is a regulated market for the purpose of Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast). The Notes are expected to be issued on or about 16 June 2021 or such other date as may be agreed between the Issuer and the Managers (the **Closing Date**). This Prospectus in connection with the Class A Notes and the Class B Notes, once approved by the CSSF, will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

This Prospectus is valid for use only by the Issuer or others who have obtained the Issuer's consent for a period of up to twelve (12) months after its approval by the CSSF and shall expire on 14 June 2022, at the latest. It is noted that the obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid. For this purpose, "valid" means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement the Prospectus is only required within its period of validity between the time when the Prospectus is approved and the closing of the offer period for the Notes or the time when trading on a regulated market begins, whichever occurs later.

The Class A Notes will carry a floating rate of interest as set out below and the Class B Notes will carry a fixed rate of interest as set out below, payable monthly in arrear on each Payment Date. Interest payable on the Class A Notes is calculated on the basis of Euribor plus the applicable margin. Euribor is an interest rate benchmark within the meaning of Regulation 2016/2011 on indices used as benchmarks, applicable since 1 January 2018 (the **Benchmarks Regulation**). Euribor is currently administered by the European Money Markets Institute (**EMMI**). As at the date of the Prospectus EMMI, in respect of Euribor, appears in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to article 36 of the Benchmarks Regulation. The ultimate source of funds for the payment of principal and interest on the Notes will be the right of the Issuer to receive (i) lease collections from a portfolio of car lease agreements between corporate lessees in the Netherlands and Athlon Car Lease Nederland B.V. (**Athlon**) and (ii) vehicle realisation proceeds from the associated vehicles.

The Notes will be obligations of the Issuer only and will not be obligations or responsibilities of, or guaranteed by, any of the other parties to the transactions described in this Prospectus and any suggestion otherwise, express or implied, is expressly excluded.

The holders of the Notes (the **Noteholders**) and the other Secured Creditors will benefit from the security provided to the Security Trustee in the form of a pledge over the Purchased Vehicles and the associated Lease Receivables and a pledge over substantially all of the assets of the Issuer in the manner as more fully described herein in section 8.1 (*Trust Deed*) and section 8.2 (*Pledge Agreements*). The right to receive payment of interest and principal on the Class B Notes will be subordinated to the Class A Notes and may be limited as more fully described in section 4 (*Terms and conditions of the Notes*).

The Notes of each Class will be issued in new global note form, and will initially be 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, for a permanent global note in bearer form which is recorded in the records of Euroclear Bank S.A./N.V., as operator of Euroclear System (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**) (each, a **Permanent Global Note** and, together with the Temporary Global Notes, the **Global Notes** and each, a **Global Note**) without interest coupons attached, not earlier than 40 calendar days after the Closing Date (provided that certification of non-U.S. beneficial ownership has been received). The Global Notes will be deposited with a common safekeeper (the **Common Safekeeper**), for Euroclear and Clearstream, Luxembourg on or before the Closing Date. The Common Safekeeper will hold the Global Notes in custody for Euroclear and Clearstream, Luxembourg. The Notes (other than the Class B Notes) are intended to be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem. However, the Notes are currently not recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem since the European Central Bank excludes residual values as leasing receivables. Should the Eurosystem eligibility criteria be amended in the future such that the Class A Notes are capable of meeting such eligibility criteria, any potential investor in the Class A Notes should make its own conclusions and seek its own advice with respect to whether or not the Class A Notes will at that time constitute Eurosystem Eligible Collateral. The Notes, issued in new global note form and represented by the Global Notes may be transferred in book-entry form only. The Notes will be issued in denominations of EUR 100,000. Interests in each Permanent Global Note will, in certain limited circumstances, be exchangeable for Definitive Notes in bearer form as described in the Conditions.

The Class A Notes are expected to receive a rating of Aaa (sf) by Moody's France SAS and AAA (sf) rating by DBRS Ratings GmbH (the **Rating Agencies**). The Class B Notes will not be assigned a rating. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension or withdrawal at any time by the assigning rating organisation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union (**EU**) and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No 462/2013 (the **CRA Regulation**). Each of Moody's France SAS and DBRS Ratings GmbH is established in the EU and registered under the CRA Regulation. Reference is made to the list of registered or certified credit rating agencies published by ESMA on the webpage https://www.esma.europa.eu/supervision/credit-rating-agencies/risk as last updated on 7 May 2021. The assignment of ratings to the Class A Notes or an outlook on these ratings is not a recommendation to invest in the Class A Notes and may be revised, suspended or withdrawn at any time.

The Rating Agencies' ratings of the Class A Notes address the likelihood that the holders of the Class A Notes (each, a **Class A Noteholder**) will receive all payments to which they are entitled, as described herein. Each rating takes into consideration the characteristics of the Leased Vehicles, the Lease Receivables and the structural, legal, tax and Issuer-related aspects associated with the Class A Notes.

However, the ratings assigned to the Class A Notes do not represent any assessment of the likelihood or level of principal prepayments. The ratings do not address the possibility that the Class A Noteholders might suffer a lower than expected yield due to prepayments or early amortisation or may fail to recoup their initial investments. In addition, faster than expected repayments on the Issuer Advances associated with the Leased Vehicles in combination with any purchase price on the Notes above par may reduce the yield of the Class A Noteholders.

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

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

**Simple, Transparent and Standardised Securitisation (STS securitisation)**
The securitisation transaction described in this Prospectus is intended to qualify as an STS securitisation within the

meaning of article 18 of Regulation (EU) 2017/1402 (the **Securitisation Regulation**). Consequently, the securitisation transaction described in this Prospectus meets, on the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and will be notified prior to or on the Closing Date by the Seller, as originator, to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation. The Seller, as originator and the Issuer have used the services of STS Verification International GmbH, a third party authorised pursuant to article 28 of the Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by STS Verification International GmbH on the Closing Date. The use of such a verification service shall not affect the liability of the Originator, nor the Issuer in respect of their legal obligations under the Securitisation Regulation. No assurance can be provided that the securitisation 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. As the STS status of the securitisation transaction described in this Prospectus is not static, investors should verify the current status of the securitisation transaction described in this Prospectus on ESMA's website. None of the Issuer, Issuer Administrator, Reporting Entity, Arranger, each Manager, Security Trustee, Servicer, Seller or any of the other transaction parties makes any representation or accepts any liability for the securitisation transaction described in this Prospectus to qualify as an STS securitisation under the Securitisation Regulation at any point in time in the future.

**Retention and information undertaking**
The Seller, as originator, has undertaken to the Issuer, the Security Trustee and the Managers that, for as long as the Notes are outstanding, it will at all times retain a material net economic interest of not less than 5 per cent. in the securitisation transaction described in this Prospectus in accordance with article 6 of the Securitisation Regulation. As at the Closing Date, such interest will be comprised of an interest in the first loss tranche, in this case the Class B Notes, as required by article 6 of the Securitisation Regulation. The Seller has also undertaken to make available materially relevant information to investors in accordance with article 7 of the Securitisation Regulation so that investors are able to verify compliance with article 6 of the Securitisation Regulation. Each prospective Noteholder should ensure that it complies with the Securitisation Regulation to the extent applicable to it. The Issuer Administrator, on behalf of the Issuer and / or the Reporting Entity, will prepare monthly investor reports wherein relevant information with regard to the Leased Vehicles and Lease Receivables will be disclosed publicly together with information on the retention of the material net economic interest by the Seller. Each prospective institutional investor (within the meaning of the Securitisation Regulation) is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with article 5 of the Securitisation Regulation and none of the Issuer, Athlon (in its capacity as the Seller, the Servicer and the Reporting Entity), the Issuer Administrator nor the Managers make any representation that the information described above is sufficient in all circumstances for such purposes. See section 7 (*Regulatory and industry compliance*) for more details. The Seller intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements. Consequently, the Notes may not be purchased by any persons that are U.S. persons as defined in the U.S. Risk Retention Rules (**Risk Retention U.S. Persons**). Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is different from the definition of U.S. person in Regulation S.

**UK Securitisation Regulation**
None of the parties involved have verified whether the securitisation transaction described in this Prospectus is compliant with the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020 and any implementing laws or regulations in force in the UK in relation to the Securitisation Regulation (together with applicable directions, secondary legislation, guidance, binding technical standards and related documents published by the Financial Conduct Authority and the Prudential Regulation Authority of the UK) (the **UK Securitisation Regulation**). Potential investors should take note (i) that the securitisation transaction described in this Prospectus is in compliance with the Securitisation Regulation, and (ii) of the differences between the UK Securitisation Regulation and the Securitisation Regulation. Potential investors located in the UK should make their own assessment as to whether the Reporting Entity shall (i) make available information which is substantially the same as that which it would have made available in accordance with point (e) of article 5 of the UK Securitisation Regulation and (ii) do so with such frequency and modalities as are substantially the same as those with which it would have made information available in accordance with point (e) of article 5 of the UK Securitisation Regulation if it had been so established.

**Given the complexity of the terms and conditions of the Notes, an investment in the Notes is suitable only for experienced and financially sophisticated investors who understand and are in a position to evaluate the merits and risks inherent thereto and who have sufficient resources to be able to bear any losses which may result from such investment.**

**For a discussion of the significant factors affecting investments in the Notes, see section 1 (*Risk factors*).**

| **Notes** | **Class A** | **Class B** |
|---|---|---|
| **Principal Amount** | EUR 500,000,000 | EUR 167,600,000 |

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|---|---|---|
| **Issue price** | 100.913 per cent. | 100 per cent. |
| **Interest Margin** | the higher of (i) zero per cent. and (ii) Euribor one (1) month + 0.70 per cent. | 2.5 per cent. |
| **First Payment Date** | Payment Date falling in July 2021 | Payment Date falling in July 2021 |
| **Final Maturity Date** | Payment Date falling in April 2031 | Payment Date falling in April 2031 |
| **Revolving Period** | Maximum of twelve (12) months | Maximum of twelve (12) months |
| **Payment Dates** | 26th day of each month | 26th day of each month |
| **Form of Notes** | New Global Note/Bearer | New Global Note/Bearer |
| **Denomination** | EUR 100,000 | EUR 100,000 |
| **Clearing system** | Euroclear and Clearstream, Luxembourg | Euroclear and Clearstream, Luxembourg |
| **Listing** | Luxembourg Stock Exchange | N/A |
| **Common Code** | 234121278 | 234122886 |
| **ISIN** | XS2341212780 | XS2341228869 |
| **Expected rating** | Aaa(sf) / AAA(sf) | N/A |

Arranger

**ING Bank N.V.**

Joint Lead Managers (in respect of the Class A Notes)

**ING Bank N.V.**

**BofA Securities**

Co-Managers

**Skandinaviska Enskilda Banken AB (publ)**

**UniCredit Bank AG**

**Responsibility statements and important information**

The Issuer is responsible for the information contained in this Prospectus. In addition to the Issuer, Athlon is responsible for the Athlon Information (as defined below). To the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

For the information set forth in the following sections of this Prospectus: *Description of the Portfolio*, *Expected maturity and average life of Notes and assumptions, The Seller and the Servicer, Compliance with article 6 of the Securitisation Regulation*, *Compliance with article 7 of the Securitisation Regulation* and *Compliance with the STS Requirements* (collectively the **Athlon Information**), the Issuer has relied on information from Athlon as Seller and Servicer, for which Athlon is responsible. To the best of the Seller's knowledge, the Athlon Information is in accordance with the facts and makes no omission likely to affect its import. The Seller accepts responsibility accordingly.

The Athlon Information and any other information from third parties contained and specified as such in this Prospectus (the sources of which are identified in the relevant sections) has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Athlon as Seller and Servicer as to the accuracy or completeness of any information (other than the Athlon Information).

The Notes represent obligations of the Issuer only and do not represent an interest in or obligation of any of the Arranger and the Managers, Athlon (acting in any capacity), the Shareholder, the Directors, the Account Bank, the Swap Counterparty, the Issuer Administrator, the Paying Agent, the Interest Determination Agent, the Back-Up Servicer Facilitator, the Data Trustee and the Security Trustee or any of their respective affiliates or any other party to the Transaction Documents. It should be noted further that the Notes will only be capable of being satisfied and discharged from the assets of the Issuer. Neither the Notes nor the Purchased Vehicles and Lease Receivables under the associated Lease Agreements will be insured or guaranteed by any governmental authority or by any of the Arranger and the Managers, the Issuer (acting in any capacity), Athlon (acting in any capacity), the Shareholder, the Directors, the Account Bank, the Swap Counterparty, the Issuer Administrator, the Paying Agent, the Interest Determination Agent, the Back-Up Servicer Facilitator, the Data Trustee and the Security Trustee or any of their respective affiliates or any other party (other than the issuer) to the Transaction Documents or by any other person or entity, except as described herein.

The Managers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any of the Managers as to (i) the accuracy or completeness of the information set forth in this Prospectus or any other information provided by the Issuer or Seller or any other party (including, without limitation, the STS notification within the meaning of article 27 of the Securitisation Regulation) or (ii) compliance of the securitisation transaction described in this Prospectus with the requirements of the Securitisation Regulation and the UK Securitisation Regulation. Neither the Managers nor any of their respective affiliates accept any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with the Issuer or the offer. The Managers and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Managers or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document. The Managers are acting exclusively for the Issuer and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as its client in relation to the offer and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

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 and 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 (acting in any capacity), Athlon (acting in any capacity), the Shareholder, the Directors, the Account Bank, the Swap Counterparty, the Issuer Administrator, the Paying Agent, the Interest Determination Agent, the Back-Up Servicer Facilitator, the Data Trustee and the Security Trustee or by the Arranger and the Managers or by any other party mentioned herein.

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 (ii) that there has been no adverse change in the financial situation of the Issuer or with respect to Athlon since the date of this Prospectus 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. The Issuer does not have the obligation to update this Prospectus, except when required by the listing and issuing rules of the Luxembourg Stock Exchange or any other regulation. The Managers, the Arranger and Athlon expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes. Investors should review, inter alia, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

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 from actual results. Consequently, the actual result might differ from the projections and such differences might be significant.

The Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any U.S. Person as defined in the U.S. Risk Retention Rules (**Risk Retention U.S. Persons**). Prospective investors should note that the definition of "U.S. Person" in the U.S. Risk Retention Rules is different from the definition of "U.S. Person" in Regulation S. Each purchaser of the Notes or a beneficial interest therein acquired in the initial distribution of the Notes, by its acquisition of the Notes or a beneficial interest therein, will be deemed to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such or a beneficial interest therein for its own account and not with a view to distribute such Note, 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 evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in section 20 of the U.S. Risk Retention Rules).

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 (**MIFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (**Insurance Distribution Directive**), where in both instances (i) and (ii) that client (in the case of MIFID II) or customer (in the case of the Insurance Distribution Directive) would not qualify as a professional client as defined in point (10) of article 4(1) of MIFID II. Furthermore, a retail investor is not a person who is a "qualified investor" within the meaning of article 2(1)(e) of the Prospectus Regulation. Consequently, no key information document to the extent 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.

Solely for the purposes of the product approval process of each of the Joint Lead Managers (collectively, the **Manufacturers**), 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.

Prohibition of sales to UK 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 United Kingdom (**UK**). For these purposes, (a) 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 UK law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, 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 UK law 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 UK law by virtue of the EUWA and (b) the expression an **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 for the Notes. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK law by virtue of the EUWA (the **UK PRIIPs Regulation**) 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 the UK PRIIPs Regulation.

UK MIFIR product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of the product approval process of the Joint Lead Managers (each a **UK Manufacturer**), the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); 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 should take into consideration the UK Manufacturer's 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 manufacturer's target market assessment) and determining appropriate distribution channels.

No action has been taken by the Issuer or the Seller or the Arranger or the Managers 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, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus (nor any part hereof) nor any information memorandum, prospectus, offering circular, form of application, advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations.

This Prospectus may only be used for the purposes for which it has been published. 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 any offer to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. The distribution of this Prospectus (or of any part thereof) and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part thereof) may come are required by the Issuer, the Seller, the Arranger and the Managers to inform themselves about and to observe any such restrictions. 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 of any part thereof), see section 21 (*Subscription and sale*).

**In connection with the issue of the Notes, any of the Managers may over-allot or effect transactions that stabilise or maintain the market price of the Notes at a level that might not otherwise prevail. However, there is no obligation on a Manager to undertake these actions. Any stabilisation action may be discontinued at any time but will, in accordance with the rules of Luxembourg Stock Exchange, in any event be discontinued at the earlier of 30 calendar days after the issue date of the Notes and sixty (60) calendar days after the date of allotment of the Notes. Stabilisation transactions must be conducted in compliance with all applicable laws and regulations, as amended from time to time.**

**If you are in any doubt about the contents of this document you should consult, as appropriate, your legal adviser, stockbroker, bank manager, accountant or other financial adviser.**

**An investment in these 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, the yield and the income deriving from them may increase as well as decrease.**

**In this Prospectus, unless otherwise specified or the context otherwise requires, references to "€" and "euros" are to the lawful currency of the Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001, as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007)).**

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

**CONTENTS**

# 1 RISK FACTORS

*The purchase of certain Notes may involve substantial risks and be suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Prior to making an investment decision, prospective investors should consider carefully in light of their own financial circumstances and investment objectives all the information set forth in this Prospectus and in particular, the considerations set forth below. Prospective investors should make such inquiries as they deem necessary without relying on the issuer or the arranger or any other party referred to herein.*

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. These factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below as at the date of this Prospectus. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. 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. As more than one risk factor can affect the Notes simultaneously, the effect of a single risk factor cannot be accurately predicted. Additionally, risk factors may have a cumulative effect, the extent of which is uncertain, so that the combined effect on the Notes cannot be accurately predicted. No binding statement can be given on the effect of a combination of risk factors on the Notes. By sub-category the most material risk factors are mentioned first as referred to in article 16 (1) of the Prospectus Regulation.*

## 1.1 RISK FACTORS RELATING TO THE NOTES

### 1.1.1 Credit risks related to the Notes

***Credit Risk***

The ability of the Issuer to redeem all of the Notes on the Final Maturity Date in full and to pay all amounts due to the Noteholders, including after the occurrence of an Issuer Event of Default (which occurs if, amongst others, the Issuer has insufficient funds available to pay any interest due on the Class A Notes), depends substantially upon whether the Lease Collections, and more specifically any Lease Interest Collections and Lease Principal Collections included therein, from the Lessees and any Vehicle Realisation Proceeds following a Lease Termination Date in respect of the Purchased Vehicles (which includes any Option Exercise Price payable by the Call Option Buyer upon the exercise of the Repurchase Option) are sufficient to redeem the Notes. The Issuer is subject to the risk of default in payment by the Lessees and the failure by the Servicer (or any of its sub-servicers) to realise or recover sufficient funds under the arrears and default procedures in respect of the relevant Lease Receivables in order to discharge all amounts due and owed by the relevant Lessees under the relevant Lease Receivables.

The ability of the Lessees to make timely payments of amounts due under the Lease Agreements will mainly depend on their assets and liabilities as well as their ability to generate sufficient income to make the required payments. The Lessees' ability to generate income may be adversely affected by a large number of factors, including general economy conditions, unemployment levels, the circumstances of individual Lessees (such as may result from epidemic infectious diseases like the current outbreak of the COVID-19. The outbreak of the COVID-19 Pandemic may lead to an increase in delinquencies and bankruptcy filings by Lessees and could ultimately have an adverse impact on the ability of the Lessees to pay the Lease Receivables.

The credit risk described in this risk factor may affect the Issuer's ability to make payments on the Notes, but is mitigated to some extent by certain credit enhancement features which are described in section 6 (*Credit Structure*). There is no assurance that these measures and features will protect the holders of any Class of Notes against all risks of losses and therefore there remains a risk that the Issuer will not have sufficient funds available to fulfil its payment obligations under the Notes.

***Subordinated Notes bear a greater risk of non-payment than Most Senior Class Outstanding***

With respect to the Class B Notes, the applicable subordination is designed to provide credit enhancement to the Class A Notes. As a result, the Noteholders of any Class B Notes bear a greater risk of non-payment than the Noteholders of any Class A Notes. See further Conditions 4 (*Interest*), 6 (*Redemption*), 15 (*Subordination of interest by deferral*) and section 6 (*Credit Structure*).

Hence, if the Issuer does not have sufficient funds available to fulfil its payment obligations under the Notes, the Noteholders of the Class B Notes will sustain a higher loss than the Noteholders of the Class A Notes. Noteholders should note that the risk described in this risk factor amplifies the credit risks described in the other risk factors setting out the possible consequences of the Issuer having insufficient funds available to fulfil its payment obligations under the Notes.

### 1.1.2 Market and liquidity risks related to the Notes

***Risks related to the limited liquidity of the Class A Notes***

Although application will be made to the Luxembourg Stock Exchange for the Class A Notes to be listed on the Official List and to be admitted to trading on the Regulated Market, there is currently no secondary market for the Class A Notes. There can be no assurance that there will be bids and offers and that a liquid secondary market for the Class A Notes will develop or that a market will develop for the Class A Notes or, if it develops, that it provides sufficient liquidity to absorb any bids, or that it will continue for the whole life of the Class A Notes.

Limited liquidity in the secondary market for asset-backed securities has had a serious adverse effect on the market value of asset-backed securities and 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.

Consequently, any sale of Class A Notes by a Noteholder in any secondary market transaction may be at a discount to the original purchase price of the Class A Notes. Accordingly, investors should be prepared to remain invested in the Class A Notes until the Final Maturity Date.

**Risk related to the Class A Notes no longer being listed**

Application has been made to the Luxembourg Stock Exchange for the Class A Notes to be admitted to the Official List and to trading on the Regulated Market. Once admitted to the Official List and to trading on the Regulated Market, there is a risk that any of such Class A Notes will be withdrawn from being listed on the Luxembourg Stock Exchange. Consequently, investors may not be able to sell their Class A Notes readily. The market values of the Class A Notes may therefore decrease. This could adversely affect a Noteholder's ability to sell the Class A Notes and/or the price an investor receives for the Class A Notes in the secondary market. As a result, the Noteholders should be aware that they may not be able to sell or suffer loss, if they intend to sell any of the Class A Notes on the secondary market for such Notes and such Notes are no longer listed. The Class B Notes will not be listed.

**Risk that (i) the Issuer does not exercise its option to redeem the Notes (for tax reasons or (ii) the Seller does not exercise the Seller Clean-Up Call which may result in the Notes not being redeemed prior to the Final Maturity Date**

The Issuer has the option to redeem the Notes prematurely for certain tax reasons, subject to and in accordance with Condition 6.4 (*Optional redemption in whole for taxation*). In addition, the Issuer has the obligation to redeem the Notes, subject to and in accordance with Condition 6.5 (*Redemption following Seller Clean-Up Call*), if the Seller exercises the Seller Clean-Up Call. No guarantee can be given that the Seller will on any Payment Date exercise the Seller Clean-Up Call or the Issuer will on any Payment Date exercise its option to redeem the Notes for tax reasons. Noteholders anticipating on any of the options set forth above being exercised, and as a result thereof on redemption prior to the Final Maturity Date, should be aware that if the Issuer does not exercise its option to redeem the Notes for tax reasons or the Seller does not exercise the Seller Clean-Up Call, there is a risk that the Notes may not be redeemed prior to the Final Maturity Date and such redemption proceeds are therefore not available for the Noteholders to be used for other purposes prior to the Final Maturity Date.

## 1.2 RISK FACTORS RELATING TO THE LEASED VEHICLES, LEASE AGREEMENTS AND LEASE RECEIVABLES

### 1.2.1 Legal risks relating to the Leased Vehicles, Lease Agreements and Lease Receivables

**Adverse rights of third parties in relation to the Purchased Vehicles**

Pursuant to the Master Hire Purchase Agreement the Issuer will purchase the Leased Vehicles from the Seller from time to time by means of a hire purchase agreement within the meaning of section 7:84 paragraph 3 under b of the Dutch Civil Code to be entered into in respect of each Leased Vehicle with the Seller. Pursuant to each Hire Purchase Contract, delivery (*levering*) of the relevant Purchased Vehicle occurs by the Seller providing the control (*macht*) of such Purchased Vehicle to the Issuer on the associated Purchase Date. In the Master Hire Purchase

Agreement, the Seller and the Issuer agree that, to the extent no prior notification has been given to a Lessee, a notification will be sent to the relevant Lessee within such time as agreed upon in the Master Hire Purchase Agreement, whereby the relevant Lessee will be informed that, among other things, the Lessee will have to adhere to any instruction of the Issuer in relation thereto and that the details as to which Leased Vehicles leased by the relevant Lessee which are subject of a Hire Purchase Contract, will be made available to the Lessee upon request.

Statutory protection is available under Dutch law to any person with a prior proprietary right (*oorspronkelijk rechthebbende of anterieur beperkt gerechtigde*) or privileged receivable (*geprivilegieerde schuldeiser*) in respect of the relevant Purchased Vehicle if at the time of notification to the relevant Lessee the Issuer knew or should have known of their entitlement. This could potentially lead to the Issuer receiving lower Vehicle Realisation Proceeds than expected or the Issuer not having become the owner of the relevant Purchased Vehicles and consequently only having a claim for damages vis-à-vis the Seller.

Pursuant to the Master Hire Purchase Agreement, the Seller will give the Asset Warranties in relation to the Leased Assets. The Asset Warranties include the requirement that there is no person or entity with a prior proprietary right (*oorspronkelijk rechthebbende*) or privileged receivable (*gepriviligeerde schuldeiser*) in respect of each Leased Asset, subject to any Adverse Claims under the BOVAG General Conditions and the FOCWA General Conditions. However, a breach of such Asset Warranties by the Seller could result in the consequences set out in the second paragraph of this risk factor.

**Possessory lien**

A possessory lien (*retentierecht*) is a statutory remedy under the Dutch Civil Code that is available to certain types of creditors allowing such creditors to refuse to surrender possession of goods as long as the debtor has failed to pay the debt he owes to such creditor. An Insolvency Event relating to the debtor does not affect the possessory lien.

If, for example, a leased vehicle is brought to a dealer for repair the dealer is entitled to hold the Vehicle until the dealer is paid for the services rendered by such dealer. Whether the Servicer acting on behalf of the Issuer is obliged to pay the dealer or the Lessee depends on the type of Lease Agreement entered into with the Lessee. The BOVAG General Conditions that often apply in respect of repair activities performed by dealers contain a clause dealing with a possessory lien. See further section entitled *BOVAG and FOCWA General Conditions: possessory liens and third party encumbrances* which applies *mutatis mutandis*. Furthermore, as another example, in lower case law it has been held that pursuant to section 3:291(2) of the Dutch Civil Code, the user of a Vehicle subject to an operational lease concluded between its employer and a third party (i.e. the lease company) will have a possessory lien on such Vehicle in the event that the employer fails to comply with its obligations under the relevant employment agreement. However, the Issuer has been advised that strong arguments are available which invalidate this view. Such advice is supported by several lower judgments of more recent dates than the judgment referred to above, where it was decided that an employee who did invoke a possessory lien against the relevant lease company in respect of the leased car under his control, because the relevant employer failed to comply with its obligations under the employment agreement, was not entitled to do so.

**BOVAG & FOCWA General Conditions; possessory liens; third party encumbrances**

*Retention of title*

The purchase contracts pursuant to which the Seller purchases from the relevant car dealer the Vehicles that will become subject to a Lease Agreement usually are subject to the BOVAG General Conditions which contain a provision under which the car dealer retains title to the Vehicle until the purchaser has fully paid the purchase price thereof and/or has complied with other obligations vis-à-vis the car dealer. Such retention of title provisions are used by the relevant car dealer in connection with the acquisition of Vehicles and the repair and maintenance of such Vehicles. For as long as such provision is effective in relation to a Vehicle, the Seller acquires conditional title (*eigendom onder opschortende voorwaarde*) to such Vehicle only (subject to the condition precedent of full payment of the relevant amounts). Section 3:92(1) of the Dutch Civil Code creates an assumption with respect to the nature of a retention of title (*eigendomsvoorbehoud*).

The consequence of such retention of title is that, dependent on the exact wording of the relevant retention of title clause in the purchase agreement entered into between the Seller and the car dealer, the Seller will only become the unconditional legal owner of the Vehicle after payment of the purchase price in full. Once the Seller has paid the purchase price to the car dealer, it will in principle acquire legal title to the Vehicle.

It is understood that the Seller customarily pays the purchase price owed by it to a car dealer within five (5) business days after delivery of the Vehicle, which would typically represent the largest claim by a car dealer on the Seller. However, a car dealer may also perform other services for the Seller pursuant to (*in het kader van*) the sale and purchase agreement between the car dealer and the Seller, such as maintenance and repair work, which if invoices in respect thereof remain unpaid could lead to the car dealer retaining title to a Vehicle possessed by it. It is understood that such unpaid amounts generally are very limited, and it would be uncommon for a car dealer to retain title as a result of this. However, if such unpaid amounts would nevertheless be material and a car dealer would retain title as described above, the Seller would not become the unconditional legal owner of the Vehicle.

Pursuant to each Hire Purchase Contract, the Seller purports to transfer to the Issuer full title to the relevant Leased Vehicle, but subject to the condition precedent of payment of the Final Purchase Instalment. However, if title to such Leased Vehicle is retained by the relevant car dealer, the Seller cannot transfer full, but at the most conditional, title, in any case subject to the same condition precedent of payment of the Final Purchase Instalment. In such case, there is a risk that the relevant car dealer with a retention of title will claim back the Vehicle from the Issuer if any amounts due by the Seller remain unpaid.

*Negative disposal/pledge*

In addition, the BOVAG General Conditions provide that for as long as title to the relevant Vehicle is retained by the car dealer as abovementioned, the client (Athlon) may not pledge or grant any other right in respect of such Vehicle to any third party. Pursuant to the Master Hire Purchase Agreement, the Seller will warrant and represent that the entry by the Seller into and the execution of the relevant Transaction Documents and the performance by the Seller of its obligations under the relevant Transaction Documents do not and will not conflict with or constitute a breach or infringement of any of the terms of, or constitute a default by, the Seller

under any agreement or other instrument to which the Seller is a party or which is binding on it, where such conflict, breach, infringement or default is reasonably likely to have a Material Adverse Effect on the Seller or the relevant Transaction Document.

*Possessory lien*

The BOVAG General Conditions (and the Dutch Civil Code as described above) provide for a possessory lien of the car dealer for all assets (i.e. leased vehicles) which the car dealer holds for or on behalf of the client (Athlon). The possessory lien applies for as long as both the car dealer holds such assets and any amounts due by the client for assets or services rendered by the car dealer have not been paid.

If, for example, a Leased Vehicle is brought to a car dealer for repair, the car dealer is entitled to hold the Vehicle until the car dealer is paid for the services rendered by such car dealer. Whether the Servicer acting on behalf of the Issuer is obliged to pay the car dealer or the Lessee depends on the type of Lease Agreement entered into with the Lessee. The BOVAG General Conditions that often apply in respect of repair activities performed by car dealers contain a clause providing for a possessory lien of a mechanic. In case any repair work has been carried out by the mechanic, the mechanic has the right to remain in possession of the vehicle concerned, if and for as long as (i) any amounts due by the client for services rendered by the mechanic in relation to a vehicle have not been paid or paid in full, (ii) any amounts due by the client with respect to services rendered by the mechanic in relation to the same vehicle have not been paid or paid in full or (iii) any other claims arising from the contractual relationship with a supplier/ mechanic have not been repaid or paid in full by the client.

*Pledge*

The BOVAG General Conditions provide for a pledge to the car dealer of any asset (i.e. leased Vehicles) which the client (Athlon) brings within the control of such car dealer, for example for the purpose of repair or maintenance. Any such right of pledge terminates as soon as the relevant Vehicle leaves the control of the car dealer. However, the BOVAG General Conditions permit the car dealer, while the relevant Vehicle is in its control, to convert its possessory right of pledge into a non-possessory right of pledge, by offering the BOVAG General Conditions together with the car dealer's agreement with Athlon in respect of the relevant Vehicle, for registration to the Dutch tax authorities (*Belastingdienst*). Such right of pledge covers all future claims the car dealer may acquire against the Seller. The car dealer is only entitled to enforce the right of pledge in the event that the Seller does not make the payments due to the car dealer. As stated above the amounts owed by the Seller to a car dealer generally are limited to payments to be made in respect of repairs and maintenance services. However, if such payments are material and the car dealer exercises its right of pledge, this may lead to the Issuer receiving less Vehicle Realisation Proceeds than expected.

*FOCWA General Conditions*

The FOCWA General Conditions contain provisions similar to those contained in the BOVAG General Conditions and listed above.

*Third party encumbrances*

It is possible that a car dealer or previous owner of a Vehicle has encumbered such Vehicle with a right in rem (*zakelijk recht*), such as a right of pledge in favour of a financier of the Vehicle, or

has retained title thereto. Such encumbrance or retention of title would usually have been released prior to the relevant Vehicle being delivered (*geleverd*) to the Seller, but the possibility cannot be excluded that such encumbrance or retention of title still exists at the time of delivery to the Issuer. Even if such encumbrance or retention of title still existed, delivery to the Seller would in principle still be valid under Dutch law, assuming the Seller was acting in good faith.

**Termination of Lease Agreements**

*Insolvency Event relating to the Lessor*

A possible Insolvency Event in relation to the Seller as lessor under a Lease Agreement in itself would not be a ground for a lessee to dissolve such agreement (without being obliged to pay any damages), unless the parties have agreed otherwise. Pursuant to the Eligibility Criteria a Lease Agreement may not permit the Lessee to terminate such Lease Agreement if an Insolvency Event occurs in respect of the Originator, unless the Lessee is required upon such termination to pay a Lease Agreement Early Termination Amount, if any, in respect of such Lease Agreement. However, even if the terms and conditions applicable to the relevant Lease Agreement do not explicitly provide such right to the Lessee, the Lessee is nevertheless entitled to terminate the contract in the event of non-performance by the lessor of its obligations thereunder if, after having sent a notice of default to the lessor, the default is not remedied within the period mentioned in such notice and the non-performance as such justifies a termination of the Lease Agreement. Subject to the terms of the relevant Lease Agreement, the Lessee will not be entitled to terminate the Lease Agreement in the event the non-performance is of minor importance. If, however, termination would be permitted such termination would reduce the Lease Receivables owed to the Issuer and reduce the amounts available to make payments in respect of the Notes. In such case, as the Final Purchase Instalment will be paid, the Issuer in its capacity as the unconditional legal owner of the Purchased Vehicle will have the benefit of the Vehicle Realisation Proceeds in respect of the relevant Purchased Vehicle.

*Insolvency Event relating to the Lessee*

If a Lessee is subjected to an Insolvency Proceeding, there is a risk that the Insolvency Official pursuant to the Dutch Bankruptcy Code (*Faillissementswet*) terminates any lease agreement (*huurovereenkomst*) to which such Lessee is a party, taking into account a notice period of up to three (3) months. Most of the Lease Agreements provide that if the relevant Lessee is subjected to Insolvency Proceedings, or if certain other events relating to such Lessee occur (for example a default (*verzuim*) in the payment of Lease Receivables), the Lessor may terminate the Lease Agreement and the Lessee is obliged to fully indemnify the lessor. However, if the termination occurs by the Insolvency Official on the basis of the Dutch Bankruptcy Code (*Faillissementswet*), in principle a three (3) month notice period would apply, and not the contractual provisions pertaining to termination. There is therefore a risk that termination by an Insolvency Official of a Lessee on the basis of the Dutch Bankruptcy Code (*Faillissementswet*) precedes termination by the Lessor on the basis of the relevant Lease Agreement. Lease Receivables qualify as an estate debt (*boedelschuld*) as of the day the lessee is subjected to Insolvency Proceedings. Claims that can be considered as an estate debt have to be satisfied in priority to insolvency claims that have arisen before the opening of the relevant Insolvency Proceeding and do not need to be submitted in the claims validation procedure.

In case a contractual termination by the Lessor (as opposed to a termination by the Insolvency Official on the basis of the Dutch Bankruptcy Code (*Faillissementswet*)) occurs and the Lessee is requested to fully indemnify the Lessor pursuant to the relevant Lease Agreement, the Lessee in principle has the defences available to it that are generally available to debtors under Dutch law. If the indemnification qualifies as a penalty (*boete*), these defences include the right to request the court to mitigate such penalty if fairness so clearly dictates. However, even if such circumstances apply, the Lessor would still be entitled to any indemnification to which it is entitled by statutory law and the owner of the relevant Purchased Vehicle would still have the benefit of such ownership.

The outbreak of the COVID-19 Pandemic may lead to an increase in bankruptcy filings in respect of Lessees and could ultimately have an adverse impact on the ability of Lessees to pay the Lease Receivables. Pursuant to the Temporary Payment Suspension Act 2020 (*Tijdelijke Betalingsuitstelwet 2020*), which entered into force on 17 December 2020, a corporate debtor in respect of which a request for bankruptcy has been filed, can, subject to certain conditions, request a Dutch court to postpone the bankruptcy proceeding for a maximum period of two (2) months, which can be extended twice with another maximum period of two (2) months. Such conditions include, *inter alia*, that such debtor makes, prima facie, a plausible case that its financial position is exclusively or mainly the result of the measures taken in relation to the COVID-19 Pandemic. The Temporary Payment Suspension Act 2020 may reduce the number of Lessees, who suffered from the consequences of the COVID-19 Pandemic, being declared bankrupt to some extent, but the exact impact of this Act remains unclear. Reference is also made to the risk factor entitled "*Risks arising from the COVID-19 Pandemic*" below.

**Right to suspend performance and/or dissolve Lease Agreements**

According to Dutch law, if one of the parties to a contract does not perform its obligations, then the other party has the right to suspend the performance (*opschortingsrecht*) of its obligations that are related to the obligations that have not been performed. In case of partial or improper performance the suspension is permitted only to the extent that the shortcoming justifies it. These defences would generally be available to a Lessee if the Seller's or the Issuer's, as the case may be, obligations under the relevant Lease Agreement are not performed by or on behalf of the Seller or the Issuer, as the case may be. In addition, if the non-performance results in a default (*verzuim*), for example because the non-performance was not timely remedied by the counterparty following receipt of a default notice (*ingebrekestelling*), then the first party may proceed to dissolve (*ontbinden*) the agreement (e.g. lease agreement), in whole or in part. In the Servicing Agreement, the Servicer undertakes to provide the relevant Services including the performance of all obligations of the owner of the Purchased Vehicles and the lessor under the associated Lease Agreements. If the Servicer fails to fulfil its obligations under the Servicing Agreement as a result of which a Lessee has the right to suspend the performance of its obligations to pay the relevant Lease Instalments, the Issuer may sustain a loss or delays in payments may occur. This may lead to losses under the Notes.

**Location of the Vehicles**

Under Dutch rules of private international law, the "*lex rei sitae*" (i.e. the law of the jurisdiction where a movable asset (*roerende zaak*) is physically located at the relevant moment in time) governs the transfer of title to, and the creation of a security right in respect of such asset. This

means that in the event a Purchased Vehicle is physically located outside the Netherlands upon the transfer of title to the Issuer, it is uncertain whether or not legal title to such Purchased Vehicle will validly pass on to the Issuer if such transfer is effected in accordance with Dutch law.

In the event that according to the law of the jurisdiction in which the Purchased Vehicle is located upon the transfer of title to the Issuer additional requirements need to be fulfilled in order to have a valid transfer of legal title to the Purchased Vehicle, the Issuer will not become the unconditional legal owner of such Purchased Vehicle if such additional requirements have not been fulfilled. The same rules apply to the creation of the right of pledge on the Purchased Vehicles in favour of the Security Trustee. In order to mitigate this risk, each Combined Transfer Deed includes a provision which provides that if at the time of the creation of the right of pledge any Purchased Vehicle is located outside the Netherlands, the creation of the right of pledge on such Purchased Vehicle is subject to the condition precedent that such Purchased Vehicle is relocated to the Netherlands. Similarly, each Combined Transfer Deed includes a provision which provides that if at the time the control or full title of any Purchased Vehicle is intended to be transferred to the Issuer pursuant to the Combined Transfer Deed the relevant Purchased Vehicle is located outside the Netherlands, the transfer of control or legal title to such Purchased Vehicle is subject to the condition precedent that such Purchased Vehicle is relocated to the Netherlands. If the Purchased Vehicle is not relocated to the Netherlands, the legal title to the Purchased Vehicle will not be transferred to the Issuer.

**Risk in relation to delivery of the Leased Vehicles**

Pursuant to the Master Hire Purchase Agreement the Issuer will purchase Leased Vehicles from the Seller by means of a hire purchase agreement within the meaning of section 7:84 paragraph 3 under b of the Dutch Civil Code to be entered into in respect of each relevant Leased Vehicle with the Seller. Under a hire purchase contract the parties agree that the purchase price for the relevant asset is paid in regular instalments and that unconditional legal ownership to the asset does not transfer at the time of delivery of the asset to the hire purchaser, but only upon fulfilment of the condition precedent that the purchase price shall have been paid in full (i.e. upon payment of the final instalment). Upon payment in full, the Issuer will automatically by operation of law become the unconditional legal owner of such Purchased Vehicle, even when in the meantime the Seller has been declared Insolvent.

Pursuant to section 3:91 of the Dutch Civil Code delivery (*levering*) of assets which are being hire purchased requires that the seller provides control (*macht*) over the relevant assets to the hire purchaser. Under Dutch law different views have been expressed as to what would be required as a minimum to provide control over a leased vehicle to a hire purchaser. However, the Issuer has been advised that upon due completion and execution of a Combined Transfer Deed in relation to a Leased Vehicle and, to the extent not already done so, notification as set out below, such Combined Transfer Deed results in a valid hire purchase (*huurkoop*) of such Leased Vehicles as a matter of Dutch law in accordance with its terms. Pursuant to the Master Hire Purchase Agreement such control (*macht*) will be provided by means of a statement to that effect by and between the Seller and the Issuer. In addition notification will be given to the relevant Lessees whereby each Lessee will be informed, among other things, that the Lessee will have to adhere to any instructions which will as from the date of the relevant notification be sent to the Lessee by Athlon, also acting on behalf of the Issuer. The details as to which Leased

Vehicles leased by the relevant Lessee are subject to the hire purchase will be made available to the Lessee upon request. If for whatever reason delivery of the Leased Vehicle would not have occurred pursuant to a Combined Transfer Deed or the notification to the Lessee, the hire purchase of such Leased Vehicle will not be valid and the Issuer may not be entitled to the Lease Collections, which in its turn may result in losses under the Notes.

**Transfer of Undertaking**

The transfer of the Purchased Vehicles together with the associated Lease Receivables pursuant to the Master Hire Purchase Agreement could constitute a transfer of undertaking within the meaning of both European law (Council Directive 77/187/EC, as amended by Council Directives 98/50/EC and 2001/23/EC) and Dutch law (articles 7:662 to 7:666 of the Dutch Civil Code), but only if the transfer of the relevant Purchased Vehicles together with the associated Lease Receivables qualifies as a transfer of (part of) an 'economic entity' (*onderneming*) which retains its identity after the transfer. In this context an 'economic entity' is an organised grouping of resources aimed at pursuing an economic activity, regardless of whether that activity is central or ancillary. In determining whether the identity of the economic entity is retained after a transfer, all facts and circumstances in relation to the transfer must be assessed.

The Purchased Vehicles together with the associated Lease Receivables form a substantial part of the Seller's business and as such may qualify as an economic entity. If that economic entity retains its identity after the transaction pursuant to the Master Hire Purchase Agreement, the employees of the Seller could successfully claim that their employment terms have transferred to the Issuer by operation of law. In such case, the Issuer would be obligated to honour all existing rights and obligations arising from the employment agreements between the Seller and its employees at the time of the transfer.

It has been agreed that the obligations pursuant to the associated Lease Agreements will not pass to the Issuer until payment of the Final Purchase Instalment and based on the Servicing Agreement the obligations pursuant to and services related to the associated Lease Agreements will continue to be performed by Athlon and upon the appointment of Athlon as Servicer being terminated, will be performed by a substitute servicer. Also, the Issuer will not employ any employees. Recent case law shows that even when no or not all operational resources are being transferred to the purchaser, it should be assessed on the basis of all factual circumstances whether or not an economic entity retains its identity after the transfer which, if this is the case, can lead to the transfer being qualified as a transfer of undertaking. Given the factual circumstances of the Transaction, it can be argued that the economic entity will not retain its identity in light of the transaction at hand. This substantially reduces the risk of employees of the Seller successfully claiming that their employment terms have transferred from the Seller to the Issuer by operation of law for as long as the Servicing Agreement is in place.

**Transfer of the Leased Vehicles and associated Lease Agreements**

As a result of the transfer of unconditional legal ownership of a Purchased Vehicle upon payment in full of the Purchase Price for such Purchased Vehicle under the relevant Hire Purchase Contract all rights and obligations of the Seller under the associated Lease Agreements which will become due and payable after such transfer will automatically and at the same time pass to the Issuer. No further action by either the Seller or the Issuer is required in

this respect. The automatic transfer of the rights and obligations under the associated Lease Agreements is a result of the fact that section 7:226 of the Dutch Civil Code applies, since under Dutch law operational lease agreements qualify as rental agreements (*huurovereenkomsten*) within the meaning of section 7:201 of the Dutch Civil Code. Each Hire Purchase Contract between the Seller, the Issuer and the Security Trustee allows for the immediate payment by or on behalf of the Issuer of all remaining Purchase Instalments payable thereunder upon the occurrence of certain events, including, without limitation, the insolvency of the Seller. Upon such pre-payment in full of all remaining instalments, the Issuer becomes the unconditional legal owner of the relevant Purchased Vehicle, even when in the meantime the Seller has been granted a suspension of payments (*surseance van betaling*) or has been declared bankrupt (*failliet verklaard*).

Under Dutch law, the transferee of leased property will in fact replace the transferor as a party to the relevant lease contract and will therefore be bound by all terms and conditions of such contract, provided however that pursuant to section 7:226(3) of the Dutch Civil Code, the transferee will only be bound to the terms and conditions of the relevant contract to the extent such terms and conditions directly relate to the use of the leased property against a consideration payable by the lessee. If and to the extent that for any Purchased Vehicle, any right or obligation under the associated Lease Agreement does not qualify as being "directly connected to the granting of quiet enjoyment against payment of lease instalments" (*onmiddellijk verband houdt met het doen hebben van het gebruik van de zaak tegen een door de huurder te betalen tegenprestatie*), as referred to in section 7:226(3) of the Dutch Civil Code, and therefore will not transfer to the Issuer by operation of law upon the transfer to the Issuer of full title to the relevant Purchased Vehicle, then the Issuer has agreed in the Master Hire Purchase Agreement with Athlon and the Security Trustee to assume and bear the risks of any such obligations. If the Lessee would not accept the assumption of the obligations it would result in the Insolvent Seller remaining liable vis-à-vis the Lessee for the performance of the relevant obligations. The Issuer has been advised that a default by Athlon under the remaining obligations would in principle not entitle the Lessee to suspend its performance under, or to dissolve, the relevant Lease Agreement, as (i) it is a logical consequence of the above that the remaining obligations which have not transferred by operation of law to the Issuer do not directly concern the Lease Agreement, (ii) the Issuer will have offered the Lessee to enter into an agreement on the same terms as apply to the remaining obligations and (iii) the Issuer will be performing any and all other obligations which are directly connected to the granting of quiet enjoyment against payment of lease instalments under the Lease Agreement, with the assistance of the Servicer. If nonetheless a Lessee would be entitled to suspend its performance under a Lease Agreement or dissolve the relevant Lease Agreement, the Issuer may not (timely) receive the relevant Lease Collections and as a result thereof, the Issuer may not have sufficient funds available to fulfil its payment obligations to the Noteholders.

**Assignment of Lease Receivables**

Pursuant to section 7:226 of the Dutch Civil Code the Issuer will only be entitled to the Lease Receivables which become due and payable under the Lease Agreements after it has become the unconditional legal owner of the Purchased Vehicles. Prior to the Issuer becoming the unconditional legal owner of the Purchased Vehicles, the Issuer will be entitled to such receivables either (i) pursuant to analogous application of section 5:17 of the Dutch Civil Code, or (ii) as a result of the assignment thereof by the Seller to the Issuer pursuant to the Master

Hire Purchase Agreement. The Issuer has been advised that such analogous application implies that the purchaser under a hire purchase agreement is entitled to all revenues (*vruchten*) generated by the assets subject to the hire purchase agreement, unless agreed otherwise therein. The Issuer has been advised that there are strong arguments for the view that (i) the Lease Receivables due under the associated Lease Agreements qualify as revenues for the analogous application of section 5:17 of the Dutch Civil Code and (ii) on the basis of an analogous application of section 5:17 of the Dutch Civil Code and the terms of the Master Hire Purchase Agreement, the Issuer will be entitled to such Lease Receivables. This would mean that the Issuer, as the purchaser under the hire purchase contracts, will be entitled to the Lease Receivables becoming due and payable under the associated Lease Agreements as long as the hire purchase contracts relating to the relevant Purchased Vehicles have not been terminated.

To the extent the Issuer would not be entitled to the Lease Receivables by operation of law, the Issuer will be entitled to these Lease Receivables as a result of the assignment of any and all Lease Receivables by the Seller to the Issuer. Such assignment will be initiated by execution of a deed of assignment within the meaning of section 3:94 of the Dutch Civil Code entered into between the Seller and the Issuer. A notification will be sent to the relevant Lessee and each deed of assignment shall be registered with the Dutch tax authorities (*Belastingdienst*) within two (2) Business Days after the relevant Purchase Date. As a result of such registration the Issuer will become the legal owner of such Lease Receivables and as a result of such notification, the Issuer will be entitled to collect the Lease Receivables. The Issuer has agreed with Athlon (in its capacity as Servicer) that Athlon will collect the relevant Lease Receivables on behalf of the Issuer in accordance with the Servicing Agreement.

As a matter of Dutch law, the distinction between 'existing' receivables and 'future' receivables is relevant in relation to an assignment or pledge of receivables. If receivables are to be regarded as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor becomes Insolvent. If, however, receivables are to be considered as existing receivables, the assignment and pledge thereof are not affected by the bankruptcy or suspension of payments of the assignor/pledgor. According to a judgment of the Dutch Supreme Court (*Hoge Raad*) rental instalments that are not yet due and payable are to be considered as future receivables. Given the fact that operational lease agreements qualify as rental agreements under Dutch law, amounts payable under the Lease Agreements constitute future receivables to the extent that such amounts become due and payable on a date subsequent to the date of the assignment or pledge thereof. Consequently, an assignment on a Purchase Date of receivables under the Lease Agreements that are not yet due and payable on such date would not be effective to the extent such receivables become due and payable on or after the date on which the Seller has been declared Insolvent.

This risk, however, is addressed by the fact that the Issuer will enter into a Hire Purchase Contract with respect to each of the Purchased Vehicles pursuant to which it will become the unconditional legal owner of a Purchased Vehicle upon payment in full of the Purchase Price, irrespective of whether in the meantime an Insolvency Event has occurred in respect of the Seller. If an Insolvency Event in respect of the Seller occurs an accelerated payment of the Final Purchase Instalment is envisaged to take place. This accelerated payment will be effected by means of a set-off (*verrekening*) of the relevant Purchase Instalments by the Issuer against the accelerated (re)payment obligation of the Seller to the Issuer pursuant to the Issuer Facility Agreement (see in respect of this accelerated payment obligation, section 8 (*Description of*

*certain Transaction Documents*) below). Upon payment of the Final Purchase Instalment the relevant Purchased Vehicle transfer to the Issuer by operation of law, regardless whether the Seller has become Insolvent. Additionally the Lease Agreement entered into with respect to a Purchased Vehicle will transfer to the Issuer by operation of law pursuant to section 7:226 of the Dutch Civil Code (see under the risk factor entitled "*Transfer of the Leased Vehicles and associated Lease Agreements*" above). However, if the right to set off the relevant Purchase Instalments against the accelerated (re)payment obligation of the Seller to the Issuer pursuant to the Issuer Facility Agreement is exercised by the Issuer after the Seller has been declared bankrupt (*failliet verklaard*) or granted suspension of payments (*surseance van betaling verleend*), there is a risk that the Issuer may not be entitled to receive the Lease Receivables collected by the Seller during the period from (and including) the date on which the Seller has been declared bankrupt (*failliet verklaard*) or granted suspension of payments (*surseance van betaling verleend*) until the date on which the Issuer exercises its set off right.

**Set-off**

Under Dutch law (article 6:127 of the Dutch Civil Code), a debtor has a right of set-off (*verrekenen*) if (a) he has a claim which corresponds to his debt to the same counterparty and if (b) he is entitled to pay his debt as well as to enforce payment of his claims. The parties to a contract may deviate from the Dutch Civil Code rules concerning set-off. In the event that the counterparty of the debtor has been declared bankrupt (*failliet verklaard*) or granted suspension of payments (*surseance van betaling verleend*), a debtor has such right of set-off if both the debt and the claim came into existence prior to the bankruptcy or similar proceedings, or arose from acts effected with the bankrupt party prior to such bankruptcy or similar proceedings. According to case law neither the debt nor the claim needs to be due and payable for the set-off to be effective (articles 53 and 234 of the Dutch Bankruptcy Code (*Faillissementswet*)).

Notwithstanding the transfer of Lease Receivables to the Issuer, the Lessees may be entitled to set off the relevant Lease Receivable against a claim they may have vis-à-vis the Lessor (if any). In the absence of contractual provisions expanding statutory set-off possibilities, mutuality of claims is one of the requirements for set-off to be allowed: the parties, mutually, have to be each other's creditor and debtor.

Following a transfer of a Lease Receivable by the Seller to the Issuer and notification thereof to the relevant Lessee, the Seller is no longer the creditor of the relevant Lease Receivable. However, for as long as the transfer has not been notified to the relevant Lessee, the Lessee remains entitled to set off the Lease Receivable against moneys owed to him by the Seller as if no transfer had taken place. The Lessees will be notified that upon request they will be provided with the details of the Lease Receivables that have been transferred to the Issuer. However, the Issuer has been advised that this may not constitute a notification for the purpose of negating set-off. As such, until further notification to a Lessee relating to the transfer of the relevant Lease Receivable, the relevant Lessee may remain entitled to set off as if no transfer of such Lease Receivable had occurred. Upon the occurrence of a Seller Event of Default, if so requested by the Issuer or, following the occurrence of a notification event as referred to in the Lease Receivables Pledge Agreement, if so requested by the Security Trustee, the Lessees shall receive such further notification. After notification or (deemed) knowledge of the transfer, the relevant Lessee can still invoke set-off pursuant to section 6:130 of the Dutch Civil Code. On the basis of such section a Lessee can invoke set-off against the Issuer if the Lessee's claim (if

any) vis-à-vis the Seller stems from the same legal relationship as the Lease Receivable or became due and payable before the notification of the silent assignment or the (deemed) knowledge referred to above. In addition, on the basis of an analogous interpretation of section 6:130 of the Dutch Civil Code, a Lessee will be entitled to invoke set-off against the Issuer if prior to the notification or (deemed) knowledge of the transfer, the Lessee was either entitled to invoke set-off against the Seller (e.g. on the basis of section 53 or 234 of the Dutch Bankruptcy Code) or had a justified expectation that it would be entitled to such set-off against Athlon.

Not all Lease Agreements exclude or limit the statutory right of set-off of the relevant Lessee. In addition, under Dutch law a waiver of set-off may not be enforceable in all circumstances. The Master Hire Purchase Agreement provides that if a Lessee sets off any amount owed by it to the Seller against any Lease Receivable, the Seller will pay to the Issuer an amount equal to the amount so set-off. Receipt of such amounts by the Issuer from the Seller and the RV Guarantor is subject to the ability of the Seller and the RV Guarantor to actually make such payment. Reference is made to the risk factor entitled "*The Issuer has counterparty risk exposure*" below.

### 1.2.2 Economic and other risks related to the Leased Vehicles, Lease Agreements and Lease Receivables

**Risks arising from the COVID-19 Pandemic**

In December 2019, a novel strain of the coronavirus COVID-19 (**COVID-19**) was reported in Wuhan, China. The World Health Organization has classified COVID-19 as a global pandemic (the **COVID-19 Pandemic**). Governments around the world have implemented measures to combat the spread of the virus, including travel bans, quarantines and restrictions on public gatherings and commercial activity. The effects of the COVID-19 Pandemic on the Issuer's ability to fulfil its obligations under the Notes can be diverse, including, but not limited to, the following aspects.

It is noted that to mitigate the consequences of the COVID-19 Pandemic, the Dutch government has announced and has taken economic measures aimed at protecting jobs, households' wages and companies, such as by way of tax payment holidays, guarantee schemes and a compensation scheme for heavily affected sectors in the economy.

The performance of the Purchased Vehicles and associated Lease Receivables may be adversely affected by the general worsening of economic conditions, an increase in unemployment rates and other direct or indirect effects of the COVID-19 Pandemic on the circumstances of individual Lessees. The level of prepayment rates may also be affected throughout the duration of the COVID-19 Pandemic and possibly thereafter with an impact on the Class A Notes' expected weighted average life, yield and maturity.

Investors should also be aware that third parties on which the Issuer relies may be adversely affected by the effects of the COVID-19 Pandemic. As the COVID-19 Pandemic has led to many organisations either closing or implementing policies requiring their employees to work at home, delays or difficulties in performing otherwise routine functions could occur. This may impact the performance of their respective obligations under the Transaction Documents. In particular, it may affect the administration, collection and enforcement of the Purchased Vehicles and associated Lease Receivables by the Servicer in accordance with the Servicing Agreement. This may lead to a delay in the ability or inability of the Issuer to redeem (part of) the Notes.

**Risk of late payment of monthly instalments**

Whilst each Lease Agreement has due dates for scheduled payments thereunder, there is a risk that the Lessees under those Lease Agreements will not pay in time (for example, due to personal circumstances as may result from epidemic infectious diseases like the current outbreak of the COVID-19), or pay at all. Any such failure by the Lessees to make payments under the Lease Agreements would have an adverse effect on the Issuer's ability to make payments under the Notes.

**Risk of early repayment and early repayment fees**

Under the terms of certain of the Lease Agreements, the Lessees are entitled to terminate the Lease Agreements early, subject, where applicable, to payments of an early repayment fee or charge. The early repayment fee or charge may not be enforceable in circumstances where such fee or charge is construed as a penalty under Dutch law, as a Dutch court may, upon request of the debtor, reduce a penalty in certain circumstances. In the event that, after the termination of the Revolving Period, the Lease Agreements underlying the Portfolio are prematurely terminated or otherwise settled early, the principal repayment of the Notes may be earlier than expected and, therefore, the yield on the Notes may be adversely affected by a higher or lower than anticipated rate of prepayment of the Lease Receivables. The exact rate of prepayment of the Lease Receivables cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the auto finance market, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayment that the Lease Receivables will experience. See section 10 (*Expected maturity and average life of the Class A Notes and assumptions*).

**Residual Value Risk**

The residual value risk for the Issuer is the risk that, after it has acquired unconditional legal title to a Purchased Vehicle, any Vehicle Realisation Proceeds of such Purchased Vehicle are insufficient to cover (i) in case of a Matured Lease, the Estimated Residual Value or (ii) in case of a Lease Agreement Early Termination, an amount equal to the sum of (x) the Present Value of all remaining scheduled Lease Interest Components and Lease Principal Components that would have become due and payable under the relevant associated Lease Agreement after the Lease Early Termination Date in the event such Lease Agreement would not have been subject to a Lease Agreement Early Termination and (y) the Present Value of the Estimated Residual Value of the relevant Purchased Vehicle each as calculated in respect of the relevant Lease Agreement as of the relevant Cut-Off Date. Pursuant to the terms of the Servicing Agreement, the Servicer will use commercially reasonable efforts to arrange for the sale of Purchased Vehicles in a manner which maximises the sale price thereof. However, there is a risk that the sale proceeds of any such Purchased Vehicles will not be sufficient to cover the Estimated Residual Value or the Present Value of any remaining scheduled Lease Interest Component and Lease Principal Component and of the Estimated Residual Value, as the case may be.

Pursuant to the terms of the Master Hire Purchase Agreement, either the Call Option Buyer exercises its Repurchase Option and repurchases the Purchased Vehicles together with the associated Lease Receivables which have or will become due and payable after the relevant Lease Termination Date at the Option Exercise Price or, provided that the relevant Purchased

Vehicle is not associated with a Defaulted Lease Agreement, the RV Guarantor will be required to compensate the Issuer for any RV Shortfall Amount. However, any decision not to or inability to exercise the Repurchase Option or pay any RV Shortfall Amount could have an adverse effect on the ability of the Issuer to make payments in respect of the Notes, as the risk that any Vehicle Realisation Proceeds of any Purchased Vehicle may not be sufficient is no longer mitigated and may materialise. Reference is also made to the risk factor entitled "*The Issuer has counterparty risk exposure*" below.

**Market for Leased Vehicles and associated Lease Receivables**

The ability of the Issuer to redeem all the Notes in full, including after the occurrence of an Issuer Event of Default, whilst any of the Portfolio remains outstanding, may depend on whether the Lease Receivables can be sold, otherwise realised or refinanced by the Issuer or the Security Trustee so as to obtain a sufficient amount available for the distribution to enable the Issuer to redeem the Notes. There is a limited active and liquid secondary market for lease receivables in the Netherlands. No assurance can be given that the Issuer or the Security Trustee is able to sell, otherwise realise or refinance the Purchased Vehicles together with the associated Lease Receivables on appropriate terms should it be necessary for it to do so at the levels anticipated when setting the Estimated Residual Value.

The Call Option Buyer is entitled to repurchase a Purchased Vehicle together with the associated Lease Receivables on the relevant Lease Termination Date, provided that if an Insolvency Event has occurred with respect to a Lessee the Call Option Buyer may only exercise its Repurchase Option with respect to all (but not some of the) Purchased Vehicles relating to such Lessee. If the Call Option Buyer elects not to repurchase the Purchased Vehicles together with the associated Lease Receivables in accordance with the Master Hire Purchase Agreement, the Purchased Vehicles will be sold by the Servicer in the open market on behalf of and for the account of the Issuer. There is no guarantee that there will be a market for the sale of such Purchased Vehicles, which are in a used condition, or that such market will not deteriorate in the future.

Noteholders should also be aware that there may be a very limited market for certain of the Purchased Vehicles (particularly those manufactured for certain specialised industrial roles or processes or certain public-utility vehicles) and there is no guarantee that there will be a market for the sale of such Purchased Vehicles, which are of a specialised nature and will be in a used condition, or that such market will not deteriorate in the future.

Further, any deterioration in the economic condition of the areas in which the final users of the Purchased Vehicles are located, or any deterioration in the economic conditions of other areas, including as a result of epidemic infectious diseases like the current outbreak of the COVID-19, may have an adverse effect on the ability to sell the Purchased Vehicles, which could in turn increase the risk of receiving a sale price in respect of the Purchased Vehicles at the Lease Maturity Date which is below the expected sale price.

A concentration of customers in such areas may, therefore, result in a greater risk that the Noteholders will ultimately not receive the full principal amount of the Notes and interest thereon as a result of such uncovered losses incurred in respect of the expected sale proceeds than if such concentration has not been present.

Noteholders should be aware that there has been a downturn in the second-hand car market in the Netherlands which has started to improve to a certain extent. To the extent that such

improvement will only last temporarily or new deteriorations occur, this could have an adverse effect on the amount received by the Issuer in respect of the residual value of the Purchased Vehicles.

**High value of Purchased Vehicles**

Whilst the Portfolio contains a variety of Purchased Vehicles, certain of the Purchased Vehicles (particularly those manufactured for certain industrial roles or processes) may have a high individual value. One of the Eligibility Criteria is that the initial purchase price (excluding VAT) of the Leased Vehicle is less than or equal to EUR 200,000. If a number of such Purchased Vehicles suffered damage or were otherwise impaired, any losses could have an impact on the Purchased Vehicles' value and the associated Vehicle Realisation Proceeds. It may also be difficult to find a purchaser for certain of the Purchased Vehicle types, or to realise high Vehicle Realisation Proceeds, where they are specialist or industry-specific Purchased Vehicles. Any impact on the ability of the Issuer to realise such value could have an adverse effect on the Issuer's ability to make payments in respect of the Notes. The value of Purchased Vehicles may also be adversely affected by faulty design, manufacture or maintenance of the Purchased Vehicle, and similar issues may arise in respect of multiple Purchased Vehicles or an entire class of Purchased Vehicles, such as engine software installed on certain Purchased Vehicles which may circumvent emission standards for certain pollutants. It is uncertain whether such circumstances will affect the residual values of the relevant Purchased Vehicles and a negative impact cannot be ruled out.

**Changing characteristics of the Portfolio during the Revolving Period**

During the Revolving Period, if the Seller offers to the Issuer to enter into Hire Purchase Contracts with respect to any Additional Leased Vehicles, the Issuer shall (i) hire purchase Additional Leased Vehicles together with the associated Lease Receivables subject to and in accordance with the Master Hire Purchase Agreement and (ii) apply the Available Distribution Amounts, subject to and in accordance with the Revolving Period Priority of Payments, towards the making of any Additional Issuer Advances subject to and in accordance with the Issuer Facility Agreement. During the Revolving Period, a Lease Agreement may become a Defaulted Lease Agreement or any Lease Receivables may be paid or prepaid by the relevant Lessees. Such proceeds are included in the Replenishment Amount forming part of the Available Distribution Amounts on the immediately succeeding Payment Date, which may, subject to the terms and conditions of the Master Hire Purchase Agreement and the Revolving Period Priority of Payments, result in the hire purchase of more Leased Vehicles together with the associated Lease Receivables. The hire purchase of Additional Leased Vehicles together with the associated Lease Receivables during the Revolving Period may change the characteristics of the Portfolio after the Closing Date and the characteristics of the Portfolio could become substantially different from the characteristics of the Initial Portfolio. Noteholders should be aware that any concentration in the Portfolio during the Revolving Period is substantially different from such concentration that existed on the Closing Date due to the purchase of Additional Leased Vehicles together with the associated Lease Receivables on any Payment Date during the Revolving Period, this may lead to a different (more negative) outcome of the Noteholders’ risk position on such Payment Date and subsequently to losses under the Notes.

**Industry concentration of Lessees**

Although the Lessees are involved in a range of different industry sectors, there may be a higher concentration of Lessees in a particular industry sector, either as a result of the purchase of Leased Vehicles and the associated Lease Receivables by the Issuer after the Closing Date or otherwise. Deterioration in the economic conditions in such industry sector (including any epidemic infectious diseases like the current outbreak of the COVID-19) may adversely affect the ability of the Lessees to make payments under the Lease Agreements and, therefore, could increase the risk of losses on the Lease Agreements. Any such deterioration may reduce the market for any Purchased Vehicles especially where such a Purchased Vehicle is a specialist or industry-specific vehicle. A greater concentration of Lessees in particular industry sectors may, therefore, result in a greater risk that the Noteholders will ultimately not receive the full principal amount of the Notes and interest thereon as a result of such uncovered losses incurred in respect of the Lease Agreements than if such concentration had not been present.

**Limited description of Purchased Vehicles; no independent investigation**

Noteholders will not receive detailed statistics or information in relation to the Purchased Vehicles, because it is expected that the constitution of the Purchased Vehicles may constantly change due to, for instance, the Issuer hire purchasing Additional Leased Vehicles from the Seller or the Call Option Buyer repurchasing Purchased Vehicles from the Issuer. The ability of the Issuer to meet its obligations under the Notes will depend on, among other things, the quality and the value of the Purchased Vehicles and the performance by each Lessee and Transaction Party. Neither the Issuer nor the Security Trustee has undertaken or will undertake any investigations, searches or other actions to verify the details of the Purchased Vehicles or to establish the creditworthiness of any Lessee or any Transaction Party, and no assurance can be given that such details and creditworthiness will not deteriorate in the future.

Each of the Issuer and the Security Trustee will rely solely on the accuracy of the Seller Warranties. The Master Hire Purchase Agreement provides that if a Seller Warranty is breached and such breach is not capable of remedy, or is not remedied to the satisfaction of the Issuer within twenty (20) Business Days, then (i) if the breach relates to an Asset Warranty the Seller shall terminate (*opzeggen*) the Hire Purchase Contract relating to the relevant Purchased Vehicle, as a result of which the obligation of the Issuer to pay the remaining Purchase Price shall cease and the Seller has to repay to the Issuer the associated Issuer Advance in accordance with the Issuer Facility Agreement; or (ii) if the breach relates to any warranty other than an Asset Warranty or Corporate Warranty, Athlon shall indemnify the Issuer. If the Seller fails to perform its repurchase obligation or indemnity obligation, neither the Issuer nor the Security Trustee shall have any other remedy or cause of action in relation to the breach of the relevant warranty and this may lead to the Issuer having less funds available to fulfil its obligations under the Notes.

**Credit and Collection Policy**

Athlon, in its capacity as Servicer, will carry out the administration, collection and enforcement of the Portfolio in accordance with the Servicing Agreement including the credit and collection policy of Athlon as amended from time to time in accordance with the terms and conditions of the Servicing Agreement (the **Credit and Collection Policy**) (see section 8 (*Description of certain Transaction Documents*)). The Noteholders are relying on the business judgement and practices of Athlon as they exist from time to time, in its capacity as Servicer, including enforcing

claims against Lessees. Such procedures may change over time and no assurance can be given that such changes will not have an adverse effect on the Issuer's ability to make payments on the Notes.

Further, the Servicer covenants in the Servicing Agreement not to amend, vary or supplement in any material way any terms of the Lease Agreements other than in accordance with the Credit and Collection Policy (but subject to the terms of the Servicing Agreement) or in cases where it would be acceptable to a reasonably prudent lessor of Vehicles in the Netherlands or where it would not have a Material Adverse Effect on the Issuer. There can, however, be no assurance that market practice in respect of lease agreements and/or the demands of prospective Lessees over the life of the Notes (including as a result of epidemic infectious diseases like the current outbreak of the COVID-19) will not subject the Issuer to more onerous or less favourable covenants on its part or that lease obligations under such Lease Agreements will not significantly diminish which, in any such event, may have a Material Adverse Effect on the Issuer.

**Daimler**

Daimler and its subsidiaries are continuously subject to governmental information requests, inquiries, investigations, administrative orders and proceedings relating to environmental, criminal, antitrust and other laws and regulations in connection with diesel exhaust emissions.

Several authorities and institutions worldwide were, and still are, active in the form of inquiries, investigations, procedures and/or orders. These activities particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or Daimler's interaction with the relevant authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental, criminal, consumer protection and antitrust laws.

In the US, Daimler and Mercedes-Benz USA, LLC (**MBUSA**) reached agreements in the third quarter of 2020 with various authorities to settle civil and environmental claims regarding emission control systems of certain diesel vehicles.

The authorities take the position that Daimler failed to disclose Auxiliary Emission Control Devices (**AECDs**) in certain of its US diesel vehicles and that several of these AECDs are illegal defeat devices. As part of these settlements, Daimler denies the allegations by the authorities and does not admit liability, but has agreed to, among other things, pay civil penalties, conduct an emission modification programme for affected vehicles and take certain other measures. The failure to meet certain of those obligations may trigger additional stipulated penalties.

In the third quarter of 2020, Daimler and MBUSA also reached an agreement with plaintiffs' counsel to settle the US consumer class action "In re Mercedes-Benz Emissions Litigation" before the U.S. District Court for the District of New Jersey. As part of the settlement, Daimler and MBUSA deny the material factual allegations and legal claims asserted by the class action plaintiffs and class members but have agreed to provide payments to certain current and former diesel vehicle owners and lessees.

For the settlements with the US authorities, Daimler expects costs of approximately USD 1.5 billion, of which Daimler has already paid a substantial portion in the first quarter of 2021. The estimated cost for the US consumer class action settlement is approximately USD 700 million. In addition, Daimler estimates further expenses of a mid-three-digit-million-euro amount to fulfil requirements of these settlements. On 9 March 2021, the relevant court granted final approval

of the settlement with the US authorities, upon which they became final and effective. The settlement with the US consumer class action plaintiffs is still subject to final court approval.

In April 2016, the Environmental and Natural Resources Division of the US Department of Justice (**DOJ**) requested that Daimler conduct an internal investigation. While Daimler conducted such internal investigation as part of the DOJ‘s investigation, the DOJ‘s investigation remains open. In addition, further US state authorities have recently opened investigations pursuant to both state environmental and consumer protection laws and have requested documents and information. In Canada, the Canadian environmental regulator Environment and Climate Change Canada is conducting an investigation in connection with diesel exhaust emissions based on the suspicion of potential violations of the Canadian Environmental Protection Act as well as potential undisclosed AECDs and defeat devices. Daimler continues to cooperate with the investigating authorities.

In Germany, the Stuttgart public prosecutor’s office is conducting criminal investigation proceedings against Daimler employees on the suspicion of fraud and criminal advertising. In February 2019, the Stuttgart district attorney’s office also initiated a formal investigation proceeding against Daimler with respect to an administrative offense. In September 2019, it issued a fine notice against Daimler based on a negligent violation of supervisory duties in the amount of EUR 870 million, which has become legally binding, thereby concluding the administrative offense proceedings against Daimler.

Since 2018, the German Federal Motor Transport Authority (**KBA**) has repeatedly issued subsequent auxiliary provisions for the EC type approvals of certain Mercedes-Benz diesel vehicles, and has ordered mandatory recalls as well as, in some cases, stops of the first registration. In each of those cases, it held that certain calibrations of specified functionalities in certain Mercedes-Benz diesel vehicles are to be qualified as impermissible defeat devices. Daimler has a contrary legal opinion on this question. Since 2018, however, it has (in view of the KBA’s interpretation of the law as a precautionary measure) implemented a temporary delivery and registration stop with respect to certain models, also covering the used car, leasing and financing businesses, and is constantly reviewing whether it can lift this delivery and registration stop in whole or in part. Daimler has filed timely objections against the KBA’s administrative orders mentioned above. In early 2021, the KBA issued objection orders (*Widerspruchsbescheide*) in certain of the proceedings not following the arguments brought forward by Daimler. Since Daimler still does have a different understanding of the relevant legal provisions, it filed lawsuits with the competent administrative court to have the controversial questions at issue clarified in a court of law. Irrespective of such objections and the lawsuits that are now pending, Daimler continues to cooperate fully with the KBA. The new calibrations requested by the KBA are being processed, and for a substantial proportion of the vehicles, the relevant software has already been approved by the KBA; the related recalls have insofar been initiated. It cannot be ruled out that under certain circumstances, software updates may have to be reworked, or further delivery and registration stops may be ordered or resolved by the Company as a precautionary measure, also with regard to the used car, leasing and financing businesses. In the course of its regular market supervision, the KBA is routinely conducting further reviews of Mercedes-Benz vehicles and is asking questions about technical elements of the vehicles. In addition, Daimler continues to be in a dialogue with the German Ministry for Transport and Digital Infrastructure (**BMVI**) to conclude the analysis of the diesel-related emissions matter and to further the update of affected customer vehicles. In light of the aforementioned administrative orders issued by the KBA, and continued discussions with the

KBA and the BMVI, it cannot be ruled out completely that additional administrative orders may be issued in the course of the ongoing and/or further investigations. Since 1 September 2020, this also applies to responsible authorities of other member states and the European Commission, which conduct market surveillance under the new European Type Approval Regulation and can take measures upon assumed non-compliance, irrespective of the place of the original type approval.

In the course of its formal investigation into possible collusion on clean emission technology, the European Commission sent a statement of objections to Daimler and other automobile manufacturers in April 2019. In this context, Daimler filed an application for immunity from fines (leniency application) with the European Commission some time ago.

In addition to the aforementioned authorities, national cartel authorities and other authorities of various foreign States, the South Korean Ministry of Environment, the South Korean competition authority (Korea Fair Trade Commission) and the Seoul public prosecutor's office (South Korea) are conducting various investigations and/or procedures in connection with diesel exhaust emissions.

Daimler continues to fully cooperate with the authorities and institutions. Irrespective of such cooperation and in light of the recent developments, it is possible that further regulatory, criminal and administrative investigative and enforcement actions and measures relating to Daimler and/or its employees will be taken or administrative orders will be issued. Additionally, further delays in obtaining regulatory approvals necessary to introduce new or recertify existing vehicle models could occur.

In light of the legal positions taken by US regulatory authorities and the KBA, it is likely that, besides these authorities, one or more regulatory and/or investigative authorities worldwide will reach the conclusion that other passenger cars and/or commercial vehicles with the brand name Mercedes-Benz or other brand names of Daimler are equipped with impermissible defeat devices. Likewise, such authorities could take the view that certain functionalities and/or calibrations are not proper and/or were not properly disclosed. Furthermore, the authorities have increased scrutiny of Daimler’s processes regarding running-change, field-fix and defect reporting as well as other compliance issues. Daimler cannot predict the outcome of the ongoing inquiries, investigations, legal actions and proceedings at this time.

Particularly due to the outcome of the administrative offense proceedings by the Stuttgart district attorney’s office against Daimler and the civil settlements with the US authorities, but also due to any ongoing and potential other information requests, inquiries, investigations, administrative orders and proceedings, it is possible that Daimler will become subject to, as the case may be, significant additional monetary penalties, fines, disgorgements of profits, remediation requirements, further vehicle recalls, further registration and delivery stops, process and compliance improvements, mitigation measures and the early termination of promotional loans, and/or other sanctions, measures and actions (such as the exclusion from public tenders), including further governmental investigations and/or administrative orders and additional proceedings. The occurrence of the aforementioned events in whole or in part could cause significant collateral damage including reputational harm. Further, due to negative allegations, determinations or findings with respect to technical or legal issues by one of the various governmental agencies, other agencies – or also plaintiffs – could also adopt such allegations, determinations or findings, even if such allegations, determinations or findings are not within the scope of such authority’s responsibility or jurisdiction. Thus, a negative allegation, determination

or finding in one proceeding, such as the fine notice issued by the Stuttgart district attorney's office or the allegations underlying the civil settlements with the US authorities, carries the risk of being able to have an adverse effect on other proceedings, also potentially leading to new or expanded investigations or proceedings, including lawsuits.

In addition, Daimler's ability to defend itself in proceedings could be impaired by the fine notice issued by the Stuttgart district attorney's office, the civil settlements with the US authorities and by the underlying allegations and other unfavourable allegations, as well as by findings, results or developments in any of the information requests, inquiries, investigations, administrative orders, legal actions and/or proceedings discussed above.

In Germany, among others, a multitude of lawsuits by customers alleging claims under warranty and/or tort laws are pending. Daimler regards these lawsuits as being without merit and will defend against the claims.

At the date of this Prospectus, there are no indications that recent developments will have a material negative impact on payments in respect of the Purchased Vehicles and the associated Lease Agreements, but there can be no assurance that the inquiries, investigations, legal actions, proceedings and orders mentioned above and any future disclosure or settlement by or with respect to Daimler and its subsidiaries (including Athlon) will not adversely affect the businesses of Daimler and its subsidiaries (including Athlon) or ultimately the Purchased Vehicles and the associated Lease Agreements and/or the Issuer's ability to make payments under the Notes. On the Closing Date approximately 7.3 per cent. of the Initial Portfolio consists of Purchased Vehicles which have the Mercedes-Benz brand.

## 1.3 RISK FACTORS RELATING TO THE TRANSACTION PARTIES

**The Issuer has counterparty risk exposure**

Counterparties to the Issuer may not perform their obligations under the Transaction Documents, which may result in the Issuer not being able to meet its obligations. It should be noted that there is a risk that, *inter alios*, either (a) Athlon in its capacity as Seller, Servicer, Reporting Entity, Call Option Buyer, RV Guarantor and Subordinated Lender will not perform its obligations vis-à-vis the Issuer under the relevant Transaction Documents, (b) SEB, in its capacity as Swap Counterparty will not perform its obligations vis-à-vis the Issuer under the Swap Agreement, (c) ING and BofA Securities in their capacity as Joint Lead Managers and SEB and UniCredit in their capacity as Co-Managers will not perform their obligations vis-à-vis the Issuer under the Subscription Agreement, (d) Elavon in its capacity as the Account Bank will not perform its obligations vis-à-vis the Issuer under the Account Agreement, (e) Elavon in its capacity as Paying Agent and Interest Determination Agent will not perform its obligations vis-à-vis the Issuer under the Paying Agency Agreement, (f) Intertrust Management, in its capacity of Issuer Director will not perform its obligations under the Issuer Management Agreement, (g) ATK, in its capacity of Security Trustee Director will not perform its obligations under the Security Trustee Management Agreement, (h) Intertrust Administrative in its capacity of Issuer Administrator will not perform its obligations under the Issuer Administration Agreement and (i) the Data Custody in its capacity of Data Trustee will not perform its obligations under the Data Trustee Agreements.

No assurance can be given as to the credit worthiness of these parties or that the credit worthiness will not decline in the future. This may affect the performance of their respective

obligations under the Transaction Documents. In the event that any of the parties to the Transaction Documents were to fail to perform its obligations under the respective agreement(s) to which it is a party, payments on the Notes may be adversely affected. Investors should also be aware that third parties on which the Issuer relies may be adversely impacted by the general economic climate (including any failure arising from circumstances beyond their control such as epidemics (for example, the COVID-19 which has led to many organisations either closing or implementing policies requiring their employees to work at home, which could result in delays or difficulties in performing otherwise routine functions)). In particular, it may affect the administration, collection and enforcement of the Lease Receivables by the Servicer in accordance with the Servicing Agreement.

However, the credit risk mentioned above is mitigated by certain credit sensitive triggers. For example, it constitutes a Servicer Termination Event, *inter alia*, if the Servicer is Insolvent or the Servicer fails to perform a material obligation which is not remedied within twenty (20) Business Days of notice from the Issuer or the Security Trustee. In addition, the Account Bank has to have the Required Credit Rating.

The outbreak of the COVID-19 Pandemic may deteriorate the credit position and have an impact on the ability of the counterparties towards the Issuer to perform their respective obligations under the Transaction Documents and an impact on the credit ratings of the counterparties to the Issuer.

The above mentioned risks may lead to losses under the Notes, as the Issuer may have insufficient funds available to it to fulfil its obligations under the Notes or available funds may not be applied in accordance with the Transaction Documents.

**Commingling risk**

Athlon, in its capacity as Seller and Servicer, is entitled to commingle Lease Collections and any Vehicle Realisation Proceeds with its own funds during each Collection Period and is required to pay the Lease Collections and any Vehicle Realisation Proceeds accumulated to the Issuer on the Payment Date at the end of each such monthly period. Commingled funds may be used or invested by Athlon at its own risk and for its own benefit during each monthly period until each Payment Date. If Athlon were unable to remit those funds or were to become Insolvent, losses or delays in distributions to the Issuer, or following an Issuer Event of Default, the Security Trustee and ultimately the Noteholders may occur, which would reduce the receipt by the Issuer of the Lease Receivables owed to it and reduce the amounts available to make payments in respect of the Notes.

**Risk of late payment by Servicer**

The Servicer has undertaken to transfer or procure the transfer of the Lease Collections and the Vehicle Realisation Proceeds realised by it on each Payment Date, subject to and in accordance with the Servicing Agreement (see for further details section 8 (*Description of certain Transaction Documents*).

If the Servicer does not promptly forward all amounts which it has collected from the relevant Lessees or arising out of or in connection with the realisation of the Purchased Vehicles to the Transaction Account in accordance with the Transaction Documents, insufficient amounts may

be available to the Issuer to make payments to Noteholders on any Payment Date and this may lead to delays in the payment of and/or losses under the Notes.

The outbreak of the COVID-19 Pandemic may affect the administration, collection and enforcement of the Lease Receivables by the Servicer in accordance with the Servicing Agreement and this may lead to delays in the payments by the Servicer and subsequently to losses under the Notes.

**Reliance on realisation; sale in the open market**

To the extent the Servicer has the duty to realise the Purchased Vehicles in the open market, the Servicer will carry out such realisation of the Purchased Vehicles in accordance with the Servicing Agreement. Accordingly, the Noteholders are relying on the business judgement, the practices and the capabilities of the Servicer when realising the Purchased Vehicles (see section 8 (*Description of certain Transaction Documents*)). The ability of the Issuer to meet its obligations under the Notes will depend on the performance of the duties of the Servicer.

Although the different distribution channels for used vehicles offer flexibility, and therefore increase the customer base of the Servicer for such used vehicles, there is no guarantee that each of such distribution channels in itself results in the best-achievable price for such used vehicles. Partly, used vehicles will be sold by trade auctions that are limited to professional resellers only. Sales to professional sellers will generally result in a lower resale price (i.e. wholesale prices) than sales to a non-professional individual (i.e. retail prices).

**Risk that the WHOA when applied to the Issuer or a Transaction Party could affect the rights of the Security Trustee under the Pledge Agreements and the Issuer under the Transaction Documents**

The Dutch legislator adopted a bill for the implementation of a composition outside bankruptcy or moratorium of payments proceedings and is referred to as the Act on Confirmation of Extrajudicial Restructuring Plans (*Wet Homologatie Onderhands Akkoord*, **WHOA**). It has entered into force on 1 January 2021. Under the WHOA, a proceeding somewhat similar to the chapter 11 proceedings under US bankruptcy law and the scheme of arrangement under English bankruptcy laws, will become available for companies in financial distress, where the debtor stays in possession and can offer a composition plan to its creditors (including secured creditors and shareholders) which is, subject to certain safeguards for creditors' being met, binding on them and changes their rights provided all conditions are met. The WHOA will not be applicable to banks and insurers.

A judge can, *inter alia*, refuse to accept a composition plan if an affected creditor who did not vote in favour of such composition plan and who will be worse off than in case of an insolvency so requests. If a proposal has been made or if the debtor undertakes to make a proposal within two (2) months from the date it deposits a statement with the court that it has started to make such proposal, a judge may during such proceedings grant a stay on enforcement of a maximum of four (4) months, with a possible extension of four (4) months. During such period, *inter alia*, a pledgee of claims may not collect nor notify the borrowers in case of an undisclosed pledge. A debtor may offer its creditors a composition plan which may also entail changes to the rights of any of its creditor. As a result thereof, it may well be that claims of creditors against the Issuer can be compromised as a result of a composition if the relevant majority of creditors within a class vote in favour of such a composition.

The WHOA can provide for restructurings that stretch beyond Dutch borders. Although the WHOA is not applicable to banks and insurers and seems inappropriate to be applied to the Issuer with a view to the structure of the transaction and the security created under the Pledge Agreements, the WHOA when applied to the Issuer or other Transaction Parties not qualifying as a bank or insurer, could affect the rights of the Security Trustee under the Security or the Issuer under the Transaction Documents, and this could adversely affect the timely payment of the Notes and the performance of the Notes and lead to losses under the Notes.

## 1.4 RISK FACTORS RELATING TO THE STRUCTURE

### 1.4.1 Risks related to the Swap Agreement

**Risks relating to the payments of the Swap Counterparty**

On the Signing Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty. The Swap Agreement will mitigate the risks of a mismatch between the floating rate of interest payable by the Issuer on the Class A Notes and fixed rate income, being the Lease Interest Components included in the Lease Instalments, to be received by the Issuer in respect of the Portfolio. In order to mitigate such mismatch, the Issuer will make payments to the Swap Counterparty by reference to a certain fixed interest rate and the Swap Counterparty will make payments to the Issuer by reference to a rate based on Euribor. For a more detailed description of the Swap Agreement, see section 8.5 (*Swap Agreement*).

During those periods in which the floating rate amount payable by the Swap Counterparty under the Swap Agreement is substantially greater than the fixed rate amount payable by the Issuer under such Swap Agreement, the Issuer will be more dependent on timely receipt of payments from the Swap Counterparty in order to make interest payments on the Class A Notes. If the Swap Counterparty fails to pay any amounts when due under the Swap Agreement, the Lease Collections from the Portfolio and, if applicable, any swap collateral posted by the Swap Counterparty in accordance with the terms of the Swap Agreement may be insufficient to make the required payments on the Class A Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes. During those periods in which the fixed rate amount payable by the Issuer to the Swap Counterparty under the Swap Agreement exceeds the floating rate amount payable by the Swap Counterparty under the Swap Agreement, the Issuer will nevertheless be obligated under the Swap Agreement to make the agreed payment to the Swap Counterparty. Such amounts (other than the Subordinated Swap Amount) will rank higher in priority than any payments on the Notes. If a payment under the Swap Agreement is due to the Swap Counterparty on any Payment Date, the Available Distribution Amounts may consequently 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 under the Notes.

There is a risk that the Swap Agreement will not adequately address all hedging risks.

The outbreak of the COVID-19 Pandemic may deteriorate the credit position and have an impact on the ability of the Swap Counterparty towards the Issuer to perform its respective obligations under the Swap Agreement.

**Risks in relation to a downgrade or withdrawal of the Required Credit Rating assigned to the Swap Counterparty**

In the event that the rating of the Swap Counterparty falls below the Required Credit Ratings at any time, the Swap Counterparty shall be required to take certain remedial actions, within the time frame stipulated in the Swap Agreement, intended to mitigate the effects of such downgrade below the Required Credit Ratings. Such actions could include the Swap Counterparty being obliged to post collateral in accordance with the Swap Agreement, transferring its obligations to a replacement swap counterparty or procuring a guarantor or co-obligor (in either case, which has the Required Credit Ratings), or taking any other action permitted under the Swap Agreement. In certain circumstances if the Swap Counterparty fails to take certain actions contemplated in the Swap Agreement within the relevant time specified in the Swap Agreement, the Issuer may be entitled to terminate the transactions under the Swap Agreement and the Issuer may then be entitled to receive (or be required to pay) a swap termination payment from or to the Swap Counterparty, as the case may be.

However, in the event that the Swap Counterparty is downgraded, there is a risk that a guarantor or replacement swap counterparty will not be found or that the amount of any collateral posted to the Issuer will not be sufficient to meet the Swap Counterparty's obligations. Furthermore, there is a risk that the credit quality of such guarantor or replacement swap counterparty will ultimately prove not as strong as that of the Swap Counterparty (before its downgrading). These consequences may lead to the Issuer having insufficient funds available to fulfil its payment obligations under the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments to be received by them and the Notes may be downgraded. This may lead to losses under the Notes. Moreover, Noteholders should be aware that if they intend to sell any of the Class A Notes, a downgrade of the Swap Counterparty’s credit ratings and/or the failure to take remedial actions could have an adverse effect on the credit rating assigned to, and/or the value of, such Class A Notes.

The outbreak of the COVID-19 Pandemic may deteriorate the credit position and may have an impact on the credit ratings of the Swap Counterparty.

See section 8.5 (*Swap Agreement*) for further details of the provisions of the Swap Agreement related to a downgrade in the ratings of the Swap Counterparty.

**Risks relating to a termination of the Swap Agreement due to tax reasons**

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to any change in tax law after the date of the Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax, the Swap Counterparty may (provided that the Security Trustee has notified the Rating Agencies of such event and with the consent of the Issuer) transfer its rights and obligations to another of its offices, branches or affiliates or any other person that meets the criteria for a swap counterparty as set forth in the Swap Agreement to avoid the relevant tax event. The Swap Counterparty will

at its own cost, if it is unable to transfer its rights and obligations under the Swap Agreement to another office, have the right to terminate the Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party, which could be substantial. If the Issuer will be liable to make a termination payment to the Swap Counterparty, such termination payment may result in the Issuer having insufficient funds available to fulfil its payment obligations under the Notes. This may lead to losses under the Notes. Moreover, Noteholders should be aware that if they intend to sell any of the Notes, a change of the Issuer's swap counterparty and/or the failure to take remedial actions by the Swap Counterparty due to tax reasons could have an adverse effect on the credit rating assigned to, and/or the value of, such Notes.

**Risks relating to a replacement of the Swap Counterparty for other reasons than tax reasons**

The Swap Counterparty may terminate the transaction under the Swap Agreement if, amongst other things, certain insolvency events occur in respect of the Issuer, if the Issuer fails to make a payment under the Swap Agreement when due (after taking into account any grace periods) or if a change of law results in the obligations of one of the parties becoming illegal. The Issuer may terminate the Swap Agreement if, amongst other things, certain insolvency events occur in respect of the Swap Counterparty, the Swap Counterparty fails to make a payment under the Swap Agreement (after taking into account any grace periods) or a change of law results in the obligations of one of the parties becoming illegal.

In the event that the Swap Agreement is terminated by either party, then, depending on the total losses and costs incurred in connection with the termination of the Swap Agreement (including but not limited to loss of bargain, cost of funding and losses and costs incurred as a result of termination, liquidating, obtaining or re-establishing any hedge or related trading position), a termination payment may be due to the Issuer or to the Swap Counterparty. Any such termination payment could be substantial. Termination payments required to be made by the Issuer to the Swap Counterparty will rank higher in priority than all payments on the Class A Notes (but only if the Swap Counterparty is not a defaulting party). In such event, the Available Distribution Amounts may be insufficient to fund the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

**Risks in relation to a replacement of the Swap Counterparty upon termination of the Swap Agreement**

In the event that the Swap Agreement is terminated, the Issuer may not be able to enter into a replacement swap agreement with a replacement swap counterparty immediately or at a later date. If a replacement swap counterparty cannot be found, the funds available to the Issuer to pay interest on the Class A Notes will be reduced if the Issuer's fixed rate income is substantially lower than the rate of interest payable by it on the Class A Notes, which may lead to the Issuer having insufficient funds available to fulfil its payment obligations under the Notes. In these circumstances, the Noteholders may experience delays and/or reductions in the interest and principal payments to be received by them, and the Class A Notes may also be downgraded. This may lead to losses under the Class A Notes.

### 1.4.2 Risks relating to conflicts of interest

**Risk relating to conflict of interest between the interests of holders of different Classes of Notes and Secured Creditors**

Circumstances may arise when the interests of the holders of different Classes of Notes could conflict. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Noteholders as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise). If, in the sole opinion of the Security Trustee in respect of certain matters there is a conflict between the interests of the holders of different Classes of Notes, the Security Trustee shall have regard only to the interests of the Most Senior Class Outstanding. In addition, the Security Trustee shall have regard to the interests of the other Secured Creditors and, in the case of a conflict of interest between the Secured Creditors, the relevant Priority of Payments set forth in the Trust Deed determines which interest of which Secured Creditor prevails. Noteholders should be aware that the interest of Secured Creditors ranking higher in the Accelerated Amortisation Period Priority of Payments than the relevant Class of Notes shall prevail and therefore there is a risk that actions of the Security Trustee (in conflicting circumstances having regard only to the interests of the Most Senior Class Outstanding) may not be in the interest of a Noteholder (other than the holders of the Most Senior Class Outstanding) and this may lead to losses under its Notes and/or (if it intends to sell such Notes) could have an adverse effect on (the value of) such Notes.

**Risk relating to a resolution adopted at a meeting of the holders of the Class A Notes is binding on all Noteholders and a resolution adopted by a Noteholders' meeting of a relevant Class is binding on all Noteholders of that relevant Class**

The Trust Deed contains provisions for convening meetings of the Noteholders of any Class to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of the Conditions or any provisions of the Transaction Documents. An Extraordinary Resolution passed at any meeting of the Class A Notes shall be binding upon all Noteholders of the Class B Notes irrespective of the effect upon them, provided that in the case of an Extraordinary Resolution approving a Basic Terms Modification and in the case a change would have the effect of accelerating a Class of Notes, such Extraordinary Resolution shall not be effective, unless it has been approved by Extraordinary Resolutions of Noteholders of the Class B Notes or unless and to the extent that it shall not, in the sole opinion of the Security Trustee, be materially prejudicial to the interests of Noteholders of each such Class. All resolutions, including Extraordinary Resolutions, duly adopted at a meeting are binding upon all Noteholders of the relevant Class, whether or not they are present at the meeting. Changes to the Transaction Documents and the Conditions may therefore be made without the approval of the Noteholders of the Class B Notes in the case of a resolution of the Noteholders of the Class A Notes or individual Noteholder in the case of a resolution of the relevant Class and/or in each case without the Noteholder being present at the relevant meeting (see for more details and information on the required majorities and quorum, Condition 11 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal Director*)). The interests of the Noteholders of the Class A Notes may not be aligned with the other Noteholders and there is therefore a risk that an Extraordinary Resolution of Noteholders of the Class A Notes will conflict with the interests of such other Noteholders. Noteholders are therefore exposed to the risk that changes are made to the Transaction Documents and the

Conditions, upon approval of an Extraordinary Resolution of Noteholders of the Class A Notes without their consent, which may be against the interest of such Noteholder and this may have an adverse effect on the (value of the) Notes. Moreover, Noteholders should be aware that if they intend to sell any of the Notes, the fact that changes may be made to the Transaction Documents and the Conditions, upon approval of an Extraordinary Resolution of Noteholders of the Most Senior Class Outstanding without their consent, could have an adverse effect on the value of such Notes.

**Certain conflicts of interest involving or relating to the Transaction Parties**

In connection with the Transaction, the Seller will also be acting as Servicer, Subordinated Lender, Call Option Buyer, Reporting Entity and RV Guarantor, the Paying Agent will also be acting as the Interest Determination Agent and the Account Bank, the Swap Counterparty will also be acting as Co-Manager, the Issuer Director will also be acting as Shareholder Director, and the Issuer Director, the Shareholder Director, the Security Trustee Director, the Issuer Administrator and the Data Trustee belong to the same group. These parties will have only those duties and responsibilities assumed under the Transaction Documents, and will not, by virtue of their or any of their 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 those under each Transaction Document to which they are a party. All Transaction Parties (other than the Issuer) may enter into other business dealings with each other from which they may derive revenues and profits without any duty to account therefore in connection with the Transaction. The wider interests or obligations of the aforementioned parties may therefore conflict with the interests of the Noteholders.

The aforementioned parties may engage in commercial relations, in particular, be lender, provide general banking, investment and other financial services to other parties to the Transaction. In such relations, the aforementioned parties are not obliged to take into account the interests of the Noteholders. Accordingly, because of these other relations, potential conflicts of interest may arise in respect of the Transaction and this may impact the Issuer's ability to meet its obligations under the Notes and/or may have an adverse effect on (the value of) the Notes.

### 1.4.3 Other structural risks

**Risks relating to the mandatory replacement of a counterparty**

Certain Transaction Documents to which the Issuer is a party, such as the Account Agreement and the Swap Agreement, provide for minimum required credit ratings of the counterparties to such Transaction Documents. If the credit ratings of a counterparty fall below these minimum required credit ratings, this is an indication that such counterparty's ability to fulfil its obligations under the Transaction Documents may be negatively impacted, and the rights and obligations under such Transaction Document may have to be transferred to another counterparty having the minimum required credit ratings. In addition, if a termination event occurs pursuant to the terms of the Servicing Agreement, then the Issuer and the Security Trustee will be entitled to terminate the appointment of the Servicer and appoint a new servicer in its place.

In the event that any counterparty must be replaced, there may not be a counterparty available that is willing to accept the rights and obligations under the relevant Transaction Document or

such counterparty may only be willing to accept the rights and obligations under such Transaction Document if the terms and conditions thereof are modified. Furthermore, there is no guarantee that the substitute counterparty provides the services and fulfils its obligations at the same level as the original counterparty. In addition, such replacement or action when taken, may lead to higher costs and expenses, as a result of which the Issuer may have insufficient funds to pay its liabilities in full. This may lead to losses under the Notes. Moreover, Noteholders should be aware that if they intend to sell any of the Notes, a deterioration of the credit quality of any of the Issuer's counterparties, a downgrade of any of their credit ratings and/or the failure to take remedial actions could have an adverse effect on the credit rating assigned to, and/or the value of, such Notes.

**Risks in relation to negative interest rates on the Issuer Accounts**

Pursuant to the Account Agreement the interest rate accruing on the balances standing to the credit of any of the Issuer Accounts is negative. Any negative interest will be payable by the Issuer to the Account Bank. The Issuer has the obligation to pay interest accruing on the balances standing to the credit of any of the Issuer Accounts to the Account Bank instead of receiving interest thereon and this will reduce the income of the Issuer and its possibility to generate further income on the assets held in the form of cash in the Issuer Accounts. This risk increases if the amount deposited on the Issuer Accounts becomes (more) substantial. Ultimately such negative interest rate and/or an enduring obligation of the Issuer to make such payments in respect thereof to the Account Bank could result in the Issuer having insufficient funds to fulfil its obligations under the Notes in full. This may therefore result in losses under the Notes.

**Insurance**

In relation to each Purchased Vehicle, at least two (2) types of insurance are relevant: car body and third party liability insurance.

Certain Purchased Vehicles are not subject to car body insurance, in which cases the Seller takes the risk of car body damage in its own books. As between the Lessee and the Lessor, unless a specific car body insurance has been agreed, the risk of car body insurance in principle lies with the lessor/owner of the Vehicle. The Lease Servicing Component generally includes a component for car body insurance or for the Seller bearing the risk of car body damages.

In relation to the third party liability insurance the applicable insurance policy in many cases provides that in the case of a change of ownership of the relevant Vehicle (or termination of a lease contract), the insurance policy will terminate. If neither such provision nor a different provision applies to the relevant policy, the insurance will pass along to the new owner by operation of law. However, unless the insurer confirms within one (1) month of the change of ownership that it wishes to continue the insurance, the insurance agreement terminates by operation of law after such month. Pursuant to the Master Hire Purchase Agreement, full title to the relevant Purchased Vehicle is envisaged to pass to the Issuer upon payment of all relevant Purchase Instalments. The Issuer will as a result thereof become responsible to enter into the relevant insurances.

The Servicing Agreement provides that the Servicer undertakes to render the Services, including arranging for appropriate insurance for the associated Purchased Vehicle in consultation with the Issuer if the Call Option Buyer does not exercise the Repurchase Option. If

the Servicer defaults in its obligation to arrange the appropriate insurance with respect to a Purchased Vehicle in time, any damage claim from a third party with respect to damage caused by such Purchased Vehicle may be for the Issuer's own account and this may lead to losses under the Notes.

**The Security Trustee may agree to modifications without the Noteholders' prior consent**

Pursuant to the terms of the Trust Deed, the Security Trustee may agree, without the prior consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature, is made to correct a manifest error or is made in order for the Issuer to comply with any requirements which apply to it under certain regulations, and (ii) any other modification (except if prohibited in the Transaction Documents), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Transaction Documents, provided in all instances that certain conditions are met (as further described in Condition 11.8 (*Modification, authorisation and waiver without consent of Noteholders*)). Noteholders are therefore exposed to the risk that changes are made to the Transaction Documents without their knowledge or consent which may be against the interest of such Noteholder and this may have an adverse effect on the (value of the) Notes. Moreover, Noteholders should be aware that if they intend to sell any of the Notes, the fact that changes may be made to the Transaction Documents without their knowledge or consent, could have an adverse effect on the value of such Notes.

**The Revolving Period may end if Athlon is unable to originate additional Lease Receivables**

During the Revolving Period, no principal will be paid to the Noteholders. Instead, on each Payment Date during the Revolving Period, the Available Distribution Amounts may be used to advance any Additional Issuer Advance if and to the extent the Issuer purchases Additional Leased Vehicles. Any amount forming part of the Available Distribution Amounts not applied towards the purchase of Additional Leased Vehicles will during the Revolving Period be recorded to the credit of the Replenishment Ledger to form part of the Available Distribution Amounts on any succeeding Purchase Date during the Revolving Period. However, if the amount deposited and remaining in the Replenishment Ledger after the application of the relevant Priority of Payments on two (2) consecutive Payment Dates exceeds 10 per cent. of the Aggregate Discounted Balance of the Portfolio on the Initial Cut-Off Date, then a Revolving Period Termination Event will occur. If a Revolving Period Termination Event occurs, the Revolving Period will terminate resulting in principal being repaid on the Notes from the following Payment Date subject to and in accordance with the Normal Amortisation Period Priority of Payments or Accelerated Amortisation Period Priority of Payments, as the case may be.

On the basis of past experience Athlon does not, as of the date of this Prospectus, expect any shortage in the availability of Leased Vehicles that can be sold to the Issuer during the Revolving Period. However, in certain situations it could happen that during the Revolving Period Athlon does not have available Leased Vehicles that can be sold to the Issuer. Furthermore, Athlon is in no manner obliged to sell any Leased Vehicles to the Issuer during the Revolving Period, and can choose not to sell any additional Leased Vehicles at its sole discretion. If Athlon does not sell enough additional Leased Vehicles to the Issuer regardless of the reasons for that, then the Revolving Period may terminate earlier than expected and, in such

circumstances, the Noteholders may receive payments of principal on the Notes earlier than expected.

**Risk related to the Notes held in global form by the relevant Common Safekeeper**

The Notes will initially be held by the Common Safekeeper on behalf of Euroclear and/or Clearstream, Luxembourg in the form of a Global Note which will be exchangeable for Definitive Notes in limited circumstances as further described in section 5 (*Global Notes*). For as long as any Notes are represented by a Global Note held by the relevant Common Safekeeper on behalf of Euroclear and/or Clearstream, Luxembourg, payments of principal, interest, if any, and any other amounts on a Global Note will be made through Euroclear and/or Clearstream, Luxembourg (as the case may be) against presentation or surrender (as the case may be) of the relevant Global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The bearer of the relevant Global Note, being the common safekeeper for Euroclear and/or Clearstream, Luxembourg, shall be treated by the Issuer and the Paying Agent as the sole holder of the relevant Notes represented by such Global Note with respect to the payment of principal, interest, if any, and any other amounts payable in respect of the Notes.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

Thus, the Noteholders will have to rely on the procedures of Euroclear and/or Clearstream, Luxembourg for transfers, payments and communications from the Issuer, which may cause the Issuer being unable to meet its obligations under the Notes.

### 1.4.4 Risks relating to Security

**Pledge of Lease Receivables**

The Issuer has created an undisclosed (*stil*) right of pledge in favour of the Security Trustee over any and all Lease Receivables resulting from the Lease Agreements, including, but not limited to, the Lease Instalments due under such Lease Agreements by the Lessees. As long as no notification of this pledge is given to the Lessees, the Security Trustee shall not be entitled (i) to collect such Lease Receivables or (ii) to any Lease Receivables paid to the Issuer prior to notification. The Lease Receivables Pledge Agreement contains the events upon the occurrence of which notification will be made to the Lessees.

Under Dutch law an undisclosed right of pledge can be established over future rights, provided that such rights directly result from an existing legal relationship (*rechtstreeks zullen worden verkregen uit een bestaande rechtsverhouding*). However, the right of pledge over a future right will only be perfected at the time such right comes into existence provided that, at that time, the pledgor is authorised to dispose over or encumber such right (*beschikkingsbevoegd*). Therefore, if a future right directly resulting from an existing legal relationship comes into existence after the Issuer has been declared insolvent or is granted a suspension of payments, such right will not be subject to the security right created by the relevant Security Document and will, in those circumstances, become part of the bankrupt estate of the Issuer, free from encumbrances (*onbezwaard*). Lease receivables are deemed to be future receivables which only come into existence after the lessor has complied with its obligations under the lease agreement. In

respect of the Lease Receivables Pledge Agreement this means that any Lease Receivables that will only come into existence or will only be acquired by the Issuer after it is declared bankrupt or is granted a suspension of payments will not be subject to the right of pledge created thereon and these lease receivables will fall into the bankrupt estate of the Issuer. The Security Trustee will therefore not have any security right or any right of preference in respect of the proceeds of these Lease Receivables. Such amounts will not be available for distribution by the Security Trustee to the Secured Creditors (including the Noteholders). This may result in losses under the Notes.

**Risk relating to non-possessory pledge of Leased Vehicles**

Pursuant to the Seller Vehicles Pledge Agreement and the Issuer Vehicles Pledge Agreement, the Seller and the Issuer, respectively, will create and/or will create in advance (*bij voorbaat*) a non-possessory (*bezitloos*) right of pledge on the Purchased Vehicles in favour of the Security Trustee. This means that the pledge has not been disclosed to the Lessees. Pursuant to Dutch law a non-possessory right of pledge will rank junior to any new possessory pledge (*vuistpand*) of a third party acting in good faith. It should be noted that each of the Seller and the Issuer will covenant that it shall not dispose of or encumber the Purchased Vehicles other than in accordance with the Transaction Documents. Upon a sale of the Purchased Vehicles for consideration to a third party who is acting in good faith, and such Leased Vehicles having been transferred by the Seller or the Issuer to the third party, the Security Trustee's non-possessory right of pledge will terminate.

The right of pledge on the Purchased Vehicles granted by the Seller to the Security Trustee under the Seller Vehicles Pledge Agreement will secure the payment obligations of the Issuer under the Parallel Debt. Under Dutch law there is uncertainty as to whether the granting of security on assets by a company in order to secure the obligations of a third party that is not a direct or an indirect subsidiary of such company, is or can be regarded to be in furtherance of the objects of that company, and consequently, whether such security may be voidable or unenforceable on the basis of section 2:7 of the Dutch Civil Code. Said provision gives a company the right to invoke the nullity of a legal act performed by it if (i) as a result of such legal act, the company's objects were exceeded, and (ii) the other party was aware or, without personal investigation, should have been aware thereof. In determining whether the granting of such security is in furtherance of the objects of the company, it is important to take into account (a) the wording of the objects clause in the articles of association of the company; and (b) whether it is in the interest of the company, i.e. whether the company derives any commercial benefit from the overall transaction in respect of which such security was granted. With regard to (a) it is noted that the objects clause in the articles of association of the Seller expressly includes the granting of security for obligations of other parties (including, but not limited, to third parties which are not a direct or indirect subsidiary of the Seller). With regard to (b) it is noted that the Seller is expected to derive benefit from the Transaction in respect of which the said right of pledge will be vested, since the transactions envisaged by the Transaction Documents enable the Issuer to enter into the Master Hire Purchase Agreement under which the Seller will receive the Purchase Price for the Purchased Vehicles.

As to the risk that the right of pledge on a Vehicle is not validly created due to the fact that the Vehicle at the time of creation of the right of pledge was located outside the Netherlands, see below under the risk factor entitled "*Location of the Vehicles*". See further the risk factor entitled

"*BOVAG and FOCWA General Conditions; possessory liens and third party encumbrances* which applies *mutatis mutandis*".

**Limitations in respect to rights ranking senior to the security rights**

Possessory liens (*retentierechten*) over the Purchased Vehicles such as those envisaged by the BOVAG and FOCWA General Conditions will as a matter of Dutch law in principle rank senior to the right of pledge of the Security Trustee. See further the risk factor entitled "*BOVAG and FOCWA General Conditions; possessory liens and third party encumbrances*".

**Pledge of Issuer Accounts**

Although the security constituted by the Issuer Accounts Pledge Agreement is expressed to take effect as a fixed charge, under Irish law, for a charge to be characterised as a fixed charge, the charge holder is required to exercise the requisite level of control over the assets and the proceeds of such assets purported to be charged including, control over any bank account into which such proceeds are paid.

There is a risk therefore, that the security constituted by the Issuer Accounts Pledge Agreement may (as a result of, among other things, the payments to be made from the Issuer Accounts in accordance with the Conditions and the Trust Deed) take effect as a floating charge if, in an enforcement scenario, a court deems that the requisite level of control was not exercised over the Issuer Accounts by the Security Trustee. This would mean that the security created pursuant to the Issuer Accounts Pledge Agreement would rank after a subsequently created fixed charge in favour of a third party. This may result in losses under the Notes.

To mitigate this risk, the Issuer has covenanted in the Issuer Accounts Pledge Agreement not to do anything, or cause or permit anything to be done, which could prejudice the priority of the security created by the Issuer Accounts Pledge Agreement (which would include the creation of any such subsequent security interests).

**Parallel Debt**

It is intended that the Issuer and the Seller grant rights of pledge to the Security Trustee for the benefit of the Secured Creditors. However, under Dutch law there is no concept of trust and it is generally assumed that under Dutch law a right of pledge cannot be validly created in favour of a person who is not the creditor of the claim that the right of pledge purports to secure. Under Dutch law, a 'parallel debt' structure is used to give a trustee its own, separate, independent claim on identical terms as the relevant creditors. The Parallel Debt is included in the Trust Deed, to address this issue. There is no statutory law or case law available on the concept of parallel debts such as the Parallel Debt and on the question whether a parallel debt constitutes a valid basis for the creation of security rights, such as rights of pledge. However, the Issuer has been advised that a parallel debt, such as the Parallel Debt, creates a claim of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Pledge Agreements and the Combined Transfer Deeds. Should the Parallel Debt not constitute a valid basis for the creation of security rights, the assets of the Issuer which are subject to any security may secure none of the liabilities of the Issuer *vis-à-vis* the Secured Creditors and the proceeds of such pledged assets will not be available for distribution by the Security Trustee to the Secured Creditors (including the Noteholders) and therefore the Security Trustee may have insufficient funds available to it to fulfil the Issuer's payment obligations under the Notes. This may result in losses under the Notes.

## 1.5 RISK FACTORS RELATING TO LEGAL, REGULATORY, MACRO-ECONOMIC AND TAX RISKS WITH RESPECT TO THE NOTES

### 1.5.1 Legal, regulatory and macro-economic risks relating to the Notes

**Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes**

In Europe, the US, and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a substantial number of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory position for certain investors in securitisation exposures and/or the incentives for certain investors when holding asset-backed securities by means of capital relief for the securitisation positions held or by the qualification of the securitisation positions as High Quality Liquid Assets (**HQLA**) for the purposes of comprising the Notes in the liquidity buffer for the purpose of the calculation of the LCR, and may in the absence of the capital relief or qualification as HQLA affect the liquidity and/or pricing of such securities. Investors should, inter alia, be aware of the EU risk retention, transparency and due diligence requirements which currently apply in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, UCITS-managers and certain pension schemes. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of an increased capital charge on the notes acquired by the relevant investor, the exclusion of the securitisation position from the stock of HQLA or an obligation to deduct the value of the positions from the regulatory capital components of the investor.

CRR and the Solvency II Regulation affect the risk-weighting of the Notes in respect of certain investors established within the EEA if those investors are regulated pursuant to this legislation. At this time, it is not possible to assess the potential negative impact of any of the risks described herein on the Notes.

**Bank Recovery and Resolution Directive and SRM Regulation**

The BRRD and the SRM Regulation have introduced a harmonised European framework for the recovery and resolution of banks and certain investment firms and certain affiliated entities (which could encompass the Swap Counterparty) which are failing or likely to fail. To enable the resolution authorities to intervene in a timely manner or to resolve an institution, the BRRD and the SRM Regulation give them certain tools and powers. In a resolution scenario, this includes the tools and powers to transfer assets or liabilities to third parties, to write-down or convert ('bail-in') capital instruments or eligible liabilities or to terminate or amend agreements. To ensure that these tools and powers are effective, the BRRD and SRM Regulation require EU

Member States to impose various requirements on institutions or their counterparties and they provide for exclusion and suspension of contractual rights. The BRRD and SRM Regulation do however also provide for certain safeguards for contractual counterparties. If at any time any such powers are used by the relevant national resolution authority in such capacity or, the Single Resolution Board or any other relevant authority in relation to a counterparty of the Issuer or another party to the Transaction Documents (including the Swap Agreement), this could result in losses to, or otherwise affect the rights of, Noteholders and/or could affect the credit ratings assigned to the Class A Notes. At this time, it is not possible to assess the potential negative impact of any of the risks described herein on the Notes.

**Securitisation Regulation**

The Securitisation Regulation creates a set of common rules for securitisations and, amongst other matters, applies to securitisations, the securities of which are issued on or after 1 January 2019. The Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) the underwriting criteria for loans to be comprised in securitisation pools. The Securitisation Regulation also creates a European framework for simple, transparent and standardised securitisations (**STS securitisations**).

The risk retention, transparency, due diligence and underwriting criteria requirements mentioned above apply in respect of the Notes. As such, investors to which the Securitisation Regulation is applicable should make themselves aware of the requirements of articles 5 et seq. of the Securitisation Regulation, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus or made available by the Issuer and the Originator for the purposes of complying with any relevant requirements and none of the Issuer, the Originator, the Reporting Entity, the Arranger or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes.

Prospective investors are referred to section 7 (*Regulatory and industry compliance*) for further details and should note that there can be no assurance that the information in this Prospectus or to be made available to investors in accordance with article 7 of the Securitisation Regulation will be adequate for any prospective institutional investors to comply with their due diligence obligations under the Securitisation Regulation.

Furthermore, non-compliance with the requirements provided for in article 7 could result in various administrative sanctions and/or remedial measures being imposed on the Issuer or otherwise payable or reimbursable by the Issuer. As the Transaction Documents do not contemplate the payment or reimbursement by the Issuer of any of such administrative sanctions and/or remedial measures the redemption of the Notes may be adversely affected thereby.

With respect to the commitment of the Originator to retain a material net economic interest during the life of the Transaction, as contemplated by article 6(3)(d) of the Securitisation Regulation, the Originator will retain such net economic interest through the holding of the Class B Notes. Such interest in the Class B Notes will be equivalent to no less than 5 per cent. of the nominal value of the securitised exposures on an ongoing basis, provided that the level of

retention may reduce over time in compliance with article 10(2) of the Draft RTS Risk Retention specifying the risk retention requirements pursuant to article 6 of the Securitisation Regulation.

Article 5 of the Securitisation Regulation places an obligation on institutional investors (as defined in the Securitisation Regulation) before investing in a securitisation and thereafter, to analyse, understand and stress test their securitisation positions and monitor on an ongoing basis in a timely manner performance information on the exposures underlying their securitisation positions. The Issuer Administrator, on behalf of the Issuer and / or the Reporting Entity, will prepare monthly investor reports wherein relevant information with regard to the Leased Vehicles and Lease Receivables will be disclosed publicly together with information on the retention of the material net economic interest by the Seller in accordance with article 6 of the Securitisation Regulation.

The requirements described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, if a Noteholder intends to sell its Notes, this may have a negative impact on the price and liquidity of the Notes in the secondary market.

**Simple, Transparent and Standardised Securitisation (STS)**

The Securitisation Regulation sets out the new criteria and procedures applicable to EU securitisations seeking the designation as "simple, transparent and standardised" (**STS**) securitisations, and includes provisions that harmonise and replace the risk retention and due diligence requirements applicable to certain securitisations. Certain EU-regulated investors are restricted from investing in such Notes unless that investor is able to demonstrate that it has undertaken certain due diligence assessments and verified various matters.

Although the Transaction has been (i) structured to comply with the requirements for simple, transparent and standardised securitisations transactions as set out in articles 19 to 22 of the Securitisation Regulation, (ii) notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation (the **STS Notification**) (which, together with the explanation from the Originator of the transaction's compliance with articles 19 to 22 of the Securitisation Regulation (compliance with such articles being required to qualify as an STS Securitisation) will be available for inspection on the list maintained by ESMA at: https://www.esma.europa.eu/policyactivities/securitisation/simple-transparentand-standardised-sts-securitisation) and (iii) verified as such by SVI, in its capacity as third party verification agent authorised pursuant to article 28 of the Securitisation Regulation, no guarantee can be given that it maintains this status throughout its lifetime. As the STS status of the Transaction is not static, investors should verify the current status of the Transaction on the ESMA website. Non-compliance with such status may result in higher capital requirements for investors as an investment in the Notes would not benefit from articles 260, 262 and 264 of the CRR. Furthermore, non-compliance could result in various administrative sanctions and/or remedial measures being imposed on the Issuer or otherwise payable or reimbursable by the Issuer. As the Transaction Documents do not contemplate the payment or reimbursement by the Issuer of any of such administrative sanctions and/or remedial measures the redemption of the Notes may be adversely affected thereby.

To ensure that the Transaction will comply with future changes or requirements of, among others, delegated regulations of the European Commission which may enter into force after the

Closing Date, the Issuer will be entitled to amend the Transaction Documents, including the Conditions, in accordance with the amendment provisions contained in the Conditions and the other Transaction Documents, in order to comply with such requirements.

**Risks from reliance on verification by SVI**

SVI has been authorised by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) as third party verification agent pursuant to article 28 of the Securitisation Regulation. SVI grants a registered verification label "verified – STS VERIFICATION INTERNATIONAL" if a securitisation complies with the STS Requirements. The aim of the Securitisation Regulation is to restart high-quality securitisation markets, and the intention of implementing a framework for simple, transparent and standardised transactions with corresponding STS criteria shall contribute to this. However, it should be noted that the SVI verification does not affect the liability of the Seller as Originator or the Issuer as SSPE in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of such verification by 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, such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation. Reference is also made to section 3.7 (*Verification by SVI*).

SVI has carried out no other investigations or surveys in respect of the Issuer or the Notes concerned other then as such set out in SVI's final verification report 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 Issuer.

Investors should therefore not evaluate their notes investments on the basis of this certification.

**Investor compliance with due diligence requirements under the UK Securitisation Regulation**

Pursuant to the EUWA, from 11pm (GMT) on 31 December 2020, EU regulations (including the Securitisation Regulation) which previously had direct effect in the UK by virtue of the European Communities Act 1972 were transposed into domestic law in the UK.

In order to smooth the transition from the Securitisation Regulation regime, as it forms part of domestic law of the UK by virtue of the EUWA and any implementing laws or regulations in force in the UK in relation to the Securitisation Regulation (together with applicable directions, secondary legislation, guidance, binding technical standards and related documents published by the Financial Conduct Authority and the Prudential Regulation Authority of the UK) (the **UK Securitisation Regulation**), the UK regulators have put various transitional provisions in place until 31 March 2022 or such later date as specified by the Financial Conduct Authority under its temporary transitional powers under part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (the **Standstill Period**). In certain cases, UK regulated entities can continue to comply with the previous requirements under the Securitisation Regulation instead of the UK Securitisation Regulation. In particular, UK originators, sponsors and SSPEs may use the standardised reporting templates developed by ESMA for the purpose of article 7 of the Securitisation Regulation, rather than the standardised

reporting templates adopted by the Financial Conduct Authority for the purpose of article 7 of the UK Securitisation Regulation, during the Standstill Period.

The UK Securitisation Regulation includes in article 5 due diligence requirements which are applicable to UK institutional investors in a securitisation.

If the due diligence requirements under article 5 of the UK Securitisation Regulation are not satisfied then, depending on the regulatory requirements applicable to such UK institutional investors, 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 due diligence requirements under article 5 of the UK Securitisation Regulation, potential investors should note in particular that:

- in respect of the risk retention requirements set out in article 6 of the UK Securitisation Regulation the Seller commits to retain a material net economic interest with respect to this Transaction in compliance with article 6(3)(c) of the Securitisation Regulation and Commission Delegated Regulation (EU) 625/2014 or any successor delegated regulation only and not in compliance with article 6 of the UK Securitisation Regulation, and

- in respect of the transparency requirements set out in article 7 of the UK Securitisation Regulation, the Reporting Entity 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 Disclosure Technical Standards for the purposes of this Transaction and will not make use of the standardised templates adopted by the Financial Conduct Authority.

UK institutional investors (as defined in the UK Securitisation Regulation) should be aware that whilst, at the date of this Prospectus, the Disclosure Technical Standards and the transparency requirements of article 7 of the UK Securitisation Regulation are very similar, and the Financial Conduct Authority has also issued a standstill direction under its temporary transitional powers under part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 allowing for reporting on the basis of Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 until the expiry of the Standstill Period, the Securitisation Regulation and UK Securitisation Regulation (including but not limited to the Disclosure Technical Standards and the transparency requirements of article 7 of the UK Securitisation Regulation) may diverge. No assurance can be given that the information included in this Prospectus or provided in accordance with the Disclosure Technical Standards will be sufficient for the purposes of assisting such UK institutional investors in complying with their due diligence obligations under article 5 of the UK Securitisation Regulation.

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 article 5 of the UK Securitisation Regulation, and any corresponding national measures which may be relevant to investors, and no assurance can be given that this is the case.

The requirements described above and any changes to the regulation or regulatory treatment of the Notes in the UK for some or all investors may negatively impact the regulatory position of individual investors and, in addition, if a Noteholder intends to sell its Notes, this may have a negative impact on the price and liquidity of the Notes in the secondary market.

**U.S. Risk Retention**

The U.S. Risk Retention Rules generally require the "sponsor" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligations that they generally impose.

The transaction will not involve risk retention by the Seller for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. To qualify for the exception, non-U.S. 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 securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as **Risk Retention U.S. Persons**), (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Notes sold as part of the initial distribution of the Notes may not be purchased by Risk Retention U.S. Persons except in accordance with the exemption provided for in Section 20 of the U.S. Risk Retention Rules and with the prior consent of Athlon. Prospective investors should note that, although the definition of U.S. person in the U.S. Risk Retention Rules is similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that an investor could be a Risk Retention U.S. person under Regulation S. Notwithstanding the foregoing, the Issuer may, with the prior consent of the Seller, sell a limited portion of the Notes to, or for the account or benefit of, Risk Retention U.S. Persons in accordance with an exemption from the U.S. Risk Retention Rules.

The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h). which are different than comparable provisions from Regulation S. Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" means any of the following:

(a) any natural person resident in the United States;[1]

[1] The comparable provision from Regulation S is "(ii) any Partnership or corporation organised or incorporated under the laws of the United States".

(b) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;

(c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

(d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

(e) any agency or branch of a foreign entity located in the United States;

(f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(h) any partnership, corporation, limited liability company, or other organisation or entity if:

(i) organised or incorporated under the laws of any foreign jurisdiction; and

(ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.[2]

There can be no assurance that the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure of the offering of the Notes to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) is unclear, but could give rise to regulatory action which may adversely affect the Notes. 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 risk retention requirements of the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the Notes.

None of the Arranger, the 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.

**Volcker Rule**

Section 619 of the Dodd-Frank Act added a new section 13 to the Bank Holding Company Act of 1956, commonly referred to as the **Volcker Rule**. The Volcker Rule and its related

[2] The comparable provision from Regulation S "(vii)(B) formed by a U S person principally for the purpose of investing in securities not registered under the Securities Act) unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons estates or trusts".

regulations generally prohibits "banking entities" broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading in financial instruments, (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring", a "covered fund" and (iii) entering into certain transactions with such funds subject to certain exemptions and exclusions.

An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the "covered fund". A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act of 1940 (the **Investment Company Act**) but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

The Issuer has structured its operations with the intention of being excluded from being considered a "covered fund" within the meaning of the Volcker Rule. If, however, the Issuer were deemed to be a "covered fund" and the Notes were deemed to constitute an "ownership interest" in the Issuer, the Volcker Rule and its related regulatory provisions, will restrict the ability of "banking entities" to hold an "ownership interest" in the Issuer or enter into certain credit related financial transactions with the Issuer.

There is limited interpretive guidance regarding the Volcker Rule, and its implementing regulations. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Each investor must determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule and should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of a prospective investment in the Notes. None of the Issuer, the Arranger or the Managers makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

**Change of law**

The underlying Lease Agreements, the Trust Deed, the Master Hire Purchase Agreement and the other Transaction Documents and the issue of the Notes, as well as the ratings which are to be assigned to the Notes are based on the law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change of law or its interpretation or administrative practice after the date of this Prospectus.

**Risks relating to benchmarks and future discontinuance of Euribor and any other benchmark**

Various benchmarks (including interest rate benchmarks such as Euribor) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective, such as the Benchmarks Regulation, whilst others are still to be implemented.

These reforms and other pressures (including from regulatory authorities) may cause one or more benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Moreover, any significant change to the setting or existence of Euribor or any other relevant benchmark could affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and amounts payable under, the Notes.

Investors should be aware that, if Euribor were discontinued or otherwise unavailable, the rate of interest on the Notes, which reference Euribor will be determined for the relevant period by the fall-back provisions set out in Condition 4.5 (*Alternative Base Rate*) applicable to such Notes.

If the Interest Determination Agent and the Issuer are unable to determine Euribor in accordance with the fall back provisions in relation to the relevant Interest Period, the Euribor applicable to such Interest Period will be Euribor last determined in relation thereto. This mechanism is not suitable for determining the interest rate payable on the Notes on a long-term basis. In the event that Euribor is disrupted or permanently discontinued, the Servicer may request the Issuer and the Security Trustee to agree in certain circumstances to a replacement of the Euribor rate in respect of the Notes with an Alternative Base Rate without the Noteholders' prior consent as provided in Condition 4.5 (*Alternative Base Rate*). While an amendment may be made under Condition 4.5 (*Alternative Base Rate*) to change the Euribor rate on the Notes to an Alternative Base Rate under certain circumstances broadly related to Euribor disruption or discontinuation and subject to certain other conditions, there can be no assurance that such amendment will be made or, if made, that it will (i) fully or effectively mitigate interest rate risks or result in an equivalent methodology for determining the interest rates on the Notes or (ii) be made prior to any date on which any of the risks described in this risk factor may become relevant. In addition, there is no guarantee that any adjustment factor will be determined or applied, or that the application of any such factor will either reduce or eliminate economic prejudice to Noteholders. Furthermore, the process of determination of a replacement for Euribor may result in the effective application of a fixed interest rate to what was previously a Note to which a floating rate of interest was applicable. The use of the Alternative Base Rate may therefore result in the Notes that referenced Euribor to perform differently if interest payments are based on the Alternative Base Rates (including potentially paying a lower interest rate) than they would do if Euribor were to continue to apply in its current form. Furthermore, the Conditions of the Notes may be amended by the Issuer, as necessary to ensure the proper operation of the Alternative Base Rate, without any requirement for consent or approval of all of the Noteholders. Though, if Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class Outstanding do not consent to the modification to change the base rate on the Notes from Euribor to an Alternative Base Rate, such modification will not be made unless there is an Extraordinary Resolution of the Noteholders of the Most Senior Class Outstanding.

In the event the Issuer is unable to appoint a major bank or broker-dealer to determine the Alternative Base Rate and any adjustment factor, the Issuer shall be able to exercise broad discretion in the determination of the Alternative Base Rate and/or any adjustment factor and the Issuer may be required to determine the Alternative Base Rate and/or any adjustment factor

and in such event a potential conflict of interest exists as in that case the Issuer is both the party determining the relevant Alternative Base Rate and/or any adjustment factor and also the party paying interest on the basis of such determination, whereby the Noteholders have an interest in a higher interest being payable on the Notes and the Issuer may have an interest in a lower interest being payable on the Notes. In the event the Issuer must apply the fall-back provisions and apply the Alternative Base Rate, there is a risk that such Alternative Base Rate qualifies as a benchmark under the provisions of the Benchmarks Regulation. In addition, the Issuer, the Servicer or any agent appointed by the Issuer may be considered an "administrator of benchmarks" within the meaning of the Benchmarks Regulation. Such administrator may be required to be authorised under the Benchmarks Regulation to operate in such capacity. Neither the Issuer nor the Servicer intends to apply for an authorisation as administrator of benchmarks under the Benchmarks Regulation. Failing the due authorisation of the Issuer, the Servicer or any agent appointed by it as administrator pursuant to the Benchmarks Regulation, there is a risk that the Issuer, the Servicer or such agent may not act in such capacity and that the appointment of another agent is required to be organised. Delays in the calculation of the Alternative Base Rate and/or any adjustment factor may occur in such instance. Furthermore, there is a risk that the application of the Alternative Base Rate will not be effective or is not in compliance with the Benchmarks Regulation. In such case the Issuer is likely to propose alternatives for the Alternative Base Rate seeking consent of the Noteholders. As a result, the Issuer may not be in a position to timely pay the interest due under the Notes and therefore, the Noteholders may not receive such amounts in a timely manner.

**European Market Infrastructure Regulation (EMIR)**

EMIR and the Amending EMIR Regulation may have a potential impact on the Issuer as party to the Swap Agreement, as the Issuer may become subject to a requirement to post collateral in respect of its obligations under the Swap Agreement. If the Issuer fails to comply with the rules under EMIR it may be liable for an incremental penalty payment or fine. The impact could significantly adversely affect the Issuer's ability to meet its payment obligations in respect of the Notes. For further information, reference is made to section 7 (*Regulatory and industry compliance*).

**CRA Regulation**

Should any of the Rating Agencies not be registered or endorsed under the CRA Regulation or should such registration or endorsement be withdrawn or suspended, this may result in the Class A Notes no longer being rated. If a Noteholder intends to sell its Notes, this may have a negative impact on the price and liquidity of the Notes in the secondary market. For further information, reference is made to section 7 (*Regulatory and industry compliance*).

**Risks resulting from data protection rules**

The processing of personal data in the context of the Transaction is subject to rules and requirements under applicable data protection and privacy laws, including the Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the **GDPR**) and the Dutch General Data Protection Regulation Implementation Act (*Uitvoeringswet Algemene verordening gegevensbescherming*) (the **Applicable Data Protection Laws**).

A processing of personal data is subject to various requirements and restrictions under the Applicable Data Protection Laws. For example, personal data may only be processed where there is a legitimate ground for such processing, and while taking into account requirements relating to, *inter alia,* transparency, security, data transfers and data subject rights.

Under the Transaction Documents, each of Athlon, the Issuer and the Security Trustee agree to comply with the Applicable Data Protection Laws to the extent that they process personal data in the context of the transaction.

There is, however, no jurisprudence, case law or publication from a competent authority available specifically confirming the processing of personal data in the context of the underlying assignment of lease receivables to be in compliance with the Applicable Data Protection Laws. As the Applicable Data Protection Laws contain open norms it is not possible to fully predict the impact of the Applicable Data Protection Laws on the Transaction.

Non-compliance with the Applicable Data Protection Laws could result in, *inter alia*, various administrative sanctions and/or remedial measures being imposed on the Issuer, the Security Trustee and/or Athlon which may be imposed upon or be payable or reimbursable by the Issuer, the Security Trustee or Athlon. The Applicable Data Protection Laws also allow for civil claims for compensation of both material and immaterial damages. As none of the Transaction Documents foresees in a reimbursement of the Issuer for the payment of any of such administrative sanctions, remedial measures and/or claims, the Issuer may have insufficient funds available to it to fulfil its obligations under the Notes and this may result in the repayment of the Notes being adversely affected.

**The Notes may not be recognised as Eurosystem Eligible Collateral**

On 20 February 2015 the ECB has published a new Guideline (Guideline (EU) 2015/510) on the implementation of the Eurosystem monetary policy (**ECB Guideline**), which replaced Guideline ECB/2011/14 as from 1 May 2015. On 21 January 2016 amendments to the Eurosystem guidelines were published (ECB Guideline (EU) 2016/64 (**Amended ECB Guideline**)) which amended the definition of "leasing receivables" to mean the scheduled and contractually mandated payments by the lessee to the lessor under the term of a lease agreement. Residual values are not leasing receivables. Personal contract purchase (**PCP**) agreements, or agreements under which the obligor may exercise its option to make a final payment to acquire full legal title of the goods or to return the goods in settlement of the agreement are assimilated to leasing agreements. The consequence of this is to exclude residual values from qualifying as eligible collateral for Eurosystem operations, as they are not considered leasing receivables. It is envisaged that upon payment by the Issuer to the Seller of all Purchase Instalments under a Hire Purchase Contract, the Issuer acquires (unconditional) legal title to the relevant Purchased Vehicle and the Issuer is entitled to sell (or procure to sell) such Purchased Vehicle and acquire the residual value of such Purchased Vehicle. The Notes are backed by the residual value of the Purchased Vehicles in addition to the Lease Receivables arising under the Lease Agreements associated with such Purchased Vehicles. Pursuant to the Amended ECB Guideline asset-backed securities comprising receivables with residual value have been excluded from the eligibility criteria of asset-backed securities and as a result thereof, the Notes will not be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (**Eurosystem Eligible Collateral**) upon issue. Should the Eurosystem eligibility criteria be amended in the future such that the Class A Notes are capable of meeting such eligibility criteria, any potential investor in the Class A Notes should make its

own conclusions and seek its own advice with respect to whether or not the Class A Notes will at that time constitute Eurosystem Eligible Collateral.

**The performance and liquidity of the Notes may be adversely affected by the conditions in the global financial markets and these conditions may not improve in the near future**

Global markets and economic conditions have been negatively impacted in the past by the banking and sovereign debt crisis in the EU and globally. In particular, concerns have been raised with respect to continuing economic, monetary and political conditions in the region comprised of the Member States of the EU that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended (the **Eurozone**).

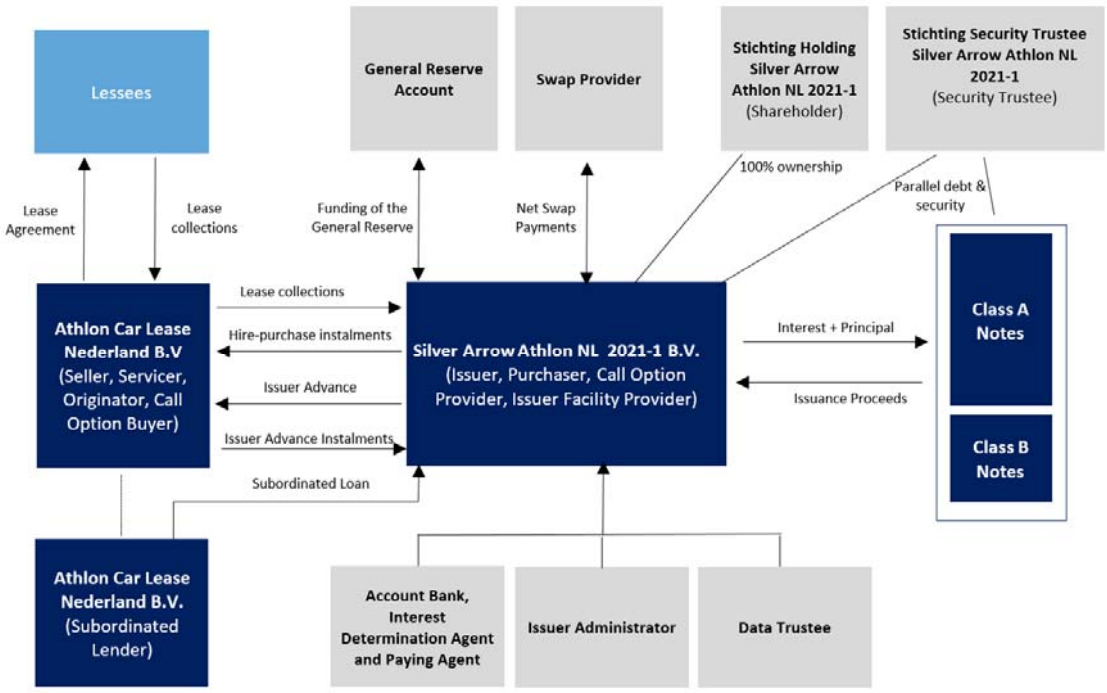
The market's anticipation of these (potential) impacts could have a material adverse effect on the business, financial condition and liquidity of the Issuer, the Seller, the Servicer, the Reporting Entity, the Swap Counterparty, the Account Bank, the Subordinated Lender, the RV Guarantor, the Call Option Buyer, the Back-Up Servicer Facilitator, the Back-Up Servicer (if appointed) and the Directors. In particular, these developments could disrupt payment systems, money markets, long-term or short-term fixed income markets, foreign exchange markets, commodities markets and equity markets and adversely affect the cost and availability of funding. Certain impacts, such as increased spreads in money markets and other short term rates, have already been experienced as a result of market expectations. Further, the full impact of the UK's exit from the European Union and the deal between the European Union and the UK dated 24 December 2020 is impossible to predict and could also negatively impact the European markets.

In the event of continued or increasing market disruptions and volatility (including as may be demonstrated by any default or restructuring of indebtedness by one or more Member States or institutions within those Member States and/or any changes to the Eurozone or exit from the European Union), the Issuer, the Seller, the Servicer, the Reporting Entity, the Swap Counterparty, the Account Bank, the Subordinated Lender, the RV Guarantor, the Call Option Buyer, the Back-Up Servicer Facilitator, the Back-Up Servicer (if appointed) and the Directors may experience reductions in business activity, increased funding costs, decreased liquidity, decreased asset values, additional credit impairment losses and lower profitability and revenues, which may affect their ability to perform their respective obligations under the relevant Transaction Documents. Reference is made to the risk factor entitled "*The Issuer has counterparty risk exposure*" above and the risk factor entitled "*Risks relating to the mandatory replacement of a counterparty*" above.

The above mentioned factors could result in the Issuer having insufficient funds to fulfil its obligations under the Notes in full and as a result could adversely affect the performance of the Notes and lead to losses under the Notes. Noteholders should also be aware that these factors could have an adverse effect on the value of the Notes or that they may not be able to sell the Notes, if they intend to sell such Notes.

## 2 STRUCTURE DIAGRAM

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




## 3 TRANSACTION OVERVIEW

*The following section provides a general overview of the principal features of the Transaction including the issue of the Notes. The information in this section does not purport to be complete. This general overview should be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of this Prospectus as a whole, including any amendment and supplement thereto (if any) and the documents incorporated by reference. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant Member State, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches to the Issuer, being the entity that has prepared the information in this section, but only if such information is misleading, inaccurate or inconsistent when read with other parts of this Prospectus.*

*Unless otherwise indicated in this Prospectus or the context otherwise requires, capitalised terms used in this Prospectus have the meanings ascribed thereto in section 24.2 (Definitions) set out in this Prospectus. The principles of interpretation set out in section 24.1 (Interpretation) set out in this Prospectus shall apply to this Prospectus.*

## 3.1 Parties to the Transaction

*The overview of the key parties and the description of certain principal features below must be read in conjunction with the other information set out in this Prospectus and does not purport to be complete and is taken from, and is qualified in all respects by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Transaction Document, the applicable Transaction Document.*

*Capitalised terms used, but not defined, in this section can be found elsewhere in this Prospectus via the Index of Defined Terms unless otherwise stated.*

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| **Issuer/Purchaser:** | Silver Arrow Athlon NL 2021-1, acting in its capacity as issuer/purchaser. The entire issued share capital of the Issuer is held by the Shareholder. The Issuer has no separate commercial name. |
| **Seller:** | Athlon, acting in its capacity as seller. The entire issued share capital of Athlon is held by Athlon International. |
| **Originator:** | Athlon, including any of its legal predecessors, acting in its capacity as originator of any Lease Agreement. |
| **Servicer:** | Athlon, acting in its capacity as servicer or any back-up servicer which has taken over the services of Athlon upon the occurrence of a Servicer Termination Event. |
| **Back-Up Servicer:** | An entity appointed by the Issuer following the occurrence of the relevant Appointment Trigger Event subject to and in accordance with the Servicing Agreement. |
| **Back-Up Servicer Facilitator:** | Intertrust Administrative, acting its capacity as back-up servicer facilitator. |
| **Call Option Provider:** | Silver Arrow Athlon NL 2021-1, acting in its capacity as call option provider. |
| **Call Option Buyer:** | Athlon, acting in its capacity as call option buyer. |
| **RV Guarantor:** | Athlon, acting in its capacity as rv guarantor. |
| **Reporting Entity**: | Athlon, acting in its capacity as reporting entity. |
| **Data Trustee**: | Data Custody, acting in its capacity as data trustee. |
| **Swap Counterparty:** | SEB, acting in its capacity as swap counterparty. |
| **Subordinated Lender:** | Athlon, acting in its capacity as subordinated lender. |

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| **Issuer Facility Provider:** | Silver Arrow Athlon NL 2021-1, acting in its capacity as lender. |
| **Security Trustee:** | Stichting Security Trustee Silver Arrow Athlon NL 2021-1, acting in its capacity as security trustee. |
| **Shareholder:** | Stichting Holding Silver Arrow Athlon NL 2021-1, acting in its capacity as shareholder and which entity is the sole shareholder of the Issuer. |
| **Account Bank:** | Elavon, acting in its capacity as account bank. |
| **Issuer Administrator:** | Intertrust Administrative, acting in its capacity as issuer administrator. The entire issued share capital of the Issuer Administrator is held by Intertrust (Netherlands) B.V., which entity is also the sole shareholder of each of the Directors. |
| **Issuer Director:** | Intertrust Management, acting in its capacity as issuer director. |
| **Shareholder Director:** | Intertrust Management, acting in its capacity as shareholder director. |
| **Security Trustee Director:** | ATK, acting in its capacity as security trustee director. The Directors and the Issuer Administrator belong to the same group of companies. |
| **Paying Agent:** | Elavon, acting in its capacity as paying agent. |
| **Interest Determination Agent:** | Elavon, acting in its capacity as interest determination agent. |
| **Rating Agencies:** | Moody's and DBRS. Each Rating Agency is established in the European Union and registered in accordance with the CRA Regulation. |
| **Arranger:** | ING, acting in its capacity as arranger. |
| **Joint Lead Managers:** | ING and BofA Securities, each acting in its capacity as joint lead manager. |
| **Co-Managers:** | SEB and UniCredit, each acting in its capacity as co-manager. |
| **Common Safekeeper:** | Euroclear, acting in its capacity as common safekeeper in respect of the Class A Notes.<br><br>Elavon, acting in its capacity as common safekeeper in respect of the Class B Notes. |

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| **Clearing system:** | Clearstream, Luxembourg and Euroclear. |

### 3.2 The Notes

**THE NOTES**

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| **The Notes:** | The EUR 500,000,000 Class A Notes due 2031 and the EUR 167,600,000 Class B Notes due 2031 will be issued by the Issuer on or about the Closing Date in accordance with the terms of the Trust Deed and on the terms and subject to the Conditions. |
| **Issue Price:** | The issue price of the Class A Notes will be 100.913 per cent. and the issue price of the Class B Notes will be 100 per cent. |
| **Purpose:** | The net proceeds of the Notes will be used on the Closing Date by the Issuer to (i) advance the Initial Issuer Advances subject to and in accordance with the Issuer Facility Agreement and (ii) pay an initial payment to the Seller in connection with the entering into of the Hire Purchase Contracts in respect of the Leased Vehicles forming part of the Initial Portfolio subject to and in accordance with the Master Hire Purchase Agreement. |
| **Status and ranking:** | The Notes of each Class (as defined in the Conditions) rank *pari passu* without any preference or priority among Notes of the same Class.<br><br>The Notes will have the benefit of the Security which will be granted to the Security Trustee as security for the Secured Obligations owed to the Security Trustee (including the Parallel Debt).<br><br>The Notes represent the right to receive interest and principal payments from the Issuer in accordance with the Conditions and the Trust Deed. In accordance with the Conditions and the Trust Deed payments of principal and interest on the Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes. See further section 4 (*Terms and conditions of the Notes*) below.<br><br>The obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable Priority of Payments. For a description of the Revolving Period Priority of Payments, the |

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| | Normal Amortisation Period Priority of Payments and the Accelerated Amortisation Period Priority of Payments see further section 6 (*Credit structure*) below. |
| **Form and denomination:** | The Notes will be issued in bearer form in the denomination of €100,000, each.<br><br>Each Class of Notes will initially be represented by a Temporary Global Note without interest coupons which will be delivered on the Closing Date to a common safekeeper for Euroclear and Clearstream, Luxembourg. The Temporary Global Note of each Class of Notes will, upon customary certification as to non-U.S. beneficial ownership, each be exchangeable for interests in a Permanent Global Note. Definitive Notes will be issued in certain limited circumstances.<br><br>Each Global Note will be in the form of a new global note. In addition, the Global Notes are intended upon issue to be deposited with Euroclear as common safekeeper for Euroclear and Clearstream, Luxembourg.<br><br>The Notes (other than the Class B Notes) are intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. |
| **Limited recourse and non-petition:** | For a description of the limited recourse and non-petition provisions, please refer to Condition 10 (*Enforcement*). |
| **Limited resources of the Issuer:** | The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of the Available Distribution Amounts. Other than the Available Distribution Amounts, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes or its obligations in respect of any payments ranking in priority to or *pari passu* with the Notes. |
| **Interest:** | Interest on the Notes will accrue from (and including) the Closing Date by reference to successive Interest Periods and will be payable monthly in arrears in euro in respect of the Principal Amount Outstanding (as defined in the Conditions) on each Payment Date.<br><br>Each Interest Period will commence on (and include) a Payment Date and end on (but exclude) the next succeeding Payment Date, except for the first Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Payment Date falling in July 2021. The interest |

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| | will be calculated on the basis of the actual number of days elapsed in an Interest Period divided by 360 days.<br><br>Interest on the Class A Notes for the first Interest Period will accrue from (and include) the Closing Date until (but exclude) the Payment Date falling in July 2021 at an annual rate equal to the higher of (i) zero per cent. and (ii) the linear interpolation between Euribor for one-month deposits in euro and the Euribor for three-month deposits in euro plus a margin for the Class A Notes which will be 0.70 per cent. per annum.<br><br>Interest on the Class A Notes for each successive Interest Period will accrue at an annual rate equal to the higher of (i) zero per cent. and (ii) Euribor for one-month euro deposits plus a margin for the Class A Notes which will be 0.70 per cent. per annum.<br><br>Interest on the Class B Notes for each Interest Period will accrue from (and include) the Closing Date at an annual rate equal to 2.5 per cent. per annum.<br><br>Payment of interest on the Notes will only be made if and to the extent the Issuer or the Security Trustee, as the case may be, has sufficient funds available to it to satisfy such payment obligation subject to in accordance with the relevant Priority of Payments.<br><br>With respect to payments of interest and principal, particular attention should be paid to the risk factor descriptions as set forth in section 1 (*Risk factors*). |
| **Final redemption:** | Unless previously redeemed in full, the Issuer will redeem the Notes at their respective Principal Amount Outstanding together with any accrued but unpaid interest thereon on the Final Maturity Date. |
| **Mandatory redemption in part:** | No principal will be paid on the Notes during the Revolving Period except for any optional redemption pursuant to Condition 6.4 (*Optional redemption in whole for taxation*). On each Payment Date following the termination of the Revolving Period and prior to the service of a Notes Acceleration Notice by the Security Trustee, the Issuer shall apply the Available Distribution Amounts up to the Required Principal Redemption Amount, in redemption of the Notes, in accordance with the Normal Amortisation Period Priority of Payments.<br><br>Upon the service of a Notes Acceleration Notice by the |

Security Trustee, the Issuer shall redeem the Notes in accordance with the Accelerated Amortisation Period Priority of Payments.

**Optional redemption in whole for taxation:**

The Notes will be subject to early redemption in whole (but not in part) at their Principal Amount Outstanding together with accrued but unpaid interest up to but excluding the date of redemption at the option of the Issuer with not more than 60 nor less than 30 days' notice (or such shorter period expiring on or before the latest date permitted by relevant law) to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*) and to the Security Trustee, on any Payment Date (as specified in Condition 6.4 (*Optional redemption in whole for taxation*)) if:

(a) the Issuer or the Paying Agent has become or would become obligated to make any withholding or deduction from payments in respect of any of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction); and/or

(b) the Issuer has become or would become subject to any limitation of the deductibility of interest on any of the Notes, as a result of (i) a change in any laws, rules or regulations or in the interpretation or administration thereof, or (ii) any act taken by any taxing authority on or after the issue date of the Notes.

Prior to the publication of any notice of redemption as described above, the Issuer shall deliver to the Security Trustee a certificate stating that (i) the relevant event described above is continuing and that the appointment of a Paying Agent or a substitution as referred to in Condition 6.4 (*Optional redemption in whole for taxation*) would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such a substitution, and (ii) the Issuer will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Payment Date and to discharge all other amounts required to be paid by it on the relevant Payment Date, and the Security Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and such certification shall vis-à-vis the Noteholders be conclusive and binding.

**Seller Clean-Up Call:**

Prior to the occurrence of a Seller Event of Default, the Seller may at any time terminate all, but not some only, of the Hire Purchase Contracts and repay all Issuer Advances on any Payment Date on which (i) the Aggregate Discounted Balance is less than 10 per cent. of the Aggregate Discounted Balance as of the Initial Cut-Off Date or (ii) the Class A Notes including any interest accrued but unpaid are redeemed in full, provided that on such Payment Date the Issuer will have sufficient funds to pay all amounts due and payable to the Noteholders of the Class A Notes (to the extent not yet redeemed in full) and all amounts to be paid in priority to the Class A Notes subject to and in accordance with the Conditions.

The Issuer shall use the proceeds of such repayment of Issuer Advances to redeem all of the Notes (to the extent not yet redeemed in full) in accordance with Condition 6.5 (*Redemption following Seller Clean-Up Call*).

**Revolving Period:**

During the period commencing on (and including) the Closing Date and ending on (but excluding) the earlier of (i) the Payment Date falling in July 2022 and (ii) the date on which a Revolving Period Termination Event occurs no payments of principal will be made on the Notes, except in case of an optional redemption in whole for taxation pursuant to Condition 6.4 (*Optional redemption in whole for taxation*).

During the Revolving Period, the Available Distribution Amounts will not be applied in redemption of the Class A Notes or the Class B Notes but shall, subject to the terms of the Master Hire Purchase Agreement and the Revolving Period Priority of Payments, be applied to hire purchase Additional Leased Vehicles together with the associated Lease Receivables and to make Additional Issuer Advances up to the amount of the Replenishment Amount or shall be credited on the Transaction Account with a corresponding credit to the Replenishment Ledger.

**Withholding tax:**

All payments of, or in respect of, principal and interest on the Notes will be made without withholding of, or deduction for any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the

Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to such Noteholders.

See *Optional redemption in whole for taxation* above for a description of the Issuer's right to redeem the Notes on the occurrence of certain tax-related events, including the imposition of Dutch withholding tax on payments in respect of the Notes.

**Notes Acceleration Notice:** Pursuant to Condition 9 (*Issuer Events of Default*), upon the service of a Notes Acceleration Notice by the Security Trustee, all Classes of Notes then outstanding shall immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued interest as provided in the Trust Deed. The security constituted by the Security Documents will become enforceable upon the service of a Notes Acceleration Notice.

**Security for the Notes:** The Noteholders will benefit from the security created by the Issuer and the Seller in favour of the Security Trustee pursuant to the Security Documents.

The amounts payable by the Security Trustee to the Secured Creditors under the Trust Deed will be limited to the net amounts available for such purpose to the Security Trustee. Payments to the Secured Creditors will be made in accordance with the Accelerated Amortisation Period Priority of Payments.

The Noteholders, the other Secured Creditors and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least two (2) years after the last maturing Note is paid in full. The only remedy of the Security Trustee against the Issuer and only obligation of the Security Trustee towards the Secured Creditors after any of the Notes have become due and payable is to enforce the Security and to distribute the proceeds in accordance with the Trust Deed. See for a more detailed description section 8.1 (*Trust Deed*) and section 8.2 (*Pledge Agreements*) below.

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| **Revolving Period Priority of Payments:** | During the Revolving Period, the Available Distribution Amounts will be distributed on each Payment Date in accordance with the Revolving Period Priority of Payments.<br><br>The Available Distribution Amounts will not be applied in redemption of the Class A Notes or the Class B Notes during the Revolving Period but shall subject to the terms of the Master Hire Purchase Agreement and the Revolving Period Priority of Payments be applied to hire purchase Additional Leased Vehicles together with the associated Lease Receivables and to make Additional Issuer Advances up to the amount of the Replenishment Amount or shall be credited on the Transaction Account with a corresponding credit to the Replenishment Ledger (except in case of any optional redemption pursuant to Condition 6.4 (*Optional redemption in whole for taxation)*). See further section 6 (*Credit structure*) below. |
| **Normal Amortisation Period Priority of Payments:** | After the termination of the Revolving Period and provided no Notes Acceleration Notice has been served by the Security Trustee, any amount standing to the credit of the Replenishment Ledger shall form part of the Available Distribution Amounts which will be distributed on each Payment Date, subject to and in accordance with the Normal Amortisation Period Priority of Payments. See further section 6 (*Credit structure*) below. |
| **Accelerated Amortisation Period Priority of Payments:** | Following the delivery of a Notes Acceleration Notice by the Security Trustee, all funds available to the Issuer (including any amounts standing to the credit of the Issuer Accounts (excluding the Swap Collateral Account)) will be distributed on any Business Day following such event subject to and in accordance with the Accelerated Amortisation Period Priority of Payments. See further section 6 (*Credit structure*) below. |
| **Ratings:** | The Class A Notes are expected on issue to be assigned the following ratings:<br><br>Moody's – Aaa(sf)<br>DBRS – AAA(sf)<br><br>The rating of "Aaa(sf)" is the highest rating Moody's assigns to long term debts and the rating "AAA(sf)" is the highest rating DBRS assigns to long terms debts. The suffix "sf" denotes an issue that is a structured finance transaction. |

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| **Applicable law:** | The Notes and the Transaction Documents (other than the Swap Agreement and the Issuer Accounts Pledge Agreement) will be governed by, and construed in accordance with, Dutch law.<br><br>The Swap Agreement will be governed by, and construed in accordance with, English law, except for the terms which are incorporated by reference pursuant to the Master Definitions and Common Terms Agreement. The Issuer Accounts Pledge Agreement will be governed by, and construed in accordance with, Irish law, except for the terms which are incorporated by reference pursuant to the Master Definitions and Common Terms Agreement. |
| **Selling restrictions:** | There are selling restrictions in relation to the United States, the UK, EEA and France and such other restrictions as may apply in connection with the offering and sale of the Notes. See section 21 (*Subscription and sale*) of this Prospectus. |
| **Listing:** | Application has been made for the Class A Notes to be admitted to trading on the Regulated Market and to be listed on the Official List on or about the Closing Date.<br><br>The Class B Notes will not be listed. |
| **Collateralisation** | The level of collateralisation (as calculated by the ratio between the Aggregate Discounted Balance of the Portfolio as of the Initial Cut-off Date and the aggregate Principal Amount Outstanding of the Class A Notes) of the Class A Notes will be equal to 133.52 per cent. |

### 3.3 Assets & reserves

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| **Assets backing the Notes:** | The Notes are backed by the Purchased Vehicles and the associated Lease Receivables.<br><br>The Lease Receivables consist of any present or future rights and claims in respect of the relevant Lessee under the relevant Lease Agreement, including any Lease Instalment, maintenance charge or related fees and expenses due and payable by the Lessee under the terms of the Lease Agreement and any accessory rights (*afhankelijke rechten*), ancillary rights (*nevenrechten*), connected rights (*kwalitatieve rechten*) and any other rights relating thereto.<br><br>See section 9 (*Description of Portfolio*) for further details. |

Pursuant to the Master Hire Purchase Agreement, the Issuer will, from time to time, subject to the conformity with the Eligibility Criteria, hire purchase Leased Vehicles from the Seller by means of the execution of Hire Purchase Contracts. It will hire purchase the Initial Leased Vehicles on the Closing Date and from time to time, subject to the terms of the Master Hire Purchase Agreement, hire purchase any Additional Leased Vehicle on any Additional Purchase Date.

**Repurchase Option:**

Pursuant to the Master Hire Purchase Agreement, the Call Option Provider writes in respect of each Purchased Vehicle an option (the **Repurchase Option**) to the Call Option Buyer which Repurchase Option can be exercised at an option exercise price (the **Option Exercise Price**) which will be equal to (i) in case of a Matured Lease, the Estimated Residual Value and (ii) in case of a Lease Agreement Early Termination, an amount equal to the sum of (x) the Present Value of all remaining scheduled Lease Interest Components and Lease Principal Components that would have become due and payable under the relevant associated Lease Agreement after the Lease Early Termination Date in the event such Lease Agreement would not have been subject to a Lease Agreement Early Termination and (y) the Present Value of the Estimated Residual Value of the relevant Purchased Vehicle, each as calculated in respect of the relevant Lease Agreement as of the relevant Cut-Off Date. If an Insolvency Event has occurred with respect to a Lessee the Call Option Buyer may only exercise its Repurchase Option with respect to all (but not some of the) Purchased Vehicles relating to such Lessee.

Pursuant to the Repurchase Option, the Call Option Buyer has, upon the occurrence of a Lease Termination Date, the right but not the obligation to repurchase the relevant Purchased Vehicle subject to certain payment conditions, provided that if an Insolvency Event has occurred with respect to a Lessee the Call Option Buyer may only exercise its Repurchase Option with respect to all (but not some of the) Purchased Vehicles relating to such Lessee. A Repurchase Option, if exercised, will be exercised on the Payment Date immediately succeeding the Collection Period in which the relevant Lease Termination Date occurred.

If the Call Option Buyer exercises a Repurchase Option, the relevant Purchased Vehicle will be retransferred to the Call Option Buyer together with the associated Lease Receivables

which have or will become due and payable after the relevant Lease Termination Date and any Lease Incidental Debt relating to the relevant Purchased Vehicle. Any right of pledge on the relevant Purchased Vehicle and associated Lease Receivables will be released subject to the relevant Option Exercise Price having been discharged in full.

**Termination and repayment by the Seller:**

Pursuant to the Master Hire Purchase Agreement, the Seller will be required to terminate the relevant Hire Purchase Contract and repay the associated Issuer Advance in the event of a breach of the Asset Warranties (including the Eligibility Criteria and Replenishment Criteria) made by it in respect thereof subject to the terms and conditions of the Master Hire Purchase Agreement.

This termination and repayment obligation also applies if the breach of the Asset Warranties relates to a Purchased Vehicle which is associated with a Defaulted Lease Agreement.

In addition, in the Master Hire Purchase Agreement the Seller has undertaken to terminate the relevant Hire Purchase Contract and repay the associated Issuer Advance upon the occurrence of certain circumstances, including immediately following the date on which an amendment of the terms of the relevant Lease Agreement becomes effective as a result of which such Lease Agreement and/or the associated Lease Receivables or Purchased Vehicle no longer meets certain criteria set forth in the Master Hire Purchase Agreement and/or the Servicing Agreement.

**Aggregate Discounted Balance:**

The Aggregate Discounted Balance in respect of the Portfolio means the sum of (a) the Present Value of all Lease Interest Components and Lease Principal Components which will become payable and have become payable but have not yet been paid and (b) the Present Value of the Estimated Residual Value, each in respect of the Purchased Vehicles to the extent not relating to a Defaulted Lease Agreement, calculated as per the relevant Cut-Off Date.

**Eligibility Criteria:**

Pursuant to the Master Hire Purchase Agreement the Seller represents and warrants to the Issuer and the Security Trustee as of the relevant Purchase Cut-Off Date immediately preceding each Purchase Date with respect to the Leased Assets sold by it on such Purchase Date or, as the case may be, relating to the Portfolio including such Leased Assets as of such Purchase Date that each Leased Vehicle together with

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| | the associated Lease Receivables and Lease Agreements comprised in the relevant Portfolio satisfy the Eligibility Criteria. |
| **Replenishment Criteria** | The Leased Vehicles or Purchased Vehicles, as the case may be, the Lease Agreements and/or Lease Receivables have to satisfy the Replenishment Criteria calculated on a portfolio basis throughout the Revolving Period and, for the avoidance of doubt, calculated by taking into account the Additional Leased Vehicles contemplated to be purchased on the relevant Purchase Date. |
| **Representations and warranties:** | In each Hire Purchase Contract, the Seller will make certain representations and warranties with respect to itself (the **Corporate Warranties**) and in respect of the relevant Leased Vehicle purchased pursuant to such Hire Purchase Contract, the associated Lease Receivables and the related Lease Agreement (the **Asset Warranties** and together with the Corporate Warranties, the **Seller Warranties**).<br><br>Certain representations and warranties will be further repeated on each Payment Date.<br><br>With regard to the Eligibility Criteria, the Replenishment Criteria and the Seller Warranties see further section 8 (*Description of certain Transaction Documents*) below. |
| **Issuer Accounts and Transaction Account Ledgers:** | On or prior to the Closing Date, the Issuer (or the Issuer Administrator on its behalf) will establish the Transaction Account, General Reserve Account and Swap Collateral Account with the Account Bank. The Issuer (or the Issuer Administrator on its behalf) will also maintain certain Transaction Account Ledgers. |

### 3.4 The main Transaction Documents

**Master Hire Purchase Agreement:**

Pursuant to the Master Hire Purchase Agreement, the Issuer will, from time to time, subject to the conformity with the Eligibility Criteria, hire purchase Leased Vehicles from the Seller by means of the execution of Hire Purchase Contracts. It will hire purchase the Initial Leased Vehicles on the Closing Date and from time to time, subject to the terms of the Master Hire Purchase Agreement, hire purchase any Additional Leased Vehicle on any Additional Purchase Date.

The Issuer agrees and acknowledges that the legal ownership of each Purchased Vehicle remains with the Seller and will by operation of law transfer to the Issuer upon full discharge of the Purchase Price in respect of such Purchased Vehicle.

Transfer of title (*levering*) of each Purchased Vehicle shall take place by the Seller providing control (*macht*) over such Purchased Vehicle to the Issuer. To this effect the Seller shall execute a declaration incorporated in the relevant Combined Transfer Deed to confirm that it transfers control over the relevant Purchased Vehicle to the Issuer as from the relevant Purchase Date. In addition, a notification will be sent to the relevant Lessee within such time as agreed upon in the Master Hire Purchase Agreement. By means of this notice the relevant Lessees will be informed that, among other things, the details as to which Leased Vehicles leased by the relevant Lessee are subject to the hire purchase, will be made available to the Lessee upon request. Moreover, the Lessee will be instructed to adhere to any instruction of the Issuer in relation thereto. The Issuer's control of each Purchased Vehicle will be indirect (*middellijk*) that is through the relevant Lessee.

The Leased Vehicles are being sold together with any and all rights and claims pursuant to the associated Lease Agreements including the Lease Receivables.

The Purchase Price payable pursuant to a Hire Purchase Contract in respect of a Purchased Vehicle together with the associated Lease Receivables will be an amount equal to the sum of (i) all scheduled future Lease Interest Components, (ii) all scheduled future Lease Principal Components and (iii) the Estimated Residual Value, each as calculated in respect of the relevant Lease Agreement as per the relevant Cut-Off Date.

Each Purchase Price will be payable by the Issuer to the Seller

in instalments, comprising (i) Regular Purchase Instalments which are payable with respect to each Collection Period up to and including the Collection Period in which a Lease Termination Date in respect of the Lease Agreement associated with the relevant Purchased Vehicle falls and (ii) a Final Purchase Instalment which is payable upon the occurrence of a Lease Termination Date in respect of the Lease Agreement associated with the relevant Purchased Vehicle.

Each Regular Purchase Instalment for a Purchased Vehicle for a Collection Period will be equal to the sum of the Lease Interest Component and the Lease Principal Component for such Collection Period under the relevant Lease Agreement, each as calculated as per the relevant Cut-Off Date and will be due on the first Payment Date following such Collection Period.

The Final Purchase Instalment for a Purchased Vehicle will be equal to (i) in case of a Matured Lease, the Estimated Residual Value of the relevant Purchased Vehicle or (ii) in case of a Lease Agreement Early Termination, subject to the Discount Rate referred to below, the sum of (a) the Estimated Residual Value and (b) all remaining scheduled Lease Interest Components and Lease Principal Components that would have become due and payable under the relevant Lease Agreement after the Lease Early Termination Date in the event such Lease Agreement would not have been subject to a Lease Agreement Early Termination, each relating to the relevant Purchased Vehicle and calculated as per the relevant Cut-Off Date. The Final Purchase Instalment will be due on the first Payment Date following the Collection Period within which the relevant Lease Termination Date of the associated Lease Agreement falls (unless the Seller becomes Insolvent and the Final Purchase Instalment is accelerated (see further section 8 (*Description of certain Transaction Documents*)).

Upon a prepayment by the Issuer of the remaining Purchase Instalments, the Issuer is entitled to a discount on each remaining Purchase Instalment at the Discount Rate.

**Issuer Facility Agreement:** The Issuer Facility Provider will, pursuant to the terms of the Issuer Facility Agreement, on the Closing Date make available to Athlon an Initial Issuer Advance in respect of each Purchased Vehicle together with the associated Lease Receivables forming part of the Initial Portfolio, each for an amount equal to the Present Value of all Purchase Instalments

as calculated as at the Initial Cut-Off Date. After the Closing Date, any Additional Issuer Advance may be made on an Additional Purchase Date in accordance with the Issuer Facility Agreement.

**Servicing Agreement:**

The Servicer will, pursuant to the terms of the Servicing Agreement service and administer the Lease Agreements, report on the performance of the Portfolio and perform the Services.

Until the earlier of (i) the occurrence of a Seller Event of Default and (ii) the appointment of Athlon as Servicer being terminated, the Servicer will in consideration of its performance of the Services receive the Senior Servicer Fee to be paid by the Issuer to the Servicer in accordance with the relevant Priority of Payments.

Upon the occurrence of a Seller Event of Default until the appointment of Athlon as Servicer being terminated, the Servicer will in consideration of its duties receive the Servicer Fee to be paid by the Issuer to the Servicer on each Payment Date subject to and in accordance with the relevant Priority of Payments.

Pursuant to the Servicing Agreement, if upon the occurrence of a Servicer Termination Event no Back-Up Servicer has been appointed, the Back-Up Servicer Facilitator shall use its reasonable endeavours to identify potential Suitable Entities to arrange for the appointment by the Issuer of a substitute servicer. If a Suitable Entity has been selected, the Back-Up Servicer Facilitator will arrange for the appointment by the Issuer of such substitute servicer subject to the terms and conditions set out in the Servicing Agreement, provided that such appointment (i) shall be approved by the Security Trustee, (ii) shall be effective not later than the date of the termination of the appointment of the Servicer, (iii) shall be on substantially the same terms as the terms of the Servicing Agreement, providing for remuneration at such a rate that does not exceed the rate then commonly charged by providers of credit management and administration services for provision of such services on such terms and (iv) shall be notified to the Rating Agencies.

The Back-Up Servicer will have to satisfy and meet the requirements and standards as set out in the Servicing Agreement.

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| | Following a Servicer Termination Event the Issuer and the Security Trustee acting jointly, or following the service of a Notes Acceleration Notice, the Security Trustee may terminate the appointment of the Servicer and request the Back-Up Servicer (acting as Servicer) to take over the services from Athlon as Servicer under the Servicing Agreement subject to and in accordance with the Servicing Agreement. The Issuer, the Back-Up Servicer and the Security Trustee will enter into the Back-Up Servicing Agreement substantially on the terms of the Servicing Agreement which, in addition, shall include provisions detailing the Back-Up Servicer Role to be provided by the Back-Up Servicer prior to it acting as Servicer. |
| **RV Guarantee Agreement:** | The RV Guarantor will, pursuant to the terms of the RV Guarantee Agreement, unless the relevant Purchased Vehicle is associated with a Defaulted Lease Agreement, make a payment equal to the RV Shortfall Amount to the Issuer if a Lease Termination Date occurs and the Call Option Buyer does not exercise the relevant Repurchase Option. |
| **Subordinated Loan Agreement:** | The Subordinated Lender will, pursuant to the terms of the Subordinated Loan Agreement provide Subordinated Loan Advances to the Issuer consisting of (i) the General Reserve Advance, (ii) the Commingling Reserve Advance, (iii) the Maintenance Reserve Advance and (iv) the Subordinated Increase Advance, each as required from time to time in accordance with the Subordinated Loan Agreement. |
| **Account Agreement:** | The Account Bank will, pursuant to the terms of the Account Agreement, open the Transaction Account, General Reserve Account and Swap Collateral Account. |
| **Issuer Administration Agreement:** | Under the Issuer Administration Agreement the Issuer Administrator will agree to provide certain administration, calculation and cash management services for the Issuer on a day-to-day basis, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions (see further section 8 (*Description of certain Transaction Documents*) below). |
| **Trust Deed:** | Under the Trust Deed, the Issuer will for the purpose of the Pledge Agreements undertake to pay to the Security Trustee, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to the Secured Creditors pursuant to the relevant Transaction Documents, provided that every payment in respect of such Transaction Documents for the account of or made to the |

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| | Secured Creditors directly shall operate in satisfaction *pro tanto* of the corresponding payment covenant in favour of the Security Trustee (such a payment undertaking and the obligations and liabilities resulting from it being referred to as the **Parallel Debt**). The amounts available by the Issuer to the Secured Creditors under the Trust Deed will be limited to the net amounts available for such purpose to the Security Trustee. |
| **Pledge Agreements:** | The Notes will be secured indirectly, through the Security Trustee, by (i) a Dutch law first ranking right of pledge granted by the Seller to the Security Trustee over the Purchased Vehicles (ii) a Dutch law first ranking (conditional) right of pledge granted by the Issuer to the Security Trustee over the Purchased Vehicles, (iii) a Dutch law first ranking right of pledge granted by the Issuer to the Security Trustee over the Lease Receivables, (iv) a Dutch law first ranking right of pledge granted by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Master Hire Purchase Agreement, the Swap Agreement, the RV Guarantee Agreement, the Servicing Agreement, the Subordinated Loan Agreement, the Account Agreement and the Issuer Facility Agreement, and (v) an Irish law assignment and fixed charge granted by the Issuer to the Security Trustee in respect of the Issuer Accounts. |
| **Transparency Reporting Agreement:** | Under the Transparency Reporting Agreement, the Issuer (as SSPE) and the Seller (as originator) shall, in accordance with article 7(2) of the Securitisation Regulation, designate amongst themselves the Seller as the Reporting Entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation (see further section 8.10 (*Transparency Reporting Agreement*) below). |
| **Management Agreements:** | The Issuer, the Shareholder and the Security Trustee will each enter into a Management Agreement with the relevant Director in which the relevant Director will undertake to act as a director of the Issuer, the Shareholder and the Security Trustee, respectively, and to perform certain services in connection therewith. |
| **Data Trustee Agreements:** | Each of Athlon, the Issuer and the Security Trustee has individually appointed the Data Trustee as a data processor under the Applicable Data Protection Laws. On the Signing Date, each of Athlon, the Issuer and the Security Trustee will enter into a Data Trustee Agreement with the Data Trustee |

containing relevant data processor arrangements as required under the Applicable Data Protection Laws (see further section 8 (*Description of certain Transaction Documents*) below).

**Paying Agency Agreement:** Pursuant to the Paying Agency Agreement, the Issuer will appoint the Paying Agent to forward payments to be made by the Issuer to the Noteholders and will appoint the Interest Determination Agent to determine the applicable Euribor rate for the Notes.

**Subscription Agreement:** Pursuant to the Subscription Agreement, the Joint Lead Managers will, subject to certain customary closing conditions, subscribe for the Class A Notes.

**Swap Agreement:** On or about the Signing Date, the Issuer and the Swap Counterparty will enter into the Swap Agreement pursuant to which the Issuer will mitigate the risks of a mismatch between the floating rate of interest payable by the Issuer in respect of the Notes and the fixed rate income being the Lease Interest Components included in the Lease Instalments to be received by the Issuer in respect of the Portfolio. Pursuant to the Swap Agreement the Issuer will make payments to the Swap Counterparty by reference to a certain fixed interest rate and the Swap Counterparty will make payments to the Issuer by reference to a rate based on Euribor.

For further information with regard to the Swap Agreement, see further section 8 (*Description of certain Transaction Documents*) below.

**Governing law:** All Transaction Documents other than the Swap Agreement and the Issuer Accounts Pledge Agreement will be governed by Dutch law. The Swap Agreement will be governed by English law. The Issuer Accounts Pledge Agreement will be governed by Irish law.

### 3.5 Compliance with the Securitisation Regulation

**Risk retention requirements:** The Seller, as originator, has undertaken with the Issuer and the Security Trustee under the Master Hire Purchase Agreement and with the Joint Lead Managers under the Subscription Agreement that the Originator will, for the life of the Transaction, retain a material net economic interest of not less than 5 per cent. in the Transaction in accordance with article 6(3)(d) of the Securitisation Regulation (which does not take into account any corresponding national measures) and will not enter into any credit risk mitigation, short position or

any other credit hedge or sale with respect to such material net economic interest, provided that the level of retention may reduce over time in compliance with article 10(2) of the Draft RTS Risk Retention specifying the risk retention requirements pursuant to article 6 of the Securitisation Regulation. As of the Closing Date, such interest will, in accordance with article 6(3)(d) of the Securitisation Regulation, be retained through the holding of the Class B Notes. The Issuer Administrator, on behalf of the Issuer and / or the Reporting Entity, will prepare monthly investor reports wherein relevant information with regard to the Leased Vehicles and Lease Receivables will be disclosed publicly together with information on the retention of the material net economic interest by the Seller.

**Compliance with article 7 of the Securitisation Regulation:**

Pursuant to the Transparency Reporting Agreement, the Originator has been designated as the Reporting Entity and the Issuer has undertaken to deliver to the Reporting Entity a copy of the Transaction Documents, the Prospectus and any other document or report received in connection with the Transaction, unless the Reporting Entity already has possession of the respective documents.

Pursuant to the Transparency Reporting Agreement, the Reporting Entity has undertaken to prepare and deliver to the Issuer, the Noteholders, (upon request) any potential investors in the Notes and the relevant competent authorities:

(i) the information set forth in article 7(1)(a), (b), (d), (e), (f) and to the extent applicable, (g) of the Securitisation Regulation (the **Transparency Requirements**) in accordance with article 7 of the Securitisation Regulation and to the extent the STS Transparency Requirements are in effect, Article 22(5) of the Securitisation Regulation; and

(ii) the information set forth in article 22, and to the extent applicable, articles 20(10), 20(11)(a)(ii) and 21(9) of the Securitisation Regulation (the **STS Transparency Requirements**) in accordance with the Securitisation Regulation,

provided that the Reporting Entity will only be required to comply with (i) above to the extent that the Transparency Requirements are in effect and (ii) above to the extent that the STS Transparency Requirements are in effect.

For such purpose, the Reporting Entity has undertaken in the

Transparency Reporting Agreement that it (or any agent on its behalf) will in particular:

(a) prepare and publish, at least on a quarterly basis, the lease level data setting out the information required by article 7(1)(a) of the Securitisation Regulation and the applicable Regulatory Technical Standards simultaneously with the relevant monthly investor report;

(b) prepare and publish, on a monthly basis, a monthly investor report as required by and in accordance with article 7(1)(e) of the Securitisation Regulation and the applicable Regulatory Technical Standards;

(c) upon the occurrence of an event triggering the existence of any inside information as referred to in article 7(1)(f) of the Securitisation Regulation and to the extent applicable, any significant event as referred to in article 7(1)(g) of the Securitisation Regulation, publish without delay, subject to the timely receipt of all necessary information from the relevant parties, such inside information or significant event by means of the Inside Information Report; and

(d) make available copies of the relevant Transaction Documents, the STS Notification and the Prospectus in accordance with article 7(1)(b) and (d) and to the extent applicable article 22(5) of the Securitisation Regulation,

provided that the Transparency Requirements are in effect. Though, the Reporting Entity will not be in breach of such undertaking towards the Issuer under the Transparency Reporting Agreement if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control.

In addition, the Reporting Entity has made available the documents as required by and in accordance with article 7(1)(b) of the Securitisation Regulation prior to the pricing of the Notes.

The Reporting Entity (or any agent on its behalf) will make all such information set forth above available to the Relevant Recipients as is required to be made available pursuant to article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

**Investors to assess** Each prospective investor is required to independently assess

**compliance; Information:** and determine the sufficiency of the information described in the preceding two paragraphs for the purposes of complying with article 5 of the Securitisation Regulation, and none of the Issuer, the Seller (in its capacity as Seller, Reporting Entity and Servicer), the Arranger nor the Managers makes any representation that the information described above is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that it complies with any implementing provisions in respect of article 5 of the Securitisation Regulation in its relevant jurisdiction.

Prospective investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

### 3.6 Compliance with STS Requirements

**Simple, Transparent and Standardised securitisation:** The Transaction is intended to meet the requirements for simple, transparent and standardised non-ABCP securitisations provided for by the STS Requirements.

For such purpose, *inter alia*, external verification according to article 22(2) of the Securitisation Regulation is expected to be obtained prior to the Closing Date. Such external verification shall include the verification of compliance of the Purchased Vehicles and associated Lease Receivables with certain eligibility criteria and the verification of the fact that the data disclosed in any formal offering document in respect of the Purchased Vehicles and associated Lease Receivables is accurate.

The compliance of the Transaction with the STS Requirements as of the Closing Date is expected to be verified by STS Verification International GmbH, in its capacity as third party verification agent authorised pursuant to article 28 of the Securitisation Regulation. No assurance can be provided that the Transaction does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future.

The Originator will notify ESMA that the Transaction meets the STS Requirements in accordance with article 27 of the Securitisation Regulation.

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

MiFID II and it is not a credit rating whether generally or as defined under the CRA Regulation.

### 3.7 Verification by SVI

**SVI verification STS Requirements:**

STS Verification International GmbH (**SVI**) has been authorised by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) as third party verification agent 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 STS Requirements.

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). 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 the STS Notification a statement that compliance of its securitisation with the STS Requirements has been confirmed by SVI. The use of such a verification service shall not affect the liability of the Originator, nor the Issuer in respect of their legal obligations under 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 verification performed by SVI does not affect the liability of the Seller as Originator or the Issuer as SSPE in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of such verification by SVI shall not affect the obligations imposed on institutional investors as set out in article 5 of the Securitisation Regulation. Notwithstanding verification by SVI which verifies compliance of a securitisation with the 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 securities concerned other then as such set out in SVI's final verification report and disclaims any responsibility for monitoring continuing compliance with the STS Requirements by the parties concerned or any other aspect of their activities or operations.

Verification by SVI is not a recommendation to buy, sell or hold securities. Investors should therefore not evaluate their investment in securities solely on the basis of this verification.

## 4 TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed. The terms and conditions set out below will apply to the Notes in global form.*

The issue of the EUR 500,000,000 class A floating rate notes due 2031 (the **Class A Notes**) and the EUR 167,600,000 class B fixed rate notes due 2031 (the **Class B Notes** and together with the Class A Notes, the **Notes**) was authorised by a resolution of the managing director of Silver Arrow Athlon NL 2021-1 B.V. (the **Issuer**) passed on 4 June 2021. The Notes have been issued under a trust deed (the **Trust Deed**) dated 14 June 2021 (the **Signing Date**) between the Issuer, the Shareholder and Stichting Security Trustee Silver Arrow Athlon NL 2021-1 (the **Security Trustee**). Any reference in these terms and conditions of the Notes (the **Conditions**) to a class of Notes or of Noteholders shall be a reference to the Class A Notes or the Class B Notes, as the case may be, or to the respective holders thereof.

Under a paying agency agreement (the **Paying Agency Agreement**) dated the Signing Date by and between the Issuer, the Security Trustee and Elavon as paying agent (the **Paying Agent**) and as interest determination agent (the **Interest Determination Agent**), provision is made for, among other things, the payment of principal and interest in respect of the Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of (i) the Paying Agency Agreement, (ii) the Trust Deed, which will include the form of the Notes and the interest coupons appertaining to the Notes (the **Coupons**), the forms of the Temporary Global Notes and the Permanent Global Notes, (iii) a master hire purchase agreement (the **Master Hire Purchase Agreement**) dated the Signing Date between Athlon Car Lease Nederland B.V. (**Athlon**) as seller (the **Seller**), the Issuer and the Security Trustee, (iv) a servicing agreement (the **Servicing Agreement**) dated the Signing Date between the Issuer, Athlon as servicer (the **Servicer**) and the Security Trustee, (v) an issuer administration agreement (the **Issuer Administration Agreement**) dated the Signing Date between the Issuer, Intertrust Administrative as Issuer administrator (the **Issuer Administrator**) and the Security Trustee, (vi) a residual value guarantee agreement (the **RV Guarantee Agreement**) dated the Signing Date between Athlon as residual value guarantor (the **RV Guarantor**), the Issuer and the Security Trustee, (vii) a seller vehicles pledge agreement (the **Seller Vehicles Pledge Agreement**) dated the Signing Date between the Seller, the Issuer and the Security Trustee, (viii) an issuer vehicles pledge agreement (the **Issuer Vehicles Pledge Agreement**) dated the Signing Date between the Issuer and the Security Trustee, (ix) a lease receivables pledge agreement (the **Lease Receivables Pledge Agreement**) dated the Signing Date between the Issuer and the Security Trustee, (x) an issuer rights pledge agreement (the **Issuer Rights Pledge Agreement**) dated the Signing Date between, *inter alios*, Athlon, the Issuer and the Security Trustee and (xi) an issuer accounts pledge agreement (the **Issuer Accounts Pledge Agreement**) dated the Signing Date between, *inter alios*, the Issuer and the Security Trustee (jointly with the pledge agreements referred to under (vii), (viii), (ix) and (x), the **Pledge Agreements** and the Pledge Agreements together with the Trust Deed, the **Security Documents** and together with certain other agreements, including all aforementioned agreements and the Notes, the **Transaction Documents**).

A reference to a Transaction Document shall be construed as a reference to such Transaction Document as the same may have been, or may from time to time be, replaced, amended or supplemented and a reference to any party to a Transaction Document shall include references to its permitted successors, assigns and any person deriving title under or through it subject to and in accordance with the relevant Transaction Document. As used herein, **Class** means the Class A Notes or the Class B Notes, as the case may be.

Certain words and expressions used below are defined in a master definitions and common terms agreement (the **Master Definitions and Common Terms Agreement**) dated the Signing Date and signed by the Issuer, the Security Trustee, the Seller and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions.

Copies of the Master Hire Purchase Agreement, the Trust Deed, the Paying Agency Agreement, the Servicing Agreement, the Pledge Agreements, the Master Definitions and Common Terms Agreement and certain other agreements are available for inspection free of charge by holders of the Notes at the specified office of the Paying Agent and the current office of the Security Trustee, being at the date hereof: Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents.

## 1. Form, Denomination and Title

1.1 *Global Notes*

Each Class of the Notes is initially represented by a temporary global note (each, a **Temporary Global Note**) in bearer form in the aggregate principal amount on issue of EUR 500,000,000 for the Class A Notes and EUR 167,600,000 for the Class B Notes. Each Temporary Global Note has been deposited on behalf of the subscribers of the relevant Class of Notes with a common safekeeper (the **Common Safekeeper**) for Clearstream Banking, S.A. (**Clearstream, Luxembourg**) and Euroclear Bank S.A/N.V. (**Euroclear**) and together with Clearstream, Luxembourg, the **Clearing Systems**) on the Closing Date. Upon deposit of the Temporary Global Notes, the Clearing Systems credited each subscriber of Notes with the principal amount of Notes of the relevant Class equal to the aggregate principal amount thereof for which it had subscribed and paid. Interests in each Temporary Global Note are exchangeable on and after the date which is forty (40) calendar days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder, for interests recorded in the records of the Clearing Systems in a permanent global note (each, a **Permanent Global Note**) representing the same Class of Notes (the expressions Global Notes and Global Note meaning, respectively, (i) all the Temporary Global Notes and the Permanent Global Notes or the Temporary Global Note and the Permanent Global Note of a particular Class, or (ii) any of the Temporary Global Notes or Permanent Global Notes, as the context may require). The Permanent Global Notes have also been deposited with the Common Safekeeper for the Clearing Systems. Title to the Global Notes will pass by delivery.

Interests in a Global Note will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

1.2 *Definitive Notes*

If, while any of the Notes are represented by a Permanent Global Note (i) the Notes become immediately due and payable by reason of accelerated maturity following an Issuer Event of Default, or (ii) either of the Clearing Systems is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Security Trustee is then in existence or (iii) as a result of any amendment to, or change in, the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or the Paying Agent is or will on the next Payment Date (as defined below) be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form, then the Issuer will issue Notes of the relevant Class in definitive form (**Definitive Notes**) in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. These Conditions and the Transaction Documents will be amended in such manner as the Security Trustee requires to take account of the issue of Definitive Notes.

1.3 *Title*

Under Dutch law, the valid transfer of Notes requires, *inter alia*, delivery *(levering)* thereof.

1.4 *Denomination Definitive Notes*

The Notes will be issued in denominations of EUR 100,000 each and will be in bearer form. Such Notes will be serially numbered and will be issued in bearer form with, if issued as Definitive Notes (at the date of issue) interest coupons, principal coupons and, if necessary, talons attached.

1.5 *Definitions for the purpose of these Conditions*

The term **Noteholders** means each person (other than the Clearing Systems themselves) who is for the time being shown in the records of the Clearing Systems as the holder of a particular Principal Amount Outstanding (as defined in Condition 6.1(*Definitions*) of the Notes of any Class (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of the Notes standing to the account of any person shall be conclusive and binding for all purposes) and such person shall be treated by the Issuer, the Security Trustee and all other persons as the holder of such Principal Amount Outstanding of such Notes for all purposes (including for the purposes of any quorum or voting requirements, or the rights to demand a poll at meetings of Noteholders), other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, the Security Trustee and all other persons, solely in the bearer of the relevant Global Note in

accordance with and subject to the terms of the Global Note and the Trust Deed and for which purpose Noteholders means the bearer of the relevant Global Note; and related expressions shall be construed accordingly.

**Class A Noteholder** means a Noteholder in respect of the Class A Notes; and

**Class B Noteholder** means a Noteholder in respect of the Class B Notes.

## 2. Status, relationship between the Notes and Security

2.1 *Status*

The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class.

In accordance with the provisions of Conditions 4 (*Interest*), 6 (*Redemption*) and 9 (*Issuer Events of Default*) and the Trust Deed (i) payments of principal and interest on the Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes.

2.2 *Security*

The Secured Creditors, including, *inter alia*, the Noteholders, benefit from the security for the obligations of the Issuer towards the Security Trustee (the **Security**), which will be created pursuant to, and on the terms set out in, the Trust Deed and the Pledge Agreements. The Class A Notes will rank in priority senior to the Class B Notes (save as set out in Condition 2.1(*Status*)).

The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Class A Noteholders and the Class B Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise), but requiring the Security Trustee in any such case to have regard only to the interests of the Class A Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Class A Noteholders and the Class B Noteholders.

The Trust Deed contains provisions limiting the powers of the Class B Noteholders to request or direct the Security Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders except in certain circumstances. The Trust Deed contains no such limitation on the powers of the Class A Noteholders the exercise of which will be binding on the Class B Noteholders irrespective of the effect thereof on their interests. In addition, the Security Trustee shall have regard to the interests of the other Secured Creditors, provided that, in the case of a conflict of interest between the other Secured Creditors, the relevant priority of payments set forth in the Trust Deed (each a **Priority of Payments**) determines which interest of which other Secured Creditor prevails.

## 3. Covenants of the Issuer

As long as any of the Notes remains outstanding, the Issuer shall carry out its business in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and accounting practice and shall not, except to the extent permitted by the Transaction Documents or with the prior written consent of the Security Trustee:

(a) carry out any business other than as described in the prospectus issued in relation to the Notes dated 14 June 2021 (the **Prospectus**) and as contemplated in the Transaction Documents;

(b) incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated in the Transaction Documents;

(c) create, promise to create or permit to subsist any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets, except as contemplated in the Transaction Documents;

(d) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;

(e) permit the validity or effectiveness of the Security Documents, and the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations except as contemplated in the Transaction Documents;

(f) have any employees or premises or have any subsidiary or subsidiary undertaking;

(g) have an interest in any bank account other than the Issuer Accounts, unless all rights in relation to such accounts (other than any Swap Collateral Account) will have been pledged to the Security Trustee as provided in Condition 2 (*Status, relationship between the Notes and Security*);

(h) amend, supplement or otherwise modify its articles of association or other constitutive documents;

(i) pay any dividend or make any other distribution to its shareholder(s) (other than out of the amount carved out from the Available Distribution Amounts as the amount representing taxable income for corporate income tax purposes in the Netherlands) or issue any further shares;

(j) engage in any activity whatsoever which is not incidental to or necessary in connection with, any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in; or

(k) enter into derivative contracts.

## 4. Interest

4.1 *Period of accrual*

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6 (*Redemption*) from and including the date the Notes are issued (the **Closing Date**).

Each Note (or, in the case of the redemption of only part of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition 14 (*Notice to Noteholders*) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Note for any period, such interest shall be calculated on the basis of the actual number of days elapsed in the Interest Period divided by 360 days.

4.2 *Interest Periods and Payment Dates*

Interest on the Notes shall be payable by reference to successive interest periods (each a **Interest Period**) and will be payable in arrear in euro in respect of the Principal Amount Outstanding (as defined in Condition 6 (*Redemption*) of the Notes, respectively, on the 26th day of each calendar month in each year, or if such day is not a Business Day (as defined below), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 26$^{th}$ day is the relevant Business Day (each such day being a **Payment Date**).

A **Business Day** means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are generally open for business in Frankfurt and Stuttgart, Germany, Stockholm, Sweden, Amsterdam, the Netherlands, London, the United Kingdom and Luxembourg City, Luxembourg provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System (the **TARGET 2 System**) or any successor thereto that is operating credit or transferring instructions in respect of payments in euro. Each successive Interest Period will commence on (and include) a Payment Date and end on (but exclude) the next succeeding Payment Date, except for the first Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Payment Date falling in July 2021.

4.3 *Rate of interest on the Notes*

Interest on the Class A Notes for the first Interest Period will accrue from (and include) the Closing Date at an annual rate equal to the higher of (i) zero per cent. and (ii) the linear interpolation Euribor for one-month deposits in euro and the Euribor for three-month deposits in euro plus a margin for the Class A Notes which will be 0.70 per cent. per annum.

The interest rate applicable for each successive Interest Period to the Class A Notes shall be the higher of (i) zero per cent. and (ii) one-month Euribor plus 0.70 per cent. per annum (the **Class A Notes Interest Rate**).

The interest rate applicable for each Interest Period to the Class B Notes shall be 2.5 per cent. (the **Class B Notes Interest Rate** and together with the Class A Notes Interest Rate, the **Notes Interest Rates**).

4.4 *Euribor*

For the purpose of these conditions Euribor will be determined by the Interest Determination Agent on the following basis:

(a) at or about 11.00 a.m. (Central European time) on the second Business Day (or, if Euribor is produced in accordance with the revised hybrid methodology, such other Business Day as is then market practice for the fixing of Euribor) prior to the commencement of each Interest Period (each such day, an **Interest Determination Date**), the Interest Determination Agent will determine the Euro Interbank Offered Rate (**Euribor**) for one (1) month euro deposits (rounded to three decimal places with the mid-point rounded up) by reference rate determined and published by the European Money Markets Institute (**EMMI**) and which appears for information purposes on Reuters page EURIBOR01 (or such other page as may replace such page on that service for the purpose of displaying inter-bank offered rate quotations of major banks); or

(b) if, on the relevant Interest Determination Date, such Euribor rate is not determined and published by EMMI, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, unless an Alternative Base Rate has taken effect in accordance with Condition 4.5 below, the Interest Determination Agent will, provided that such arrangements are in compliance with the Benchmarks Regulation Requirements:

(i) request the principal Euro-zone office of each of four (4) major banks in the Euro-zone interbank market (the **Reference Banks**) to provide a quotation for the rate at which one (1) month euro deposits are offered by it in the Euro-zone interbank mark at approximately 11.00 am (Central European time) on the relevant Notes Interest Determination Date to prime the Euro-zone interbank market in an amount that is representative for a single transaction at that time; and

(ii) determine the arithmetic mean (rounded, if necessary, to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such quotation as is provided;

(c) if fewer than two (2) such quotations are provided as requested, the Interest Determination Agent will determine the arithmetic mean (rounded, if necessary, to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates quoted by major banks in the Euro-zone, selected by the Interest Determination Agent, at approximately 11.00 am (Central European time) on the relevant Notes Interest Determination Date for one-month deposits to leading Euro-zone banks in an amount that is representative for a single transaction at that time, provided that such arrangements are in compliance with the Benchmarks Regulation Requirements; and

(d) if the Interest Determination Agent is unable to determine Euribor in accordance with paragraphs (b) and (c) above in relation to any Notes Interest Period, Euribor applicable to the Class A Notes during such Interest Period will be Euribor last determined in relation thereto.

4.5 *Alternative Base Rate*

The Servicer may, at any time, request the Issuer and the Security Trustee to agree, without the consent of the Noteholders, to amend Euribor as referred to in Condition 4 above (any such amended rate, an **Alternative Base Rate**) and make such other related or consequential amendments as are necessary or advisable in order to facilitate such change, in particular to Condition 4 above, (a **Base Rate Modification**), provided that the following conditions are satisfied:

(i) the Servicer, on behalf of the Issuer, has provided the Security Trustee, the Noteholders of the Class A Notes in compliance with Condition 14 (*Notice to Noteholders*) and the Swap Counterparty with at least 30 calendar days' prior written notice of any such proposed Base Rate Modification and has certified to the Security Trustee, the Noteholders of the Class A Notes and the Swap Counterparty in such notice (such notice being a **Base Rate Modification Certificate**) that:

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

(A) a prolonged and material disruption to Euribor, a material change in the methodology of administering Euribor or Euribor ceasing to exist or be published;

(B) a public statement by EMMI that it will cease administering Euribor permanently or indefinitely (in circumstances where no successor Euribor administrator has been appointed that will continue publication of Euribor);

(C) a public statement by the competent authority supervising EMMI that Euribor has been or will be permanently or

indefinitely discontinued or will be changed in an adverse manner;

(D) a public statement by the competent authority supervising EMMI to the effect that Euribor may no longer be used or that its use is or will be subject to restrictions or adverse consequences;

(E) the reasonable expectation of the Servicer that any of the events specified in sub-paragraphs (A), (B), (C) or (D) above will occur or exist within six (6) months of the proposed effective date of such Base Rate Modification; and

(2) such Alternative Base Rate is:

(A) a base rate that is administered by an administrator that is recorded in the register administered by the European Securities and Markets Authority pursuant to article 36 of the Benchmarks Regulation;

(B) the Euro Over Night Index Average (or any rate which is derived from, based upon or otherwise similar to the foregoing);

(C) 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;

(D) 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 the Seller; or

(E) such other base rate as the Servicer reasonably determines,

and, in each case, the change to the Alternative Base Rate will not, in the Servicer's opinion result in a violation of the Benchmarks Regulation, result in the Transaction no longer satisfying the requirements set out in the Securitisation Regulation or constitute a Basic Terms Modification;

(ii) the Rating Agencies have been notified of such proposed Base Rate Modification and, based on such notification, the Servicer is not aware that any then current ratings of the Class A Notes would be adversely affected by such Base Rate Modification; and

(iii) the Seller pays all reasonable fees, costs and expenses (including legal fees) incurred by the Issuer and the Security Trustee or any other party to the Transaction Documents in connection with such Base Rate Modification.

Notwithstanding the first paragraph of this Condition 4.5, no Base Rate Modification will become effective if within 30 days of the delivery of the Base Rate Modification Certificate, (i) the Swap Counterparty does not consent to the Base Rate Modification or

(ii) the Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding 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 Class A Notes are held) that they do not consent to the Base Rate Modification (a **Noteholder Base Rate Consent Event**). Objections made in writing other than through the applicable Clearing System must be accompanied by evidence to the Security Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the relevant Class A Notes.

If a Noteholder Base Rate Consent Event occurs, the Base Rate Modification will not become effective unless an Extraordinary Resolution of the holders of the Class A Notes is passed in favour of the Base Rate Modification in compliance with Condition 11 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal Director*).

The Servicer on behalf of the Issuer will notify the Security Trustee and the Swap Counterparty of the date on which the Base Rate Modification takes effect. The Issuer will notify the Noteholders of the Class A Notes in compliance with Condition 14 (*Notice to Noteholders*).

4.6 *Determination of Interest Amount*

The amount of interest payable in respect of each Class of Notes on any Payment Date shall be calculated not later than on the first day of the Interest Period by applying the relevant Notes Interest Rate for the relevant Interest Period to the Principal Amount Outstanding of the relevant Class of Notes 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 full cent, all as determined by the Interest Determination Agent (**Euro Day Count Fraction**)

The Interest Determination Agent will, as soon as practicable after the Interest Determination Date in relation to each Interest Period, calculate the amount of interest (the **Interest Amount**) payable in respect of each Class of Notes for such Interest Period:

The Interest Amount in respect of the Class A Notes (the **Class A Notes Interest Amount**) will be calculated by applying the Class A Notes Interest Rate for the relevant Interest Period to the Principal Amount Outstanding of such Class A Notes multiplying the product by the Euro Day Count Fraction and rounding the resulting figure to the nearest €0.01 (half of €0.01 being rounded upwards).

The Interest Amount in respect of the Class B Notes (the **Class B Notes Interest Amount**) will be calculated by applying the Class B Notes Interest Rate for the relevant Interest Period to the Principal Amount Outstanding of such Class B Notes multiplying the product by the Euro Day Count Fraction and rounding the resulting figure to the nearest €0.01 (half of €0.01 being rounded upwards).

4.7 *Notification of the Notes Interest Rates and Interest Amounts*

The Interest Determination Agent will cause the relevant Notes Interest Rates and the Interest Amounts applicable to each relevant Class of Notes for the relevant Interest Period and the immediately succeeding Payment Date to be notified to the Issuer, the Servicer, the Seller, the Security Trustee, the Paying Agent, the Issuer Administrator and to the holders of such Class of Notes. As long as the Class A Notes are admitted to listing, trading and/or quotation on the Luxembourg Stock Exchange or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system, as soon as possible after the determination. The Interest Amounts and Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

4.8 *Determination or calculation by Security Trustee*

If the Interest Determination Agent at any time for any reason does not determine the relevant Notes Interest Rates or fails to calculate the relevant Interest Amounts in accordance with paragraph 4.6 (*Determination of Interest Amount*) above, the Security Trustee, or a party so appointed by the Security Trustee on behalf of the Security Trustee acting in accordance with the Benchmarks Regulation Requirements, shall determine the relevant Notes Interest Rates at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in paragraph 4.6 (*Determination of Interest Amount*) above), it shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Trustee shall calculate the Interest Amounts in accordance with paragraph 4.6 (*Determination of Interest Amount*) above, and each such determination or calculation shall be final and binding on all parties.

4.9 *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest*), whether by the Interest Determination Agent, the Reference Banks (or any of them) or the Security Trustee, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Security Trustee, the Interest Determination Agent, the Paying Agent and all Noteholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer or the Noteholders shall attach to the Reference Banks (or any of them), the Interest Determination Agent or, if applicable, the Security Trustee in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 4 (*Interest*).

4.10 *Interest Determination Agent*

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be an interest determination agent. The Issuer has, subject to obtaining the prior written consent of the Security Trustee, the right to terminate the appointment of the

Interest Determination Agent by giving at least 60 days' notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Class of Notes in accordance with Condition 14 (*Notice to Noteholders*). If any person shall be unable or unwilling to continue to act as the Interest Determination Agent or if the appointment of the Interest Determination Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor Interest Determination Agent to act in its place, provided that neither the resignation nor removal of the Interest Determination Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

4.11 *Definitions*

For the purposes of this Condition 4 (*Interest*) the following terms shall have the following meanings:

**Benchmarks Regulation** shall mean Regulation 2016/2011 on indices used as benchmarks, applicable from 1 January 2018; and

**Benchmarks Regulation Requirements** shall mean the requirements imposed on the administrator of a benchmark pursuant to the Benchmarks Regulation, which includes a requirement for the administrators of a benchmark to be licensed by or to be registered with the competent authority as a condition to be permitted to administer the benchmark.

**5. Payment**

5.1 *Payments in respect of the Notes*

Payments in respect of principal and interest in respect of any Global Note will be made only against presentation of such Global Note to or to the order of the Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*) for such purpose, subject, in the case of any Temporary Global Note, to certification of non-US beneficial ownership as provided in such Temporary Global Note. Each payment of principal, premium or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers which reflect such customers' interest in the Notes) and such records shall be prima facie evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Note shall have any claim directly against the Issuer in respect of payments due on such Note whilst such Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer shall procure that each payment shall be entered *pro rata* in the records of the relevant Clearing Systems but any failure to make such entries shall not affect the discharge referred to above.

5.2 *Method of payment*

Upon presentation of the Definitive Note and against surrender of the relevant Coupon appertaining thereto, at any specified office of the Paying Agent payment of principal and interest will be made by transfer to a euro account maintained by the payee with a bank in the Netherlands, as the holder may specify.

5.3 *Payments subject to applicable laws*

All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.

5.4 *Payment only on a Presentation Date*

A holder shall be entitled to present a Global Note or Definitive Note for payment only on a Presentation Date and shall not, except as provided in Condition 4 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

**Presentation Date** means a day which (subject to Condition 8 (*Prescription*)):

(a) is or falls after the relevant due date;

(b) is a Business Day in the place of the specified office of the Paying Agent at which the Global Note or Definitive Note is presented for payment; and

(c) is a TARGET 2 Settlement Day.

5.5 *Local Business Day*

If the relevant Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon (**Local Business Day**), the holder thereof shall not be entitled to payment until the next following Local Business Day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands.

5.6 *Paying Agent*

The name of the Paying Agent and its initial specified office are set out at the back of the Prospectus. The Issuer reserves the right, subject to the prior written approval of the Security Trustee, at any time to vary or terminate the appointment of the Paying Agent and to appoint an additional or other paying agent provided that:

(a) there will at all times be a person appointed to perform the obligations of the paying agent; and

(b) there will at all times be at least one (1) paying agent (which may be the Paying Agent) having its specified office in such place as may be required by the rules and regulations of relevant stock exchange and competent authority.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (*Notice to Noteholders*).

## 6. Redemption

### 6.1 *Definitions*

For the purposes of these Conditions the following terms shall have the following meanings:

**Calculation Date** means, in relation to a Payment Date, the second Business Day prior to such Payment Date.

**Collection Period** means the period commencing on (and including) the first day of a calendar month and ending on (but excluding) the first day of the next calendar month, excluding the first collection period which commences on (and includes) the first day of June 2021 and ends on (but excludes) the first day of July 2021.

**Principal Amount Outstanding** means on any Calculation Date the principal amount of a Note (rounded, if necessary, to the nearest EUR 0.01, with EUR 0.005 being rounded upwards) upon issue *less* the aggregate amount of all principal payments in respect of such Note which has become due and payable by the Issuer and which has been paid to the relevant Noteholder since the Closing Date.

**Required Principal Redemption Amount** means on any Payment Date after termination or expiry of the Revolving Period and prior to the service of a Notes Acceleration Notice an amount equal to the higher of:

(a) zero; and

(b) the lower of:

  (i) the Theoretical Principal Amount; and

  (ii) the Available Distribution Amounts remaining after the payment of items (a) up to and including (i) of the Normal Amortisation Period Priority of Payments.

**Theoretical Principal Amount** means an amount equal to the Principal Amount Outstanding of the Notes as calculated on the Calculation Date immediately preceding the relevant Payment Date *minus* the Aggregate Discounted Balance as calculated at the Cut-Off Date immediately preceding the relevant Payment Date.

### 6.2 *Final Redemption*

Unless previously redeemed as provided below, the Issuer will redeem any remaining Notes at their Principal Amount Outstanding on the Payment Date falling in April 2031 (the **Final Maturity Date**).

### 6.3 *Mandatory redemption in part*

On each Payment Date following the termination of the Revolving Period and prior to the service of a Notes Acceleration Notice by the Security Trustee, the Issuer shall subject to and in accordance with the Normal Amortisation Period Priority of Payments apply the Available Distribution Amounts up to the Required Principal Redemption Amount, towards redemption, at their respective Principal Amount Outstanding, of (i) *firstly*, Class A Notes until fully redeemed and (ii) *secondly*, the Class B Notes until fully redeemed. The principal amount so redeemable in respect of each Note (each a **Note Principal Redemption Amount**) on the relevant Payment Date shall be the Required Principal Redemption Amount relating to that Payment Date divided by the number of Notes of the relevant Class subject to such redemption (rounded down to the nearest euro), provided always that the Note Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note. Following application of the Note Principal Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

The termination of the Revolving Period will be reported to the Noteholders without undue delay in accordance with Condition 14 (*Notice to Noteholders*).

On and after the service of a Notes Acceleration Notice by the Security Trustee, the Issuer shall redeem the Notes in accordance with the Accelerated Amortisation Period Priority of Payments.

For the avoidance of doubt, no amount shall be applied to redeem the Notes during the Revolving Period.

6.4 *Optional redemption in whole for taxation*

If by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on the next Payment Date, the Issuer or the Paying Agent would be required to deduct or withhold from any payment of principal or interest on any Class of the Notes any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Netherlands or any authority thereof or therein having power to tax then the Issuer shall, if the same would avoid the effect of the relevant event described above, appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction, in each case approved in writing by the Security Trustee as principal debtor under the Notes.

If the Issuer satisfies the Security Trustee immediately before giving the notice referred to below that one or more of the events described above is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such a substitution, then the Issuer may, on any Payment Date and having given not more than 60 nor less than 30 days' notice (or, in the case of an event described above, such shorter period expiring on or before the latest date permitted by relevant law) to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*)

and to the Security Trustee, redeem all, but not some only, of the Notes at their respective Principal Amount Outstanding together with accrued but unpaid interest up to but excluding the date of redemption (which shall be a Payment Date), provided that it has the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Payment Date and to discharge all other amounts ranking higher and required to be paid by it on the relevant Payment Date.

Prior to the publication of any notice of redemption pursuant to this Condition 6.4 (*Optional redemption in whole for taxation*), the Issuer shall deliver to the Security Trustee a certificate signed by the Issuer stating that (i) the relevant event described above is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such a substitution; and (ii) the Issuer will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Payment Date and to discharge all other amounts ranking higher and required to be paid by it on the relevant Payment Date, and the Security Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and such certification shall vis-à-vis the Noteholders be *prima facie* evidence.

6.5 *Redemption following Seller Clean-Up Call*

The Seller has the option to terminate all Hire Purchase Contracts and repay all Issuer Advances on any Payment Date on which (i) the Aggregate Discounted Balance is less than 10 per cent. of the Aggregate Discounted Balance as of the Initial Cut-Off Date or (ii) the Class A Notes including any interest accrued but unpaid are redeemed in full (the **Seller Clean-Up Call**), provided that the Issuer has the necessary funds to pay all principal and interest due in respect of the Class A Notes on the relevant Payment Date and to discharge all other amounts ranking higher and required to be paid by it on the relevant Payment Date. On the Payment Date following the exercise by the Seller of its Seller Clean-Up Call, the Issuer shall redeem, all (but not only part of) the Class A Notes at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Class A Notes.

6.6 *Determination of Note Principal Redemption Amount and Principal Amount Outstanding*:

On each Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (a) the Available Distribution Amounts, (b) the Required Principal Redemption Amount and (c) the Note Principal Redemption Amount in respect of the Principal Amount Outstanding of the relevant Note on the first day following the relevant Payment Date. Each determination by or on behalf of the Issuer of any Required Principal Redemption Amount, Available Distribution Amounts or the Note Principal Redemption Amount in respect of the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.

6.7 *Notice of redemption*

The Issuer will cause each determination of any amount applied towards redemption of the Notes, including the Note Principal Redemption Amount and Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Paying Agent, the Interest Determination Agent, Euroclear, Clearstream, Luxembourg, the Luxembourg Stock Exchange and to the Noteholders. As long as the Class A Notes are admitted to listing, trading and/or quotation on the Luxembourg Stock Exchange or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system, as soon as possible after the determination. If no Note Principal Redemption Amount is due to be made on the Notes on any applicable Payment Date a notice to this effect will be given to the Noteholders in accordance with Condition 14 (*Notice to the Noteholders*).

Any such notice shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above

6.8 *Cancellation*

All Notes redeemed in full will be cancelled upon redemption and may not be resold or re-issued.

**7. Taxation**

All payments of, or in respect of, principal and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature (**Taxes**) imposed or levied by or on behalf of the Netherlands, or the United States of America under Sections 1471 through 1474 of the U.S. Internal Revenue Code or regulations and other authoritative guidance thereunder, any authority therein or thereof having power to tax unless the withholding or deduction of such Taxes is required by law. In that event, the Issuer will make the required withholding or deduction of such Taxes for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to such Noteholders.

**8. Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons shall become prescribed unless made within five (5) years from the Relevant Date in respect of the relevant payments.

In this Condition 8 (*Prescription*), the **Relevant Date**, in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the moneys payable on that date has not been duly received by the Paying Agent or the Security Trustee on or prior to such date) the date on which, the full amount of such moneys having been received, notice to that effect is duly given to the relevant Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

**9. Issuer Events of Default**

9.1 The Security Trustee at its discretion may or, if so directed by an Extraordinary Resolution of the holders of the Class A Notes while they remain outstanding and thereafter if so directed by an Extraordinary Resolution of the holders of the Class B Notes while they remain outstanding (the **Most Senior Class Outstanding**) (subject, in each case, to being indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may become liable or which it may incur by so doing and subject as further provided in the Trust Deed) shall give notice (a **Notes Acceleration Notice**) to the Issuer that each Class of the Notes is immediately due and repayable at their respective Principal Amount Outstanding, together with accrued interest as provided in the Trust Deed, in any of the following events (each, an **Issuer Event of Default**):

(a) an Insolvency Event occurs with respect to the Issuer;

(b) the Issuer defaults in the payment of any interest on any Note of the Most Senior Class Outstanding when the same, subject to Condition 15 (*Subordination of interest by deferral*), becomes due and payable, and such default continues for a period of two (2) Business Days; or

(c) the Issuer fails to perform or observe any of its other material obligations under the Conditions or any Transaction Document (other than the Subordinated Loan Agreement) to which it is a party and (except in any case where the Security Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 30 days (or such longer period as the Security Trustee may permit) following the service by the Security Trustee on the Issuer of notice requiring the same to be remedied.

9.2 Upon the service of a Notes Acceleration Notice by the Security Trustee in accordance with Condition 9.1, each Class of Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued interest as provided in the Trust Deed and the security constituted by the Security Documents will become immediately enforceable.

9.3 The issuance of a Notes Acceleration Notice will be reported to the Noteholders without undue delay in accordance with Condition 14 (*Notice to Noteholders*).

## 10. Enforcement

10.1 *Enforcement*

At any time after the Notes of any Class become due and payable, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the Security pursuant to the terms of the Trust Deed and the Pledge Agreements, including the making of a demand for payment thereunder, but it need not take any such proceedings unless (i) in the case of the giving of a Notes Acceleration Notice, it shall have been directed by an Extraordinary Resolution of the Most Senior Class Outstanding and (ii) it shall have been indemnified to its satisfaction.

The Security Trustee will enforce the security created by the Issuer or the Seller in favour of the Security Trustee pursuant to the terms of the Trust Deed and the Pledge Agreements for the benefit of all Secured Creditors, including, but not limited to, the Noteholders, and will apply the net proceeds received or recovered towards satisfaction of the Parallel Debt. The Security Trustee shall distribute such net proceeds to the Secured Creditors in accordance with the Accelerated Amortisation Period Priority of Payments set forth in the Trust Deed.

10.2 *No action against Issuer by Noteholders*

No Noteholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

10.3 *Undertaking Noteholders and Security Trustee*

The Noteholders and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least two (2) years after the last maturing Note is paid in full.

10.4 *Limitation of recourse*

The Noteholders accept and agree that the only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition 9 (*Issuer Events of Default*) above is to enforce the Security.

Notwithstanding any other Condition or any provision of any Transaction Document all obligations of the Issuer to the Noteholders are limited in recourse (*verhaalsrecht*) in accordance with this Condition 10 (*Enforcement*) to the property, assets and undertakings of the Issuer the subject of any security created by the Pledge Agreements. If:

(a) there are no Secured Assets remaining which are capable of being realised or otherwise converted into cash;

(b) all amounts available from the Secured Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provision of the Trust Deed; and

(c) there are insufficient amounts available from the Secured Assets to pay in full, in accordance with the provisions of the Trust Deed, amounts outstanding under the Notes (including payments of principal and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal and/or interest in respect of the Notes) and such unpaid amounts

shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## 11. Meetings of Noteholders; modification; consents; waiver; removal director

11.1 *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of Noteholders of any Class or one or more Classes jointly to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions or any provisions of the Transaction Documents. A meeting of Noteholders (or any Class thereof) may be convened by the Security Trustee or the Issuer at any time and must be convened by the Security Trustee (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders of a particular Class holding not less than 10 per cent. of the aggregate Principal Amount Outstanding of the outstanding Notes of that Class. Instead of at a general meeting, a resolution of the Noteholders of the relevant Class may be passed in writing – including by email, facsimile or electronic transmission, or in the form of a message transmitted by any accepted means of communication and received or capable of being produced in writing – provided that all Noteholders with the right to vote have voted in favour of the proposal (a **Written Resolution**).

11.2 *Basic Terms Modification*

No change of certain terms by the Noteholders of any Class, including the date of maturity of the Notes of the relevant Class or a modification of the date of maturity of any Notes or which would have the effect of:

(a) a reduction or cancellation of the amount payable in respect of the Notes or, where applicable, modification, except where such modification is in the opinion of the Security Trustee bound to result in an increase, of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of the Notes;

(b) an alteration of the date of maturity of any Notes or any action which would have the effect of postponing any day for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes;

(c) an alteration of the currency in which payments under the Notes are to be made;

(d) an alteration of the majority required to pass an Extraordinary Resolution;

(e) the sanctioning of (i) any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock

and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash, or (ii) approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Trust Deed and the Notes;

(f) an alteration of any of the Priority of Payments; or

(g) altering the quorum or majority required in relation to the exception set out in Condition 11.3,

(each such change a **Basic Terms Modification**) shall be effective unless such change is sanctioned by an Extraordinary Resolution of the Noteholders of the other Class of Notes, except that, if the Security Trustee is of the opinion that such a change is being proposed by the Issuer as a result of, or in order to avoid, an Issuer Event of Default, no such Extraordinary Resolution of the Noteholders of the other Class of Notes is required.

11.3 *Extraordinary Resolution*

The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes will be two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such a meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Modification shall be at least 75 per cent. of the Principal Amount Outstanding of the Notes of the relevant Class and the majority required shall be at least 75 per cent. of the amount of the validly cast votes at such meeting relating to an Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second meeting of Noteholders will be held within one (1) month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Modification, the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented.

No Extraordinary Resolution passed at any meeting of the Class A Noteholders to sanction a change which would have the effect of accelerating a Class of Notes (other than pursuant to Condition 9 (*Issuer Events of Default*)) or a change as set forth under item (b) of the definition of Basic Terms Modification, shall take effect unless (i) for the avoidance of doubt, the Issuer has agreed thereto, and (ii) it shall have been sanctioned by an Extraordinary Resolution of the holders of the Class B Notes.

11.4 *Conflicts between Classes*

An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on the Class B Noteholders irrespective of the effect upon them, except as provided in Condition 11.2 and Condition 11.4 in which case such Extraordinary Resolution shall not take effect, unless either (i) the Security Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class B Noteholders or (ii) it shall have been sanctioned by an Extraordinary Resolution of the Class B Noteholders.

An Extraordinary Resolution (other than an Extraordinary Resolution referred to in Condition 11.2, Condition 0 or Condition 11.5) passed at any meeting of the Class B Noteholders shall not be effective for any purpose unless either (i) the Security Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders.

The Noteholders of any Class may adopt a resolution without the formalities for convening a meeting set out in the Trust Deed being observed, including an Extraordinary Resolution and/or an Extraordinary Resolution relating to a Basic Term Modification, provided that such resolution is unanimously adopted in writing - including by e-mail, facsimile or electronic transmission, or in the form of a message transmitted by any accepted means of communication and received or capable of being produced in writing by all Noteholders of the relevant Class having the right to cast votes.

In connection with any substitution of principal debtor referred to in Condition 6.4 (*Optional redemption in whole for taxation*), the Security Trustee may also agree, without the consent of the Noteholders or any other Secured Creditors, to a change of the laws governing the Notes, these Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Security Trustee, be materially prejudicial to the interests of the Most Senior Class Outstanding.

The Security Trustee shall be entitled to take into account, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or relevant, any Rating Agency Confirmation.

11.5 *Resolution not in the interest of Noteholders*

If a resolution passed by a meeting of Noteholders is, in the opinion of the Security Trustee, contrary to the interests of the Noteholders of the relevant Class, the Security Trustee may suspend the implementation of that resolution and convene another meeting of the Noteholders of the relevant Class, for which notice shall be given within two (2) weeks after the previous meeting. Such a meeting shall take place within one (1) month of the previous meeting.

At the second meeting of the Noteholders of the relevant Class referred to in this Condition 11.5, a resolution on the subject matter covered by the resolution of the previous meeting may be passed by a majority of at least two-thirds of the validly cast votes, regardless of the principal amount of the Notes of the relevant Class or the number of votes represented at the meeting.

The resolution shall become final if the Security Trustee does not exercise its rights under this Condition 11.5 within fourteen (14) days of the relevant meeting, or if earlier, confirms that it does not intend to exercise such rights.

11.6 *No Indemnification for individual Noteholders*

Where, in connection with the exercise or performance by the Security Trustee of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination or substitution as referred to above), the Security Trustee is required to have regard to the interests of the Noteholders of any class, it shall have regard to the general interests of the Noteholders of such class as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer, the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

The Security Trustee shall not be required to have regard to the interests of any other Secured Creditors other than to ensure application of the Issuer's funds in accordance with the relevant Priority of Payments.

11.7 *Voting*

Each Note carries one (1) vote. The Issuer may not vote on any Notes held by them directly or indirectly. Such Notes will not be taken into account in calculating the aggregate outstanding amount of the Notes.

11.8 *Modification, authorisation and waiver without consent of Noteholders*

The Security Trustee may agree, without the consent of the Noteholders, to:

(a) any modification of any of the provisions of the Transaction Documents which is (i) made in order for the Issuer to comply with EMIR obligations or any obligation which applies to it under the CRA Regulation, the Commission Delegated Regulation (EU) 2015/3 (including, without limitation, any associated regulatory or implementing technical standards and advice, guidance or recommendations from relevant supervisory regulators), the Securitisation Regulation, the Benchmarks Regulation (other than a modification to facilitate an Alternative Base Rate as set out in Condition 4.5 (*Alternative Base Rate*)), the CRR Amendment Regulation and/or for the Transaction (x) to qualify as an STS securitisation and/or (y) for the Notes to qualify for certain preferential capital treatment (provided that, in respect of (x) and (y) above, such modification is, in the opinion of the Security Trustee, not materially prejudicial to the interest of the Noteholders) or is required pursuant to mandatory law to the extent such modification is not considered to be a Basic Terms Modification or (ii) of a formal, minor or technical nature or made to correct a manifest error and, in each case, is notified to the Rating Agencies, and

(b) any other modification (except if prohibited in the Transaction Documents), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Transaction Documents, which in the opinion of the Security Trustee is not

materially prejudicial to the interests of the Noteholders and subject to each Rating Agency having provided a Rating Agency Confirmation in respect of the relevant event or matter.

Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 14 *(Notice to Noteholders*).

By obtaining a Rating Agency Confirmation each of the Security Trustee, the Noteholders and the other Secured Creditors will be deemed to have agreed and/or acknowledged that (i) a credit rating is an assessment of credit only and does not address other matters that may be of relevance to the Noteholders or the other Secured Creditors (ii) neither the Security Trustee nor the Noteholders nor the other Secured Creditors have any right of recourse to or against the relevant Rating Agency in respect of the relevant Rating Agency Confirmation which is relied upon by the Security Trustee and that (iii) reliance by the Security Trustee on a Rating Agency Confirmation does not create, impose on or extend to the relevant Rating Agency any actual or contingent liability to any person (including, without limitation, the Security Trustee and/or the Noteholders and/or the other Secured Creditors) or create any legal relations between the relevant Rating Agency and the Security Trustee, the Noteholders, the other Secured Creditors or any other person whether by way of contract or otherwise.

11.9 *Removal and appointment of managing director of Security Trustee*

The Class A Noteholders (and, after redemption of the Class A Notes, the Class B Noteholders) may by Extraordinary Resolution of a meeting of such Class remove any or all of the managing directors of the Security Trustee, provided that the other Secured Creditors have been consulted. Any managing director so removed will not be responsible for any costs or expenses arising from any such removal. Before any managing directors of the Security Trustee are so removed, the Issuer may nominate a successor managing director and will convene a meeting of Noteholders to procure that a successor managing director is appointed (taking such nomination by the Issuer into account, without being bound to it) in accordance with the Security Trustee's articles of association as soon as reasonably practicable. The removal of a managing director of the Security Trustee will not become effective until a successor managing director has been appointed.

The Class A Noteholders (and, after redemption of the Class A Notes, the Class B Noteholders) may by Extraordinary Resolution of a meeting of such Class appoint a managing director of the Security Trustee, provided that the other Secured Creditors have been consulted.

## 12. Indemnification of the Security Trustee

The Trust Deed contains provisions for the indemnification of the Security Trustee and for its relief from responsibility. The Security Trustee is entitled to enter into commercial transactions with the Issuer and/or any other party to the Transaction Documents without accounting for any profit resulting from such transaction.

## 13. Replacements of Notes and Coupons

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the office of the Paying Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered, in the case of Notes together with all unmatured Coupons appertaining thereto, and in the case of Coupons together with the Note and all unmatured Coupons to which they appertain *(mantel en blad),* before replacements will be issued.

## 14. Notice to Noteholders

14.1 *General*

With the exception of the publications of the Interest Determination Agent in Condition 4 (*Interest*) and of the Issuer in Condition 6 (*Redemption*), all notices to the Noteholders will only be valid if published in at least one (1) daily newspaper of wide circulation in the Netherlands, or, if all such newspapers shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe, and as long as the Class A Notes are admitted to listing, trading and/or quotation on the Luxembourg Stock Exchange or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system. Any notice shall be deemed to have been given on the first date of such publication.

14.2 *Global Notes*

For as long as all of the Notes are represented by the Global Notes and such Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant accountholders (provided that, in the case of any publication required by a stock exchange, that stock exchange agrees or, as the case may be, any other publication requirement of such stock exchange will be met). Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

## 15. Subordination of interest by deferral

15.1 *Interest*

Interest on the Class A Notes and the Class B Notes shall be payable in accordance with the provisions of Conditions 4 (*Interest*) and 5 (*Payment*), subject to the terms of this Condition 15.1 (*Interest*) and subject to the provisions of the Trust Deed.

Except in the event that the Class B Notes are the Most Senior Class Outstanding (i) if on any Calculation Date the Available Distribution Amounts are insufficient to satisfy the interest obligations in respect of the Class B Notes (including any amounts previously deferred under this Condition 15 (*Subordination of interest by deferral*) and accrued interest thereon) on the next Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of interest payable on such Payment Date to the holders of Class B Notes, (ii) in the event of a shortfall, the Issuer shall create a provision in its accounts (the **Interest Shortfall Ledger**) in which it shall record the shortfall equal to the amount by which the aggregate amount of interest paid on the Class B Notes (including any amounts previously deferred under this Condition 15 (*Subordination of interest by deferral*) and accrued interest thereon) on the relevant Payment Date falls short of the aggregate amount of interest payable on the Class B Notes on that Payment Date pursuant to Condition 4 (*Interest*), (iii) such shortfall shall not be treated as due on that date for the purposes of Condition 4 (*Interest*) but shall be payable together with any accrued interest on the following Payment Dates, subject to the provisions of this Condition 15 (*Subordination of interest by deferral*) and (iv) such shortfall shall itself accrue interest at the same rate as that payable in respect of the Class B Notes and shall be payable together with such accrued interest on the following Payment Dates, subject to the provisions of this Condition.

15.2 *Principal*

Until the date on which the Principal Amount Outstanding of all Class A Notes is reduced to zero, the holders of the Class B Notes will not be entitled to any repayment of principal in respect of the Class B Notes. As from that date the Principal Amount Outstanding of the Class B Notes will be redeemed in accordance with the provisions of Condition 6 (*Redemption*). The Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class B Notes after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Purchased Vehicles and there are no balances standing to the credit of the Issuer Accounts.

## 16. Governing Law

The Notes and Coupons, and any non-contractual obligations arising out of or in relation to the Notes and Coupons, are governed by, and will be construed in accordance with, Dutch law. In relation to any legal action or proceedings arising out of or in connection with the Notes and Coupons the Issuer irrevocably submits to the jurisdiction of the Court of first instance (*rechtbank*) in Amsterdam, the Netherlands. This submission is made for the exclusive benefit of the Noteholders and the Security Trustee and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.

## 5 THE GLOBAL NOTES

Each Class of the Notes shall be initially represented by (i) in the case of the Class A Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 500,000,000 and (ii) in the case of the Class B Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 167,600,000. The Temporary Global Notes representing the Notes will be deposited with Euroclear, as operator of the Euroclear System for Euroclear and Clearstream Luxembourg on or about 16 June 2021. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg will credit each subscriber of Notes represented by such Temporary Global Note with the amount of the relevant Class of Notes equal to the amount thereof for which it has subscribed and paid. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than 40 calendar days after the issue date of the Notes (the **Exchange Date**) for interests in a permanent global note (each a **Permanent Global Note**), in bearer form, without coupons attached, in the amount of the Notes of the relevant Class (the expression **Global Notes** meaning the Temporary Global Notes of each Class and the Permanent Global Notes of each Class and the expression Global Note means any of them, as the context may require). On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class, the Permanent Global Note will remain deposited with the Common Safekeeper.

The Global Notes are intended upon issue to be deposited with Euroclear in respect of the Class A Note and Elavon in respect of the Class B Notes, each a common safekeeper for Euroclear and Clearstream, Luxembourg. The Notes (other than the Class B Notes) are intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. However, the Notes are currently not recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem since the European Central Bank excludes residual values as leasing receivables. Should the Eurosystem eligibility criteria be amended in the future such that the Class A Notes are capable of meeting such eligibility criteria, any potential investor in the Class A Notes should make its own conclusions and seek its own advice with respect to whether or not the Class A Notes will at that time constitute Eurosystem Eligible Collateral.

The Global Notes will be transferable by delivery in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate. Each Permanent Global Note will be exchangeable for definitive notes to bearer (the **Definitive Notes**) only in the circumstances described below. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for as long as such Global Note is outstanding. Each person must give a certificate as to non-U.S. beneficial ownership as of the date on which the Issuer is obliged to exchange a Temporary Global Note for a Permanent Global Note, which date shall be no earlier than the Exchange Date, in order to obtain any payment due on the Notes.

For as long as a Class of the Notes is represented by a Global Note, each person who is for the

time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of that Class of Notes will be treated by the Issuer and the Security Trustee as a holder of such amount of that Class of Notes and the expression 'Noteholder' shall be construed accordingly, but without prejudice to the entitlement of the bearer of the relevant Global Note to be paid on the principal amount thereof and interest with respect thereto in accordance with and subject to its terms. Any statement in writing issued by Euroclear or Clearstream, Luxembourg as to the persons shown in its records as being entitled to such Notes and the respective principal amount of such Notes held by them shall be conclusive for all purposes.

If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following an Issuer Event of Default or (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or the Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

(i) Class A Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A Notes; and

(ii) Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class B Notes,

in each case within 30 days of the occurrence of the relevant event, subject in each case to certification as to non-U.S. beneficial ownership.

The Definitive Notes and the Coupons will bear the following legend:

> "*Any United States Person (as defined in the United States Internal Revenue Code of 1986 (the **Code**)), who holds this obligation will be subject to the limitations under the United States income tax laws, including the limitations provided in section 165(j) and 1287(a) of the Code.*"

The sections referred to in the legend provide that such a United States Person will not, with certain exceptions, be permitted to deduct any loss, and will not be eligible for favourable capital gains treatment with respect to any gain, realised on a sale, exchange or redemption of a Definitive Note or Coupon.

The following legend will appear on all Global Notes receipts and Coupons which are held by Euroclear or Clearstream, Luxembourg: "NOTICE: THIS NOTE IS ISSUED FOR DEPOSIT WITH EUROCLEAR OR CLEARSTREAM, LUXEMBOURG. ANY PERSON BEING OFFERED

THIS NOTE FOR TRANSFER OR ANY OTHER PURPOSE SHOULD BE AWARE THAT THEFT OR FRAUD IS ALMOST CERTAIN TO BE INVOLVED."

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any Notes are outstanding, each Global Note will bear a legend which includes substantially the following:

EACH HOLDER OF A NOTE OR A BENEFICIAL INTEREST IN A NOTE ACQUIRED IN THE INITIAL DISTRIBUTION OF THE NOTES, BY ITS ACQUISITION OF THIS NOTE WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A "U.S. PERSON" (**RISK RETENTION U.S. PERSON**) AS DEFINED IN THE REGULATIONS ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SET FORTH AT 17 C.F.R. SECTION 246 (**REGULATION RR**), IMPLEMENTING THE RISK RETENTION REQUIREMENTS OF THE U.S. SECURITIES EXCHANGE ACT OF 1934 (**U.S. RISK RETENTION RULES**), (2) IS ACQUIRING THIS NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, 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 THIS NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES).

## 6 CREDIT STRUCTURE

*The following is a summary of the credit structure underlying the Notes. Such summary should be read in conjunction with information appearing elsewhere in this Prospectus.*

The Notes will represent obligations of the Issuer only. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, acting in whatever capacity, including, without limitation, the Seller, the Servicer, the Back-Up Servicer Facilitator, the Back-Up Servicer (if appointed), the Call Option Buyer, the RV Guarantor, the Subordinated Lender, the Swap Counterparty, the Arranger, the Managers, the Security Trustee, Athlon or any Affiliates, the Account Bank, the Paying Agent, the Interest Determination Agent, the Shareholder, the Reporting Entity, the Directors or of any other Transaction Party, provided that following delivery of an Notes Acceleration Notice any amounts received or recovered by the Security Trustee under the Security Documents will be distributed by the Security Trustee to, *inter alios*, the Noteholders subject to and in accordance with the Accelerated Amortisation Period Priority of Payments. Furthermore, none of the Seller, the Servicer, the Back-Up Servicer Facilitator, the Back-Up Servicer (if appointed), the Call Option Buyer, the RV Guarantor, the Subordinated Lender, the Swap Counterparty, the Arranger, the Managers, Athlon or any Affiliates, the Account Bank, the Paying Agent, the Interest Determination Agent, the Shareholder, the Reporting Entity, the Directors or of any other Transaction Party, acting in whatever capacity, other than the Security Trustee in respect of limited obligations under the

Trust Deed, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

The ability of the Issuer to meet its obligations to repay in full all principal of and to pay all interest on the Notes will be dependent on the receipt by it of funds under the Leased Assets, the proceeds of the sale of any Leased Assets, payments under the Swap Agreement, interest in respect of the balances standing to the credit of the Issuer Accounts (other than the Swap Collateral Account), the availability of the General Reserve Account and the amounts paid out under the RV Guarantee Agreement and the Subordinated Loan Agreement. The Issuer does not have other resources available. There can be no assurance that the Issuer will have sufficient funds to fulfil its payment obligations under the Notes.

The obligations of the Issuer under the Notes are limited recourse obligations. Payment of principal and interest on the Notes will be secured indirectly by the security granted by the Issuer to the Security Trustee pursuant to the Security Documents. If the security granted pursuant to the Security Documents is enforced and the proceeds of such enforcement, after payment of all other claims ranking in priority to amounts due under the Notes, are insufficient to repay in full all principal and to pay all interest and other amounts due in respect of the Notes, then, as the Issuer has no other assets, it may be unable to satisfy claims in respect of any such unpaid amounts. As enforcement of the security by the Security Trustee pursuant to the terms of the Security Documents and the Notes is the only remedy available to Noteholders for the purpose of recovering amounts owed in respect of the Notes, the Noteholders shall, following the application of the foreclosure proceeds subject to and in accordance with the Accelerated Amortisation Period Priority of Payments, have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

### 6.1 Issuance of the Notes

On the Closing Date, the Issuer will issue EUR 500,000,000 Class A Notes and EUR 167,600,000 Class B Notes. The Notes constitute direct and unsubordinated obligations of the Issuer. The Class A Notes rank *pari passu* without preference or priority amongst themselves. The Class B Notes rank below the Class A Notes with respect to payment of interest and principal but *pari passu* without preference or priority amongst themselves. The gross proceeds of the Notes are expected to amount to EUR 672,165,000.

For a more detailed description of the terms and conditions of the Notes, see section 4 (*Terms and conditions of the Notes*).

### 6.2 Use of proceeds from Notes and Subordinated Loan Agreement

On the Closing Date, the Issuer will apply the net proceeds of the Notes to (i) advance the Initial Issuer Advances subject to and in accordance with the Issuer Facility Agreement and (ii) pay an initial payment to the Seller in connection with the entering into of the Hire Purchase Contracts in respect of the Leased Vehicles forming part of the Initial Portfolio subject to and in accordance with the Master Hire Purchase Agreement. The General Reserve Advance drawn by the Issuer under the Subordinated Loan Agreement on the Closing Date will be applied to make a deposit into the General Reserve Account up to the Required General Reserve Amount.

### 6.3 Subordinated loan Agreement

On the Signing Date, the Issuer, the Subordinated Lender, the Security Trustee and the Issuer Administrator will enter into the Subordinated Loan Agreement pursuant to which the Issuer will be entitled to draw the Subordinated Loan Advances in accordance with the terms of the Subordinated Loan Agreement.

*Subordinated Loan Advances*

On the Closing Date, the Subordinated Lender will make available to the Issuer an advance to enable the Issuer to make a deposit into the General Reserve Account up to the Required General Reserve Amount (the **General Reserve Advance**). The General Reserve Advance is a mechanism to provide liquidity support on each Payment Date in order to make interest payments on the Notes under the relevant Priority of Payments and will also serve as credit enhancement to the Notes.

If on any Payment Date the Available Distribution Amounts as calculated on the immediately preceding Calculation Date is insufficient for the Issuer to make any Issuer Increase Advance subject to and in accordance with the relevant Priority of Payment, the Subordinated Lender will be obliged to grant an advance (a **Subordinated Increase Advance**) to the Issuer in the amount equal to the amount by which the Available Distribution Amounts falls short to pay the required Issuer Increase Advances pursuant to the Issuer Facility Agreement on such Payment Date (the **Required Subordinated Increase Amount**).

Upon the occurrence of a Reserves Trigger Event and as long as such Reserves Trigger Event is continuing, the Subordinated Lender will make available to the Issuer (i) an advance to enable the Issuer to make a deposit into the Transaction Account up to the Required Commingling Reserve Amount (the **Commingling Reserve Advance** and (ii) an advance to enable the Issuer to make a deposit into the Transaction Account up to the Required Maintenance Reserve Amount (the **Maintenance Reserve Advance**) and together with the Commingling Reserve Advance, the General Reserve Advance and any Subordinated Increase Advance, the **Subordinated Loan Advances** and each, a **Subordinated Loan Advance**).

The Commingling Reserve Advance and the Maintenance Reserve Advance provide structural subordination protection and rights as follows:

*Commingling Reserve Advance*

The Commingling Reserve Advance is a mechanism to provide credit enhancement to cover possible losses due to the Lease Collections being trapped if an Insolvency Event occurs in respect of Athlon. The purpose of the Commingling Reserve Advance is to enable the Issuer to continue to make payments in accordance with the relevant Priority of Payments if, on any Payment Date, Athlon, acting in its capacity as Servicer, would not transfer any Lease Collections and/or Vehicle Realisation Proceeds collected by it during the immediately preceding Collection Period to the Issuer due to its Insolvency.

*Maintenance Reserve Advance*

The Maintenance Reserve Advance is a mechanism to provide credit enhancement to cover potential Maintenance Costs relating to any associated Lease Agreement. The purpose of the Maintenance Reserve Advance is to ensure that the Issuer will continue to be able to pay any

Maintenance Costs relating to the Lease Agreements if and to the extent Maintenance Costs will not be paid by Athlon in its capacity as Servicer due to an Insolvency Event relating to Athlon.

For a more detailed description of the terms and conditions of the Subordinated Loan Agreement see section 8 (*Description of certain Transaction Documents*).

### 6.4 Account Bank

Pursuant to the terms of the Account Agreement, the Issuer and the Security Trustee, the Issuer will maintain the Issuer Accounts with the Account Bank.

The Account Bank is required to have at least the Required Credit Ratings (unless its obligations under the Account Agreement are guaranteed by an entity with the Required Credit Ratings). If the Account Bank ceases to have the Required Credit Ratings (or its obligations under the Account Agreement cease to be guaranteed by an entity with the Required Credit Ratings), it shall, within a period of 30 days after the occurrence of any such downgrading or withdrawal, (i) assist the Issuer with finding an alternative bank which will replace the Account Bank on substantially the same terms and which alternative bank has a rating at least equal to the Required Credit Ratings as a result of which the Issuer and/or the Issuer Administrator on its behalf will be required to transfer the balance on all such Issuer Accounts to such alternative bank, or (ii) procure that a third party, having at least the Required Credit Ratings, grants a guarantee complying with the Rating Agencies' relevant guarantee criteria (if any) in respect of the obligations of the Account Bank or (iii) find another solution which is suitable in order to maintain the then current ratings assigned to the Class A Notes.

The Account Agreement provides that in the event of any termination (a) the Account Bank shall assist the other parties thereto to effect an orderly transition of the banking arrangements documented hereby and (b) the parties to the Account Agreement or any of them shall notify each Rating Agency of such termination and of the identity of the successor Account Bank.

In the Account Agreement, the Account Bank agrees to pay interest on the moneys standing to the credit of the Issuer Accounts at a specified rate of interest determined in accordance with the Account Agreement, provided that the Account Bank has the right to amend the rate of interest payable by it. Negative interest rates are accruing on the Issuer Accounts from the Closing Date and the Issuer will be required to make payments to the Account Bank accordingly, provided that the balance standing to the credit of each Issuer Account are sufficient to make such payment.

#### 6.4.1 Issuer Accounts

Pursuant to the Issuer Administration Agreement, the Issuer Administrator renders the Administration Services, including operating the Issuer Accounts and ensuring that payments are made into and from the Issuer Accounts.

*Transaction Account*

On or prior to the Closing Date, the Issuer will open the Transaction Account into which, *inter alia*, all amounts received by the Issuer (i) in respect of the Lease Agreements and (ii) from the

sale of the Purchased Vehicles will be paid. The Issuer Administrator will identify all amounts paid into the Transaction Account.

*General Reserve Account*

On or prior to the Closing Date, the Issuer will establish the General Reserve Account. On the Closing Date the Issuer shall apply the proceeds of the General Reserve Advance to make a deposit into the General Reserve Account up to the Required General Reserve Amount.

Prior to the service of a Notes Acceleration Notice by the Security Trustee, amounts credited to the General Reserve Account will be available on any Payment Date to meet items (a) up to and including (h) in the applicable Priority of Payments if the Available Distribution Amounts would be insufficient to meet such items. If and to the extent that the Available Distribution Amounts (before any drawing from the General Reserve Account) on any Calculation Date exceeds the amounts required to meet the Issuer's payment obligations under items (a) up to and including (h) in the applicable Priority of Payments, the excess amount will be deposited into the General Reserve Account to replenish the General Reserve Account up to the Required General Reserve Amount.

Following the service of a Notes Acceleration Notice by the Security Trustee, the balance standing to the credit of the General Reserve Account will be available to meet any item of the Accelerated Amortisation Period Priority of Payments.

In addition, (i) on each Payment Date the amount by which the balance standing to the credit of the General Reserve Account exceeds the Required General Reserve Amount shall be withdrawn from the General Reserve Account and be applied towards repayment (in part) of the General Reserve Advance without being subject to the applicable Priority of Payments, and (ii) on the Payment Date on which the Class A Notes have been or will be redeemed in full or if earlier, on which the Aggregate Discounted Balance has reduced to zero, the Required General Reserve Amount will be reduced to zero and any amount standing to the credit of the General Reserve Account will thereafter form part of the Available Distribution Amounts.

### 6.4.2 Transaction Account Ledgers

The Issuer Administrator shall in respect of the amounts credited to the Transaction Account maintain on behalf of the Issuer the Collection Ledger, the Replenishment Ledger, the Commingling Reserve Ledger, the Maintenance Reserve Ledger, the Lease Incidental Surplus Reserve Ledger and the Swap Replacement Ledger:

*Collection Ledger*

The Issuer shall maintain a ledger (the **Collection Ledger**) on which any Lease Collections, Deemed Collections, Vehicle Realisation Proceeds and any amounts payable by the RV Guarantor will be credited. In addition, if on any Payment Date any Available Distribution Amounts are remaining after all items ranking higher than (i) in respect of the Revolving Period Priority of Payments, item (p) or (ii) in respect of the Normal Amortisation Period Priority of Payments, item (q), having been discharged in full, which cannot be applied to the payment of any Variable Success Fee on such Payment Date, such excess Available Distribution Amounts shall be credited to the Collection Ledger and will form part of the Available Distribution

Amounts on the next succeeding Payment Date. Any amounts standing to the credit of the Collection Ledger shall form part of the Available Distribution Amounts which will be applied by the Issuer on each Payment Date in accordance with the relevant Priority of Payments (and if applied, a corresponding debit will be recorded to the Collection Ledger).

*Replenishment Ledger*

During the Revolving Period, if the Seller offers to the Issuer to enter into a Hire Purchase Contract with respect to any additional Leased Vehicles, the Issuer shall (i) hire purchase Additional Leased Vehicles together with the associated Lease Receivables subject to and in accordance with the Master Hire Purchase Agreement and (ii) apply the Available Distribution Amounts, subject to and in accordance with the Revolving Period Priority of Payments, towards the making of any Additional Issuer Advances subject to and in accordance with the Issuer Facility Agreement. The Issuer shall open a ledger (the **Replenishment Ledger**) into which any Excess Collection Amount will be credited subject to and in accordance with the Revolving Period Priority of Payments to form part of the Available Distribution Amounts on the immediately succeeding Payment Date. Upon termination or expiry of the Revolving Period the balance credited to the Replenishment Ledger will be part of the Available Distribution Amounts and will be applied in accordance with the relevant Priority of Payments.

*Commingling Reserve Ledger*

Upon the occurrence of a Reserves Trigger Event, the Subordinated Lender will advance the Commingling Reserve Advance up to the Required Commingling Reserve Amount to the Issuer pursuant to the terms of the Subordinated Loan Agreement, which amount will be credited by the Issuer to a ledger (the **Commingling Reserve Ledger**) to enable the Issuer to continue to make the relevant payments in accordance with the relevant Priority of Payments.

If following the occurrence of an Insolvency Event relating to Athlon, Athlon (in its capacity as Servicer) fails on any Payment Date to transfer to the Issuer any Lease Collections (other than Deemed Collections) or Vehicle Realisation Proceeds received by it during, or with respect to, the preceding Collection Period, the amount credited to the Commingling Reserve Ledger shall up to an amount equal to such shortfall, form part of the Available Distribution Amounts. A corresponding amount shall be debited from the Commingling Reserve Ledger.

For a further description of the mechanics by which amounts are being credited to and debited from the Commingling Reserve Ledger, see section 6.3 (*Subordinated Loan Agreement*).

*Maintenance Reserve Ledger*

Upon the occurrence of a Reserves Trigger Event, the Subordinated Lender will advance the Maintenance Reserve Advance up to the Required Maintenance Reserve Amount to the Issuer pursuant to the terms of the Subordinated Loan Agreement, following which the Issuer will credit such Required Maintenance Reserve Amount to a ledger (the **Maintenance Reserve Ledger**) to enable the Issuer to continue to make the relevant payments in accordance with the relevant Priority of Payments.

If and to the extent Athlon in its capacity as Servicer does not cover any Maintenance Costs, an amount equal to such unpaid Maintenance Costs, if and to the extent standing to the credit of the Maintenance Reserve Ledger will form part of the Available Distribution Amounts and will, subject to and in accordance with the relevant Priority of Payments, be applied towards payment of such Maintenance Costs. If and to the extent the Required Maintenance Reserve Amount will be applied towards the payment of any Maintenance Costs which are not settled by the Servicer, a corresponding amount shall be debited from the Maintenance Reserve Ledger.

See for a further description of the mechanics by which amounts are being credited to and debited from the Maintenance Reserve Ledger, section 6.3 (*Subordinated Loan Agreement*).

*Lease Incidental Surplus Reserve Ledger*

Following the occurrence of a Seller Event of Default, the Issuer will, if a Lease Termination Date occurs and the Call Option Buyer elects not to exercise the Repurchase Option in respect of the relevant Purchased Vehicle, reserve any amount by which the aggregate of all Lease Incidental Receivables actually received by the Issuer exceeds the aggregate of all Lease Incidental Debts in respect of the relevant Collection Period (**Lease Incidental Surplus**). Moreover, following the occurrence of a Seller Event of Default, the Issuer will reserve any Net RV Guarantee Payments. For this purpose the Issuer Administrator shall, on behalf of the Issuer open a ledger (the **Lease Incidental Surplus Reserve Ledger**) to which any Lease Incidental Surplus and Net RV Guarantee Payments will be credited following the occurrence of a Seller Event of Default.

On any Payment Date, following the occurrence of a Seller Event of Default on which the sum of all Lease Incidental Debts exceeds the sum of all Lease Incidental Receivables actually received by the Issuer, any amount standing to the credit of the Lease Incidental Surplus Reserve Ledger will form part of the Available Distribution Amounts up to an amount by which the sum of all Lease Incidental Receivables actually received by the Issuer is insufficient to discharge the sum of all Lease Incidental Debts payable in respect to the Collection Period immediately preceding the relevant Payment Date (following which a corresponding debit will be recorded to the Lease Incidental Surplus Reserve Ledger).

Following the Payment Date on which all amounts of interest and principal due in respect of the Notes have been redeemed in full, the amount standing to the credit of the Lease Incidental Surplus Reserve Ledger will not form part of the Available Distribution Amounts but will be paid directly by the Issuer to the Seller into an account designated for such purpose by the Seller.

*Swap Replacement Ledger*

The Issuer Administrator shall on behalf of the Issuer open a ledger (the **Swap Replacement Ledger**) to which the following amounts will be credited upon receipt of the same to the Transaction Account:

(a) any premiums received from any replacement swap counterparty upon entry by the Issuer into a replacement swap agreement; and

(b) termination payments received from the Swap Counterparty in respect of the termination of the Swap Agreement (together the **Swap Replacement Excluded Amounts**).

The amount standing to the credit of the Swap Replacement Ledger may only be debited:

(a) to pay any termination amount due to the Swap Counterparty in respect of a termination of the Swap Agreement;

(b) to pay any premium due to a replacement swap counterparty upon entry into a replacement swap agreement; and

(c) to pay to the Issuer any amount by which the floating amount that would have been payable by the Swap Counterparty to the Issuer under the Swap Agreement in the period that no replacement swap agreement is in place exceeds the fixed amount that would have been payable by the Issuer to the Swap Counterparty under the Swap Agreement in the period that no replacement swap agreement is in place (the **Swap Excess Amount**),

provided that any amount which is in excess of the total of (i) any amounts owed to the Swap Counterparty in respect of a termination of the Swap Agreement, (ii) any premium due to a replacement swap counterparty upon entry into a replacement swap agreement and (iii) any Swap Excess Amount, will form part of the Available Distribution Amounts and will be applied in accordance with the Trust Deed.

### 6.4.3 Other ledgers

*Interest Shortfall Ledger*

The Issuer Administrator shall on behalf of the Issuer open an Interest Shortfall Ledger to record, in accordance with Condition 15 (*Subordination of interest by deferral*), at any Payment Date the amount by which the Available Distribution Amounts fall short of the aggregate amount of interest payable on the Class B Notes, including any amounts previously deferred under Condition 15 (*Subordination of interest by deferral*) and accrued interest thereon.

## 6.5 Swap Agreement

On or about the Signing Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty. The Swap Agreement will mitigate the risk of a mismatch between the floating interest rate payable by the Issuer on the Class A Notes and the fixed rate income being the Lease Interest Components included in the Lease Instalments to be received by the Issuer in respect of the Portfolio. Pursuant to the Swap Agreement the Issuer will make payments to the Swap Counterparty by reference to a certain fixed interest rate and the Swap Counterparty will make payments to the Issuer by reference to a rate based on Euribor.

For further detail regarding the Swap Agreement, see section 8 (*Description of certain Transaction Documents*) below.

## 6.6 RV Guarantee Agreement

On or about the Signing Date, the Issuer will enter into the RV Guarantee Agreement with the RV Guarantor. Pursuant to the RV Guarantee Agreement, if a Lease Termination Date occurs in relation to a Lease Agreement (other than a Defaulted Lease Agreement) and the Call Option Buyer does not exercise the relevant Repurchase Option and the Vehicle Realisation Proceeds realised in respect of the relevant Purchased Vehicle are less than (a) in case of a Matured Lease, the Estimated Residual Value or (b) in case of a Lease Agreement Early Termination, the sum of (x) the Present Value of all remaining scheduled Lease Interest Components and Lease Principal Components that would have become due and payable under the relevant associated Lease Agreement after the Lease Early Termination Date in the event such Lease Agreement would not have been subject to a Lease Agreement Early Termination, and (y) the Present Value of the Estimated Residual Value, each as calculated in respect of the relevant Purchased Vehicle as of the relevant Cut-Off Date, the RV Guarantor will be obliged to make a payment equal to the RV Shortfall Amount.

For further detail regarding the RV Guarantee Agreement, see section 8 (*Description of certain Transaction Documents*) below.

### 6.7 Priority of Payments

*Available Distribution Amounts*

Prior to service of a Notes Acceleration Notice by the Security Trustee, the sum of the following amounts (without double-counting) calculated as at each Calculation Date as being held, or received by or on behalf of the Issuer with respect to the immediately preceding Collection Period, or, as the case may be, to be received by the Issuer on the immediately succeeding Payment Date (the items (i) up to and including (xvi), to the extent actually received by the Issuer *less* on the Payment Date falling in January of each calendar year an amount equal to the higher of (i) 10 per cent. of the management fee due and payable per annum to the Director of the Issuer and (ii) € 3,500, representing the taxable profit for corporate income tax purposes in the Netherlands (the **Available Distribution Amounts**), shall be applied subject to and in accordance with the applicable Priority of Payments on each Payment Date:

(i) any Lease Collections;

(ii) any Deemed Collections;

(iii) any amount of interest paid or principal repaid, other than by way of set-off, under the Issuer Facility Agreement;

(iv) any Vehicle Realisation Proceeds;

(v) any Net RV Guarantee Receipts;

(vi) any Lease Incidental Shortfall payments received from Athlon;

(vii) any interest accrued on the Issuer Accounts (other than the Swap Collateral Account);

(viii) any sum standing to the credit of the General Reserve Account on the immediately succeeding Payment Date up to the Required General Reserve Amount calculated on the relevant Calculation Date;

(ix) any Required Subordinated Increase Amount drawn under the Subordinated Loan Agreement in respect of the immediately succeeding Payment Date;

(x) any Net Swap Receipts under the Swap Agreement (excluding any Swap Replacement Excluded Amounts and amounts credited to the Swap Collateral Account but including amounts received from the Swap Collateral Account to form part of the Available Distribution Amounts as Net Swap Receipts);

(xi) any sum standing to the credit of the Replenishment Ledger;

(xii) any amount to be debited from the Commingling Reserve Ledger on the immediately succeeding Payment Date to form part of the Available Distribution Amounts subject to and in accordance with the relevant mechanics of the Commingling Reserve Ledger;

(xiii) any amount to be debited from the Maintenance Reserve Ledger on the immediately succeeding Payment Date to form part of the Available Distribution Amounts subject to and in accordance with the relevant mechanics of the Maintenance Reserve Ledger;

(xiv) any amount to be debited from the Lease Incidental Surplus Reserve Ledger on the immediately succeeding Payment Date to form part of the Available Distribution Amounts subject to and in accordance with the relevant mechanics of the Lease Incidental Surplus Reserve Ledger;

(xv) any amount to be debited from the Swap Replacement Ledger on the immediately succeeding Payment Date to form part of the Available Distribution Amounts subject to and in accordance with the relevant mechanics of the Swap Replacement Ledger; and

(xvi) the part of the net proceeds of the issue of the Notes, if any, which will remain after application thereof towards payment on the Closing Date of the Initial Issuer Advances and the initial payment made available on the Closing Date.

*Revolving Period Priority of Payments*

During the Revolving Period, the Available Distribution Amounts as calculated at the Calculation Date immediately preceding the relevant Payment Date, will be distributed on each Payment Date according to the following order of priority (in each case if and to the extent payments of a higher order of priority have been made in full) (the **Revolving Period Priority of Payments**):

(a) *first*, in or towards satisfaction of any taxes due and payable by the Issuer;

(b) *second*, until the earlier of (i) the occurrence of a Seller Event of Default and (ii) the appointment of Athlon as Servicer being terminated, in or towards satisfaction of the Senior Servicer Fee to the Servicer;

(c) *third*, in or towards satisfaction *pari passu* and *pro rata* of (i) any Ordinary Expenses (other than those paid elsewhere pursuant to or outside this Revolving Period Priority of Payments) and (ii) any negative interest due and payable by the Issuer in respect of any Issuer Account to the Account Bank in accordance with the Account Agreement;

(d) *fourth*, in or towards satisfaction of any Net RV Guarantee Payments due and payable to the RV Guarantor;

(e) *fifth*, in or towards satisfaction of any Lease Incidental Surplus due and payable to the Seller;

(f) *sixth*, to the extent not paid from the Swap Collateral Account or the Swap Replacement Ledger, in or towards satisfaction of any Net Swap Payments, if any, due and payable by the Issuer to the Swap Counterparty under the terms of the Swap Agreement;

(g) *seventh*, in or towards satisfaction of the amounts of interest accrued but unpaid in respect of the Class A Notes;

(h) *eighth*, in or towards satisfaction of any sums required to replenish the General Reserve Account up to the amount of the Required General Reserve Amount**;**

(i) *ninth*, in or towards disbursement of any Issuer Increase Advance pursuant to the terms of the Issuer Facility Agreement;

(j) *tenth*, up to the Replenishment Amount in or towards satisfaction of (i) any Additional Issuer Advance pursuant to the terms of the Issuer Facility Agreement and thereafter (ii) any sums to be recorded to the credit of the Replenishment Ledger up to the amount of the Excess Collection Amount;

(k) *eleventh*, in or towards satisfaction of the amounts of interest accrued but unpaid in respect of the Class B Notes;

(l) *twelfth*, in or towards satisfaction *pari passu* and *pro rata* of the amounts of interest due and payable in respect of any Subordinated Loan Advance outstanding;

(m) *thirteenth*, in or towards satisfaction *pari passu* and *pro rata* of the amounts of principal due and payable in respect of any Subordinated Loan Advance outstanding;

(n) *fourteenth*, to the extent not paid from the Swap Collateral Account or the Swap Replacement Ledger, in or towards satisfaction of the Subordinated Swap Amount (if any) due and payable by the Issuer to the Swap Counterparty under the terms of the Swap Agreement;

(o) *fifteenth*, in or towards satisfaction, *pari passu* and *pro rata* of any gross-up amounts or additional amounts, if any, due and payable under the Issuer Administration Agreement and/or the Servicing Agreement; and

(p) *sixteenth*, (i) provided that each Required Reserve Amount has been credited to the relevant Reserve Ledger or the Notes have been redeemed in full in accordance with the Conditions, in or towards satisfaction of any Variable Success Fee to the Seller, or otherwise (ii) to be withheld at the Transaction Account with a corresponding credit to the Collection Ledger.

*Normal Amortisation Period Priority of Payments*

Following the termination or expiry of the Revolving Period and provided that no Notes Acceleration Notice has been served by the Security Trustee, the Available Distribution Amounts, as calculated at the Calculation Date immediately preceding the relevant Payment Date, will be distributed on each Payment Date according to the following order of priority (in each case if and to the extent payments of a higher order of priority have been made in full) (the **Normal Amortisation Period Priority of Payments**):

(a) *first*, in or towards satisfaction of any taxes due and payable by the Issuer;

(b) *second*, until the earlier of (i) the occurrence of a Seller Event of Default and (ii) the appointment of Athlon as Servicer being terminated, in or towards satisfaction of the Senior Servicer Fee to the Servicer;

(c) *third*, in or towards satisfaction *pari passu* and *pro rata* of (i) any Ordinary Expenses (other than those paid elsewhere pursuant to or outside this Normal Amortisation Period Priority of Payments) and (ii) any negative interest due and payable by the Issuer in respect of any Issuer Account to the Account Bank in accordance with the Account Agreement;

(d) *fourth*, in or towards satisfaction of (i) until the occurrence of a Seller Event of Default, any Net RV Guarantee Payments due and payable to the RV Guarantor and (ii) following a Seller Event of Default, any Net RV Guarantee Payment to be credited to the Lease Incidental Surplus Reserve Ledger;

(e) *fifth*, in or towards satisfaction of (i) until the occurrence of a Seller Event of Default, any Lease Incidental Surplus due and payable to the Seller and (ii) following a Seller Event of Default, (x) any Lease Incidental Debt due to the relevant Lessee and (y) any Lease Incidental Surplus to be credited to the Transaction Account;

(f) *sixth*, to the extent not paid from the Swap Collateral Account or the Swap Replacement Ledger, in or towards satisfaction of any Net Swap Payments, if any, due and payable by the Issuer to the Swap Counterparty under the terms of the Swap Agreement;

(g) *seventh*, in or towards satisfaction of the amounts of interest accrued but unpaid in respect of the Class A Notes;

(h) *eighth*, in or towards satisfaction of any sums required to replenish the General Reserve Account up to the Required General Reserve Amount;

(i) *ninth*, in or towards disbursement of any Issuer Increase Advance pursuant to the terms of the Issuer Facility Agreement;

(j) *tenth*, in or towards satisfaction of principal amounts due and payable on the Class A Notes, up to the Required Principal Redemption Amount;

(k) *eleventh*, in or towards satisfaction of the amounts of interest accrued but unpaid in respect of the Class B Notes;

(l) *twelfth*, subject to the Class A Notes being redeemed in full, in or towards satisfaction of principal amounts due and payable on the Class B Notes, up to the Required Principal Redemption Amount *less* amounts paid under (j) and (k) above;

(m) *thirteenth*, in or towards satisfaction *pari passu* and *pro rata* of the amounts of interest due and payable in respect of any Subordinated Loan Advance outstanding;

(n) *fourteenth*, in or towards satisfaction *pari passu* and *pro rata* of the amounts of principal due and payable in respect of any Subordinated Loan Advance outstanding;

(o) *fifteenth*, to the extent not paid from the Swap Collateral Account or the Swap Replacement Ledger, in or towards satisfaction of the Subordinated Swap Amount (if any) payable by the Issuer to the Swap Counterparty under the terms of the Swap Agreement;

(p) *sixteenth*, in or towards satisfaction, *pari passu* and *pro rata* of any gross-up amounts or additional amounts, if any, due and payable under the Issuer Administration Agreement and/or the Servicing Agreement; and

(q) *seventeenth*, (i) provided that each Required Reserve Amount has been credited to the relevant Reserve Ledger or the Notes have been redeemed in full in accordance with the Conditions, in or towards satisfaction of any Variable Success Fee to the Seller, or otherwise (ii) to be withheld at the Transaction Account with a corresponding credit to the Collection Ledger.

*Accelerated Amortisation Period Priority of Payments*

Following the service of a Notes Acceleration Notice by the Security Trustee, all funds available to the Issuer (including any amounts standing to the credit of the Issuer Accounts (other than the Swap Collateral Account) and all monies received or recovered by the Security Trustee, but excluding any Excess Swap Collateral) will be applied by the Security Trustee (or the Issuer Administrator on its behalf) to the Secured Creditors on any Business Day according to the following order of priority (in each case if and to the extent payments of a higher order of priority have been made in full) (the **Accelerated Amortisation Period Priority of Payments**):

(a) *first*, in or towards satisfaction of any taxes due and payable by the Issuer;

(b) *second*, until the earlier of (i) the occurrence of a Seller Event of Default and (ii) the appointment of Athlon as Servicer being terminated, in or towards satisfaction of the Senior Servicer Fee to the Servicer;

(c) *third*, in or towards satisfaction *pari passu* and *pro rata* of (i) any Ordinary Expenses and Extraordinary Expenses (other than those paid elsewhere pursuant to or outside this Accelerated Amortisation Period Priority of Payments) and (ii) any negative interest due and payable by the Issuer in respect of any Issuer Account to the Account Bank in accordance with the Account Agreement;

(d) *fourth*, until the occurrence of a Seller Event of Default, in or towards satisfaction of any Net RV Guarantee Payments due and payable to the RV Guarantor;

(e) *fifth,* in or towards satisfaction of (i) until the occurrence of a Seller Event of Default, any Lease Incidental Surplus due and payable to the Seller and (ii) following a Seller Event of Default any Lease Incidental Debt due and payable to the relevant Lessee;

(f) *sixth*, to the extent not paid from the Swap Collateral Account or the Swap Replacement Ledger, in or towards satisfaction of any Net Swap Payments, if any, due and payable by the Issuer to the Swap Counterparty under the terms of the Swap Agreement;

(g) *seventh,* in or towards satisfaction of the amounts of interest accrued but unpaid in respect of the Class A Notes;

(h) *eighth*, in or towards satisfaction of principal amounts due and payable on the Class A Notes until fully redeemed in accordance with the Conditions;

(i) *ninth*, in or towards satisfaction of the amounts of interest due and payable or accrued but unpaid in respect of the Class B Notes;

(j) *tenth*, subject to the Class A Notes being redeemed in full, in or towards satisfaction of principal amounts due and payable on the Class B Notes until fully redeemed in accordance with the Conditions;

(k) *eleventh,* in or towards satisfaction *pari passu* and *pro rata* of the amounts of interest due and payable in respect of any Subordinated Loan Advance outstanding;

(l) *twelfth*, in or towards satisfaction *pari passu* and *pro rata* of the amounts of principal due and payable in respect of any Subordinated Loan Advance outstanding;

(m) *thirteenth*, to the extent not paid from the Swap Collateral Account or the Swap Replacement Ledger, in or towards satisfaction of the Subordinated Swap Amount (if any) due and payable by the Issuer to the Swap Counterparty under the terms of the Swap Agreement;

(n) *fourteenth*, in or towards satisfaction, *pari passu* and *pro rata* of any gross-up amounts or additional amounts, if any, due and payable under the Issuer Administration Agreement and/or the Servicing Agreement; and

(o) *fifteenth*, in or towards satisfaction of any Variable Success Fee to the Seller.

*Payments outside Priority of Payments*

Prior to the service of a Notes Acceleration Notice, a payment of any Extraordinary Expenses and any amount due and payable to third parties (in each case other than pursuant to any of the Transaction Documents) under obligations incurred in the Issuer's business at a date which is not a Payment Date may be made by the Issuer on the relevant due date from the Transaction Account to the extent that the funds available on the Transaction Account are sufficient to make such payment.

Any Excess Swap Collateral shall be paid outside the relevant Priority of Payments and such amount will not form part of the Available Distribution Amounts (see section 6.5 (*Swap Agreement*)).

Certain excess amounts standing or recorded, as the case may be, to the credit of the General Reserve Account, the Maintenance Reserve Ledger or the Commingling Reserve Ledger, as the case may be, which may be used to repay the General Reserve Advance, the Maintenance Reserve Advance and/or the Commingling Reserve Advance outstanding shall be paid outside the relevant Priority of Payments in accordance with the terms of the Subordinated Loan Agreement and will not form part of the Available Distribution Amounts (see section 6.3 (*Subordinated Loan Agreement*).

## 7 REGULATORY AND INDUSTRY COMPLIANCE

### 7.1 Compliance with article 5 of the Securitisation Regulation

The Securitisation Regulation imposes certain due-diligence requirements on institutional investors aimed at allowing them to properly assess the risks arising from securitisations. Particularly, each investor and potential investor in the Notes being an Institutional Investor (as defined below) shall, comply with the due diligence requirements established by article 5 of the Securitisation Regulation (*Due-diligence requirements for institutional investors*) (the **Due-diligence Requirements**). Under the Securitisation Regulation an 'institutional investor' is an investor which is one of the following:

(i) an insurance undertaking as defined in point (1) of article 13 of Directive 2009/138/EC;

(j) a reinsurance undertaking as defined in point (4) of article 13 of Directive 2009/138/EC;

(k) an institution for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 of the European Parliament and of the Council (1) of the European Union in accordance with article 2 thereof, unless an EU Member State has chosen not to apply that directive in whole or in parts to that institution in accordance with article 5 of that directive; or an investment manager or an authorised entity appointed by an institution for occupational retirement provision pursuant to article 32 of Directive (EU) 2016/2341;

(l) an alternative investment fund manager (AIFM) as defined in point (b) of article 4(1) of Directive 2011/61/EU that manages and/or markets alternative investment funds in the Union;

(m) an undertaking for the collective investment in transferable securities (UCITS) management company, as defined in point (b) of article 2(1) of the UCITS Directive;

(n) an internally managed UCITS, which is an investment company authorised in accordance with the UCITS Directive and which has not designated a management company authorised under the UCITS Directive for its management; and

(o) a credit institution as defined in point (1) of article 4(1) of the CRR for the purposes of that Regulation or an investment firm as defined in point (2) of article 4(1) of that Regulation,

hereinafter each an **Institutional Investor**.

The following paragraphs set out a summary of the Due-diligence Requirements.

*Investor's duties prior to purchasing and holding any Notes*

Pursuant to the Due-diligence Requirements, prior to the purchasing and holding any Notes, each investor and potential investor in the Notes being an Institutional Investor shall, *inter alia*:

(a) verify that the Originator has entered into the Lease Agreements giving rise to the receivables on the basis of sound and well-defined criteria and clearly established

processes for approving, amending, renewing and financing those receivables and has effective systems in place to apply those criteria and processes in accordance with article 9(1) of the Securitisation Regulation;

(b) verify that (i) the Originator retains on an ongoing basis a material net economic interest in accordance with article 6 of the Securitisation Regulation and (ii) the risk retention is disclosed to the Institutional Investor in accordance with article 7 of the Securitisation Regulation. For further details, please see sections 7.2 (*Compliance with article 6 of the Securitisation Regulation*) and 7.3 (*Compliance with article 7 of the Securitisation Regulation*) below;

(c) verify that the Reporting Entity has made available the information required by article 7 of the Securitisation Regulation in accordance with the frequency and modalities contained therein. For further details, please see section 7.3 (*Compliance with article 7 of the Securitisation Regulation*) below;

(d) carry out a due-diligence assessment enabling it to assess the risks involved and considering at least all of the following:

(i) the risk characteristics with respect to Notes and the Purchased Vehicles and the associated Lease Receivables;

(ii) all the structural features of the Transaction that can materially impact the performance of the Notes, including the Priority of Payments, credit enhancements, liquidity enhancements, market value triggers, and transaction-specific definitions of default; and

(iii) the compliance of the Transaction with the STS Requirements and the requirements provided for in article 27 of the Securitisation Regulation provided that Institutional Investors may rely to an appropriate extent on the STS Notification pursuant to article 27(1) of the Securitisation Regulation and any information disclosed by the Originator, the Arranger and the Issuer, on the compliance with the STS Requirements, without solely or mechanistically relying on that notification or information.

*Investor's duties after purchasing and while holding the Notes*

Pursuant to the Due-diligence Requirements, after purchasing and while holding any Notes, each investor and potential investor in the Notes being an Institutional Investor shall, inter alia:

(a) establish appropriate written procedures that are proportionate to the risk profile of the Notes and, where relevant, to the Institutional Investor's trading and non-trading book, in order to monitor, on an ongoing basis, compliance with the duties described under the preceding paragraph entitled *Investor's duties prior to purchasing and holding any Notes* and the performance of the Notes and the Purchased Vehicles and the associated Lease Receivables, in each case in accordance with article 5 of the Securitisation Regulation;

(b) regularly perform stress tests on the cash flows and collateral values supporting the Purchased Vehicles and the associated Lease Receivables or, in the absence of sufficient

data on cash flows and collateral values, stress tests on loss assumptions, having regard to the nature, scale and complexity of the risk of the Notes;

(c) ensure internal reporting to its management body so that the management body is aware of the material risks arising from the Notes and so that those risks are adequately managed; and

(d) be able to demonstrate to its competent authorities, upon request, that it has a comprehensive and thorough understanding of the Notes and the Purchased Vehicles and the associated Lease Receivables and that it has implemented written policies and procedures for the risk management of the Notes and for maintaining records of the verifications and due diligence in accordance with paragraphs 1 (a), (b) and (c) and of any other relevant information.

**7.2 Compliance with article 6 of the Securitisation Regulation**

*Retention statement*

The Originator confirms that it has covenanted with the Issuer and the Security Trustee under the Master Hire Purchase Agreement and with the Joint Lead Managers under the Subscription Agreement that the Originator will, for the life of the Transaction, retain a material net economic interest of not less than 5 per cent. in the Transaction in accordance with article 6(3)(d) of the Securitisation Regulation (which does not take into account any corresponding national measures) and will not enter into any credit risk mitigation, short position or any other credit hedge or sale with respect to such material net economic interest, provided that the level of retention may reduce over time in compliance with article 10(2) of the Draft RTS Risk Retention specifying the risk retention requirements pursuant to article 6 of the Securitisation Regulation. As of the Closing Date, such interest will, in accordance with article 6(3)(d) of the Securitisation Regulation, be retained through the holding of the Class B Notes.

**7.3 Compliance with article 7 of the Securitisation Regulation**

*Introduction*

Pursuant to article 7(1) of the Securitisation Regulation, the Originator and the Issuer shall make available to holders of a securitisation position in the Transaction, including the Noteholders, to the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors the following information:

(a) information on the Purchased Vehicles and the associated Lease Receivables on a monthly basis;

(b) all underlying documentation that is essential for the understanding of the Transaction;

(c) the STS Notification;

(d) investor reports containing the following:

(i) all materially relevant data on the credit quality and performance of the Purchased Vehicles and the associated Lease Receivables;

(ii) information on events which trigger changes in the Priority of Payments or the replacement of any counterparties, and data on the cash flows generated by the Purchased Vehicles and the associated Lease Receivables and by the liabilities of the Transaction; and

(iii) information about the risk retained, including information on which of the modalities provided for in article 6(3) of the Transaction has been applied, in accordance with article 6 of the Securitisation Regulation;

(e) without undue delay, any inside information relating to the Transaction that the Originator or the Issuer is obliged to make public in accordance with article 17 of Regulation (EU) No 596/2014 on insider dealing and market manipulation;

(f) without undue delay, where point (e) does not apply, any significant event such as:

(i) a material breach of the obligations provided for in the documents made available in accordance with point (ii), including any remedy, waiver or consent subsequently provided in relation to such a breach;

(ii) a change in the structural features that can materially impact the performance of the Transaction;

(iii) a change in the risk characteristics of the Transaction or of the Purchased Vehicles and the associated Lease Receivables that can materially impact the performance of the Transaction;

(iv) where the securitisation ceases to meet the STS Requirements or where competent authorities have taken remedial or administrative actions; and

(v) any material amendment to any Transaction Document.

The Issuer and the Originator, as originator within the meaning of the Securitisation Regulation, have agreed that the Originator is the "*reporting entity*" under article 7(2) of the Securitisation Regulation to fulfil the information requirements of article 7(1) of the Securitisation Regulation (the **Reporting Entity**). The Reporting Entity, as originator, shall also be responsible for compliance with article 7 of the Securitisation Regulation, pursuant to article 22(5) of the Securitisation Regulation.

*Compliance with the Transparency Requirements*

Pursuant to the Transparency Reporting Agreement, the Originator has been designated as the Reporting Entity and the Issuer has undertaken to deliver to the Reporting Entity a copy of the Transaction Documents, the Prospectus and any other document or report received in connection with the Securitisation, unless the Reporting Entity already has possession of the respective document.

The Seller has undertaken in the Transparency Reporting Agreement to prepare and deliver to the Relevant Recipients the information set forth in the Transparency Requirements in accordance with article 7 of the Securitisation Regulation and to the extent the STS Transparency Requirements are in effect, article 22(5) of the Securitisation Regulation, provided

that the Reporting Entity will only be required to do so to the extent that the Transparency Requirements are in effect. Though, the Reporting Entity will not be in breach of such undertaking towards the Issuer under the Transparency Reporting Agreement if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control.

For such purpose, the Reporting Entity has undertaken in the Transparency Reporting Agreement that it (or any agent on its behalf) will in particular:

(a) prepare and publish, at least on a quarterly basis, the lease level data setting out the information required by article 7(1)(a) of the Securitisation Regulation and the applicable Regulatory Technical Standards simultaneously with the relevant monthly investor report;

(b) prepare and publish, on a monthly basis, a monthly investor report as required by and in accordance with article 7(1)(e) of the Securitisation Regulation and the applicable Regulatory Technical Standards;

(c) upon the occurrence of an event triggering the existence of any inside information as referred to in article 7(1)(f) of the Securitisation Regulation and to the extent applicable, any significant event as referred to in article 7(1)(g) of the Securitisation Regulation, publish without delay, subject to the timely receipt of all necessary information from the relevant parties, such inside information or significant event by means of the Inside Information Report; and

(d) make available copies of the relevant Transaction Documents, the STS Notification and the Prospectus in accordance with article 7(1)(b) and (d) and to the extent applicable article 22(5) of the Securitisation Regulation,

provided that the Transparency Requirements are in effect.

In addition, the Reporting Entity has made available the documents as required by and in accordance with article 7(1)(b) of the Securitisation Regulation prior to the pricing of the Notes.

The Reporting Entity (or any agent on its behalf) will make all such information set forth under the first paragraph above available to the Relevant Recipients as is required to be made available pursuant to article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

The Reporting Entity (or any agent on its behalf) will make available the information required under article 7(1) of the Securitisation Regulation on the website of European Datawarehouse (being, as at the date of this Prospectus, https://editor.eurodw.eu/), being a website that conforms to the requirement set out in article 7(2) of the Securitisation Regulation (the **SR Website**) and, following registration of any securitisation repository under article 10 of the Securitisation Regulation, with any such securitisation repository that the Issuer appoints in relation to the Notes (the **SR Repository**). For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus and has not been scrutinised or approved by the competent authority.

*Investors to assess compliance*

Each prospective investor is, however, required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with article 5 of the Securitisation Regulation and none of the Issuer, any of the Managers or the Originator make any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that they comply with the implementing provisions in respect of article 5 of the Securitisation Regulation in their relevant jurisdiction. Prospective investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

In order to enable the Noteholders to conduct their own assessments, each monthly investor report will contain a statement in respect of the retention of the Class B Notes by the Seller as at the end of the corresponding Collection Period.

Pursuant to the provisions of the Transparency Reporting Agreement, the Reporting Entity will provide, upon reasonable request by the Issuer, such further information as reasonably requested by the Noteholders for the purposes of compliance of such Noteholder with the requirements under article 5 of the Securitisation Regulation and the implementation into the relevant national law, subject to applicable law and availability provided that the Reporting Entity shall be entitled to limit the frequency of the disclosure of such additional information to not more than four (4) times in a calendar year.

*Article 22(5) of the Securitisation Regulation*

Pursuant to article 22(5) of the Securitisation Regulation, the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation. In particular:

(a) the information required by point (a) of the first subparagraph of article 7(1) shall be made available to potential investors before pricing upon request;

(b) the information required by points (b) to (d) of the first subparagraph of article 7(1) shall be made available before pricing at least in draft or initial form; and

(c) the final documentation shall be made available to investors at the latest than fifteen (15) days after closing of the Transaction.

*Compliance with the STS Transparency Requirements*

In order to comply with the transparency requirements provided for by article 22, and to the extent applicable, articles 20(10), 20(11)(a)(ii) and 21(9) of the Securitisation Regulation, the Reporting Entity shall make available the information set forth in such articles of the Securitisation Regulation in accordance with the Securitisation Regulation, provided that the Reporting Entity will only be required to comply with the above to the extent that the STS Transparency Requirements are in effect.

The Reporting Entity (or any agent on its behalf) will make available the information required under STS Transparency Requirements (as may be applicable) on the SR Website and, following registration of any securitisation repository under article 10 of the Securitisation

Regulation, with the SR Repository. For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus and has not been scrutinised or approved by the competent authority.

### 7.4 Compliance with STS Requirements

The Transaction meets the requirements for simple, transparent and standardised non-ABCP securitisations provided for by articles 19 to 22 of the Securitisation Regulation (the **STS Requirements**). The Originator will submit an STS notification to ESMA in accordance with article 27 of the Securitisation Regulation prior to or on the Closing Date, pursuant to which compliance with the requirements of articles 19 to 22 of the Securitisation Regulation will be notified with the intention that the Transaction is to be included in the list administered by ESMA within the meaning of article 27 of the Securitisation Regulation (at the date of this Prospectus: https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation). However, none of the Issuer, Athlon (in its capacity as the Originator, the Seller, the Servicer and the Reporting Entity), the Issuer Administrator, the Arranger and the Managers gives any explicit or implied representation or warranty as to (i) inclusion 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 and (iii) that this securitisation transaction does or continues to be recognised or designated as 'STS' or 'simple, transparent and standardised' within the meaning of article 18 of the Securitisation Regulation after the date of this Prospectus.

The compliance of the Transaction with the STS Requirements has been verified as of the Closing Date by SVI, in its capacity as third party verification agent authorised pursuant to article 28 of the Securitisation Regulation.

STS Verification International GmbH (**SVI**) has been authorised by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) as third party verification agent 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 STS Requirements.

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). 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 the STS Notification a statement that compliance of its securitisation with the STS Requirements has been confirmed by SVI.

SVI disclaims any responsibility for monitoring continuing compliance with the STS Requirements by the parties concerned or other aspect of their activities or operations.

No assurance can be provided that the Transaction does or continues to qualify as an STS securitisation under the Securitisation Regulation at any point in time in the future.

The designation of the Transaction as an STS securitisation is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MiFID II and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended).

By designating the Transaction as an STS securitisation, no views are expressed about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes. No assurance can be provided that the securitisation position described in this Prospectus does or continues to qualify as an STS securitisation under the Securitisation Regulation. As the STS status of the Transaction is not static, investors should verify the current status of the Transaction on ESMA's website.

### 7.5 UK Securitisation Regulation

Pursuant to the EUWA, from 11pm (GMT) on 31 December 2020, EU regulations (including the Securitisation Regulation) which previously had direct effect in the UK by virtue of the European Communities Act 1972 were transposed into domestic law in the UK.

In order to smooth the transition from the Securitisation Regulation regime, as it forms part of domestic law of the UK by virtue of the EUWA and any implementing laws or regulations in force in the UK in relation to the Securitisation Regulation (together with applicable directions, secondary legislation, guidance, binding technical standards and related documents published by the Financial Conduct Authority and the Prudential Regulation Authority of the UK) (the **UK Securitisation Regulation**), the UK regulators have put various transitional provisions in place until 31 March 2022 or such later date as specified by the Financial Conduct Authority under its temporary transitional powers under part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (the **Standstill Period**). In certain cases, UK regulated entities can continue to comply with the previous requirements under the Securitisation Regulation instead of the UK Securitisation Regulation. In particular, UK originators, sponsors and SSPEs may use the standardised reporting templates developed by ESMA for the purpose of article 7 of the Securitisation Regulation, rather than the standardised reporting templates adopted by the Financial Conduct Authority for the purpose of article 7 of the UK Securitisation Regulation, during the Standstill Period.

The UK Securitisation Regulation includes in article 5 due diligence requirements which are applicable to UK institutional investors in a securitisation.

If the due diligence requirements under article 5 of the UK Securitisation Regulation are not satisfied then, depending on the regulatory requirements applicable to such UK institutional investors, 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 due diligence requirements under article 5 of the UK Securitisation Regulation, potential investors should note in particular that:

- in respect of the risk retention requirements set out in article 6 of the UK Securitisation Regulation the Seller commits to retain a material net economic interest with respect to this Transaction in compliance with article 6(3)(c) of the Securitisation Regulation and Commission Delegated Regulation (EU) 625/2014 or any successor delegated regulation only and not in compliance with article 6 of the UK Securitisation Regulation, and

- in respect of the transparency requirements set out in article 7 of the UK Securitisation Regulation, the Reporting Entity 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 Disclosure Technical Standards for the purposes of this Transaction and will not make use of the standardised templates adopted by the Financial Conduct Authority.

UK institutional investors (as defined in the UK Securitisation Regulation) should be aware that whilst, at the date of this Prospectus, the Disclosure Technical Standards and the transparency requirements of article 7 of the UK Securitisation Regulation are very similar, and the Financial Conduct Authority has also issued a standstill direction under its temporary transitional powers under part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 allowing for reporting on the basis of Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 until the expiry of the Standstill Period, the Securitisation Regulation and UK Securitisation Regulation (including but not limited to the Disclosure Technical Standards and the transparency requirements of article 7 of the UK Securitisation Regulation) may diverge. No assurance can be given that the information included in this Prospectus or provided in accordance with the Disclosure Technical Standards will be sufficient for the purposes of assisting such UK institutional investors in complying with their due diligence obligations under article 5 of the UK Securitisation Regulation.

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 article 5 of the UK Securitisation Regulation, 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 parties involved have verified whether the Transaction is compliant with the UK Securitisation Regulation. Potential investors should take note (i) that the Transaction is in compliance with the Securitisation Regulation, and (ii) of the differences between the UK Securitisation Regulation and the Securitisation Regulation. Potential investors located in the UK should make their own assessment as to whether the Reporting Entity shall (i) make available information which is substantially the same as that which it would have made available in accordance with point (e) of article 5 of the UK Securitisation Regulation and (ii) do so with such frequency and modalities as are substantially the same as those with which it would have made information available in accordance with point (e) of article 5 of the UK Securitisation Regulation if it had been so established.

## 7.6 Rules concerning capital relief

The CRR Amendment Regulation entered into force on 17 January 2018 and its provisions are applicable as of 1 January 2019. The CRR Amendment Regulation purports to revise the rules on the treatment of securitisation positions purchased and held by credit institutions and investment firms in respect of the risk-weighted exposures to be attached to such securitisation positions. The rules of the CRR Amendment Regulation therefore have a restricted scope of applicability to credit institutions and certain investment firms established and supervised in the EEA only. The CRR Amendment Regulation furthermore addresses the specific features of STS securitisations and their treatment in respect of the risk weighting rules for securitisation positions qualifying as securitisation positions of qualifying STS securitisations purchased and held by credit institutions and certain investment firms. Following the adoption of the CRR Amendment Regulation certain securitisation positions of qualifying STS securitisations will, following a further calibration of the capital requirements as set forth in the CRR Amendment Regulation, obtain a preferential treatment as regards their capital requirements weighting for credit institutions and certain investment firms (as these are defined in the CRR) investing in such securitisation positions. Such relevant provisions of the CRR Amendment Regulation, including the provisions related to STS securitisations, apply to the fullest extent to the Notes.

On 18 January 2015, the Solvency II Regulation entered into force. The implementing rules set out more detailed requirements for individual insurance undertakings as well as for groups, based on the provisions set out in the Solvency II Regulation. Pursuant to the Solvency II Regulation, more stringent rules apply to European insurance companies since January 2016 as regards regulatory capital requirements (*eigen vermogen*). Following the adoption of Commission Delegated Regulation (EU) 2018/1221 of 1 June 2018 the then applicable provisions of the Solvency II Regulation on calibration for 'type 1 securitisation' have, with effect from 1 January 2019, been replaced by a more risk-sensitive calibration for STS securitisations covering all possible tranches that also meet additional requirements in order to minimise risks. The relevant provisions of the Solvency II Regulation apply to the fullest extent to the Notes.

Since the introduction of Basel III: A global regulatory framework for more resilient banks and banking systems in 2010 (**Basel III Framework**), the Basel Committee published several consultation documents for amendment of Basel III. On 7 December 2017, the Basel Committee published the finalised Basel III reforms as improvements to the global regulatory framework (**Basel III Reforms**) (informally referred to as Basel IV). Basel III Reforms seeks to restore credibility in the calculation of the risk weighted assets and improve the comparability of banks' ratios. The rules for calculating risk weighted assets for credit risk will be tightened, under the standardised approach as well as under the internal ratings-based (IRB) approach. In accordance with Basel III Reforms, banks' calculations of risk weighted assets generated by internal models cannot, in aggregate, fall below 72.5 per cent. of the risk weighted assets computed by the standardised approaches. The implementation will be gradual over a five-year period, from 2022 until 2027. The Basel III Reforms may have an impact on the capital requirements in respect of the holder of the Notes and/or on incentives to hold the Notes for credit institutions and certain investment firms established and supervised in the EEA that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

On 2 August 2019 EBA published its 'Policy Advice on the Basel III reforms: output floor (EBAOp-2019-09c)'. EBA recommends that it is essential that the output floor is implemented by EU institutions at a 72.5 per cent. level in compliance with the Basel III Reforms. A new CRR proposal, which incorporates additional changes to the Basel III framework, is in process of being developed by the European Commission with technical support from EBA following the European Commission's Call for Advice (CfA) of 4 May 2018 to the EBA for the purposes of revising the own fund requirements for credit, operational, market and credit valuation adjustment risk addressing the impact and implementation of the finalised Basel III standards. It is expected that the European Commission will publish its proposals to amend CRR in the second half year of 2021 in order to transpose the Basel III-Reforms into European law, where the publication of these proposals has been delayed due to the COVID-19 Pandemic.

Potential investors should consult their own advisers as to the consequences to and effect on them of the CRR Amendment Regulation, the Solvency II Regulation, the Basel III Framework and the Basel III Reforms to their holding of any Notes. None of the Issuer, the Security Trustee, the Arranger or the Managers are responsible for informing Noteholders of the effects on the changes to risk-weighting or regulatory capital which amongst others may result for investors from the adoption by their own regulator of the CRR Amendment Regulation, the Solvency II Regulation, the Basel III Framework and the Basel III Reforms (whether or not implemented by them in its current form or otherwise).

### 7.7 Rules concerning liquidity management

The Delegated Regulation (EU) 2018/1620 of 13 July 2018 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions (the **LCR Delegated Regulation**) provides for rules allowing securitisation positions meeting certain requirements and conditions to be comprised as HQLA of the Level 2B type (**Level 2B HQLA**) in the liquidity buffer of credit institutions. Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 amends the LCR Delegated Regulation (the **Amended LCR Delegated Regulation**). This amendment integrates the STS criteria for securitisations set out in the Securitisation Regulation in the LCR Delegated Regulation to the effect that securitisation positions will only qualify as HQLA if the securitisation positions have been issued under a securitisation in respect of which an STS-notification has been made with and processed by ESMA, which amendment became applicable as from 20 April 2020.

None of the Issuer, the Security Trustee, the Seller, the Reporting Entity, the Arranger or the Managers makes any representation to any prospective investor or purchaser of the Notes as to these matters on the Closing Date or at any time in the future and none of them are responsible for informing any Noteholders of the effects on the changes to risk-weighting of the Notes or the qualification as Level 2B HQLA which, amongst others, may result from the suspension, delay or withdrawal of this STS securitisation qualification from the list published by ESMA on its website pursuant to article 27(5) Securitisation Regulation or the adoption, interpretation or application by their own regulator of the LCR Delegated Regulation and the Amended LCR Delegated Regulation (whether or not in their current form or otherwise). Prospective investors should assess independently and where relevant should consult their own advisors as to the effects of the changes to risk-weights of the Notes referred to above or the qualification as Level 2B HQLA.

### 7.8 Rules concerning recovery and resolution of institutions

The BRRD and the SRM Regulation set out a common European recovery and resolution framework which is composed of three pillars: (i) preparation (by requiring banks and other entities subject to the BRRD/SRM Regulation to draw up recovery plans and resolution authorities to draw up resolution plans), (ii) early intervention powers and (iii) resolution powers. The SRM Regulation applies to significant banks and banking groups subject to the single supervisory mechanism pursuant to Council Regulation (EU) No 1024/2013 and ECB Regulation (EU) No 1022/2013 and provides for a single resolution mechanism in respect of such banks and banking groups. The BRRD has been transposed into the law of the Netherlands pursuant to the BRRD Implementation Act, which entered into force on 26 November 2015.

Neither the Seller nor the Issuer are subject to the rules and regulations of the BRRD or SRM Regulation. This legislation may be relevant for other parties to the Transaction. Potential investors should assess independently and where relevant consult their own advisors as to the effect of the BRRD or SRM Regulation to them and their holding of any Notes.

### 7.9 COVID-19 Banking Package

On 24 June 2020 Regulation (EU) 2020/873 of the European Parliament and of the Council amending Regulations (EU) No 575/2013 and (EU) 2019/876 (OJ L 204) as regards certain adjustments in response to the COVID-19 Pandemic (**COVID-19 Banking Package**) and applies from 27 June 2020. Two particular elements of this COVID-19 Banking Package are highlighted in the context of the securitisation transaction described in this Prospectus.

First, the transitional arrangements allow credit institutions to alleviate the impact from expected credit-loss (**ECL**) provisioning under IFRS 9 on their own funds. This adjustment allows credit institutions to better mitigate the impact of any potential increase in ECL provisioning caused by the deterioration in the credit quality of credit institutions' exposures due to the economic consequences of the COVID-19 Pandemic. This temporary measure applies until the end of the transitional periods the last of which ends 31 December 2024.

Second, to account for the impact of COVID-19 related guarantees, the rules on the minimum loss coverage for non-performing exposures (**NPEs**) have been adjusted to extend temporarily the treatment that is currently applicable to NPEs guaranteed or insured by export credit agencies to NPEs that would arise as a consequence of the COVID-19 Pandemic and that are covered by the various guarantee schemes that were put in place by Member States. This recognises the similar characteristics shared by export credit agencies guarantees and COVID-19 related guarantees.

### 7.10 Benchmarks Regulation

The interest payable on the Class A Notes will be determined by reference to Euribor. Under the Benchmarks Regulation, new requirements apply with respect to the provision of a wide range of benchmarks (including Euribor), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmarks Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-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 (ii) prevent certain use by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

EMMI, administrator of the Euribor benchmark, reformed the Euribor benchmark determination methodology by evolving from the previous quote-based methodology towards a hybrid methodology. Such changes have been introduced by EMMI in order to comply with the requirements under the Benchmarks Regulation, to comply with the recommendations of the Belgian Financial Services and Markets Authority as being the competent authority supervising EMMI and to follow the guidelines of international organisations on the administration of benchmarks such as the International Organization of Securities Commissions, the Financial Stability Board, ESMA and EBA. As at the date of this Prospectus EMMI, in respect of Euribor, appears in the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of the Benchmarks Regulation. If Euribor were to be discontinued or no longer remains to be available the Issuer (on instruction of the Servicer) is likely to be compelled to apply fall-back provisions as described in further detail below.

The Issuer, the Servicer or any other agent appointed by it to determine the Alternative Base Rate may be considered to qualify as an 'administrator' of benchmarks under the Benchmarks Regulation. This is the case if it is considered to be in control over the provision of the Alternative Base Rate and/or the determined rate of interest on the basis of the Alternative Base Rate and any adjustments made thereto by the Issuer, the Servicer or any agent appointed by it and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario. This would mean that the Issuer, the Servicer or any agent appointed by it (i) administers the arrangements for determining such rate, (ii) collects, analyses, or processes input data for the purposes of determining such rate and (iii) determines such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Issuer, the Servicer or any agent to be appointed by it to be considered an 'administrator' under the Benchmarks Regulation, the Alternative Base Rate and/or the determined rate of interest on the basis of the Alternative Base Rate and any adjustments made thereto by the Issuer, the Servicer or such agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario should be a benchmark (index) within the meaning of the Benchmarks Regulation. This may be the case if the Alternative Base Rate and/or the determined rate of interest on the basis of the Alternative Base Rate and any adjustments made thereto by the Issuer, the Servicer or any agent appointed by it and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario, is published or made available to the public and regularly determined by the application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The Benchmarks Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the Benchmarks Regulation. There is a risk that administrators of certain benchmarks will fail to obtain such registration, authorisation, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. In such case, this may affect the possibility for the Servicer and the Issuer to apply the fall-back provision of Condition 4.5 (*Alternative Base Rate*) meaning that the applicable benchmark will remain unchanged (but subject to the other provisions of Condition 4 (*Interest*)).

The use of the Alternative Base Rate may result in the Notes that referenced Euribor to perform differently if interest payments are based on the Alternative Base Rate (including potentially paying a lower interest rate) then they would do if Euribor were to continue to apply in its current form. Furthermore, the terms and conditions of the Notes may be amended by the Issuer, as necessary to ensure the proper operation of the Alternative Base Rate, without any requirement for consent or approval of the Noteholders, subject to Condition 4.5 (*Alternative Base Rate*).

The Alternative Base Rate will (in the absence of manifest error) be final and binding, and will apply to the relevant Notes without any requirement to obtain the consent of any Noteholders, subject to Condition 4.5 (*Alternative Base Rate*). If the Issuer, the Servicer or any agent appointed by it is unable to or otherwise does not determine an Alternative Base Rate under Condition 4.5 (*Alternative Base Rate*), this could result in the effective application of a fixed interest rate to what was previously a Note to which a floating rate of interest was applicable, which fixed interest rate is based on the rate which applied in the previous period when Euribor was available. The Servicer will however be entitled (but not obliged) to in such case elect to re-apply the provisions of Condition 4.5 (*Alternative Base Rate*), *mutatis mutandis*, on one or more occasions until an Alternative Base Rate has been determined.

In addition, due to the uncertainty concerning the availability of successor rates and substitute reference rates and the involvement of the Issuer, the Servicer or any agent appointed by it, the relevant fall-back provisions may not operate as intended at the relevant time. In addition, the Alternative Base Rate may perform differently from the discontinued benchmark. As set out in the risk factor entitled "*Risks relating to benchmarks and future discontinuance of* Euribor *and any other benchmark*" this could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

### 7.11 Prospectus approval

This Prospectus has been approved by the CSSF, as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. This Prospectus shall be valid for use only by the Issuer or others who have obtained the Issuer's consent for a period of up to twelve (12) months after its approval by the CSSF and shall expire on 14 June 2022, at the latest. It is noted that the obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid. For this purpose, "valid" means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement the Prospectus is only required within its period of validity between the time when the Prospectus is approved and the closing of the offer period for the Notes or the time when trading on a regulated market begins, whichever occurs later.

### 7.12 CRA Regulation

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such credit ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

The Rating Agencies are at the date of this Prospectus included in the register of certified rating agencies as maintained by ESMA.

### 7.13 European Market Infrastructure Regulation (EMIR)

The Issuer will be entering into the Swap Agreement, which is an over-the-counter (**OTC**) interest rate swap transaction. 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 (**EMIR**) which entered into force on 16 August 2012 establishes certain requirements for OTC derivative contracts, including a mandatory clearing obligation, risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty (**CCP**) and reporting requirements. On 4 May 2017, the European Commission published a proposal for a regulation amending EMIR (the **Proposed Amending EMIR Regulation**). It includes, amongst others, changes to the reporting requirements and the application of the clearing thresholds for non-financial counterparties and financial counterparties. The Proposed Amending EMIR Regulation has been adopted by the European Council and the European Parliament on 20 May 2019 and entered into force on 17 June 2019 (the **Amending EMIR Regulation**).

Under EMIR, parties to derivatives transactions whose positions in OTC derivatives (including the positions of certain other entities in its group, but excluding any hedging positions) exceed a specified clearing threshold must clear OTC derivative contracts that are entered into on or after the effective date for the clearing obligation. The Issuer believes that it is not subject to these requirements for the following reasons.

Firstly, the Transaction will be notified to ESMA as meeting the STS Requirements. Pursuant to the provision of article 4(5) EMIR (as amended pursuant to the Securitisation Regulation) the Issuer complies with the criteria of this provision that it is an SSPE in connection with a securitisation within the meaning of the Securitisation Regulation that solely issues securitisations meeting the STS Requirements and, in view of this fulfilment of criteria, the provision of article 4(1) EMIR establishing the clearing obligations does not apply.

Secondly, the Issuer's only positions in OTC derivatives are the positions under the Swap Agreement, which in its view qualify as hedging positions under EMIR. In addition, to the

Issuer's knowledge, it qualifies as a non-financial counterparty and no other non-financial counterparty entity in the Issuer's group has entered into speculative OTC derivatives.

OTC derivative contracts that are not cleared by a CCP are subject to certain other risk-mitigation requirements. These include arrangements for timely confirmation of OTC derivative contracts, portfolio reconciliation, dispute resolution and arrangements for monitoring the value of outstanding OTC derivative contracts. Certain of these risk mitigation requirements impose obligations on the Issuer in relation to the Swap Agreement. Another risk mitigation requirement under EMIR is the mandatory margining of non-cleared OTC derivative contracts. This requirement does, however, not apply to non-financial counterparties below the clearing threshold, like the Issuer.

In addition, under EMIR, any counterparty must timely report the conclusion, modification and termination of its OTC and exchange traded derivative contracts to a trade repository. However, since the Issuer is a non-financial counterparty below the clearing threshold, the Swap Counterparty is solely responsible, and legally liable, for reporting on behalf of both counterparties. Under the Swap Agreement, the Swap Counterparty undertakes to report the details of the swap transactions under the Swap Agreement to the trade repository in accordance with the terms of the Swap Agreement on behalf of the Issuer.

### 7.14 Securities financing transactions

Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (**SFT Regulation**) entered into force on 13 January 2015 and most of its provisions addressing requirements for non-financial counterparties (such as the Issuer) purported to enter into force 21 months after the date of entry into force of the SFT Regulation. However, further delays occurred in the entry into force of the main provisions of the SFT Regulation. The new rules on transparency provide for the reporting of details regarding securities financing transactions (**SFTs**) concluded by all market participants, whether they are financial or non-financial entities, including the composition of the collateral, whether the collateral is available for reuse or has been reused, the substitution of collateral at the end of the day and the haircuts applied.

The technical standards on reporting entered into force on 11 April 2019 and the reporting for credit institutions and investment firms has started one (1) year later with a phased-in application for the rest of entities until January 2021.

The Issuer considers that the Transaction, does not qualify as an SFT within the meaning of the SFT Regulation. The Issuer does not exclude that should (potential) investors consider using the Notes in the context of a securities financing transaction entered into by them, that the provisions of the SFT Regulation will apply to such transactions. Potential investors should consult their own advisers as to the consequences to and effect on them of the SFT Regulation to their holding or utilisation for securities financing transactions of any Notes.

### 7.15 PRIIPS

Regulation (EU) No 1286/2014 of the European Parliament and the Council of 26 November 2014 on Key Information Documents for packaged retail and insurance-based investment products (the **PRIIPs Regulation**) regulates the (i) pre-contractual transparency requirements

for packaged retail and insurance-based investment products (**PRIIPs**) in the form of a Key Information Document (**KID**) and (ii) specific competences for the EIOPA as regards insurance-based investment products and for the competent authorities generally in respect of all types of PRIIPs to supervise markets and to intervene as regards the offering and distribution of PRIIPs if there are concerns as regards the protection of retail customers to whom such PRIIPs are to be sold. Such rights of intervention may require the offerors or distributors of the PRIIPs to observe certain conditions or requirements when offering and distributing PRIIPs.

Currently, there is uncertainty whether or not the Notes qualify as PRIIPs. The Joint Committee of European Supervisory Authorities' Q&A on the PRIIPs KID dated 18 August 2017 (JC 2017-49) and the updated Q&A's published on 19 July 2018 (JC 2017 49) do not contain any further guidance as regards the potential qualification of the Notes as PRIIPs.

On 8 March 2017 the European Commission adopted the PRIIPs Delegated Regulation. The PRIIPs Regulation applies to the addressees of the provisions of the PRIIPs Regulation and the PRIIPs Delegated Regulation with effect from 1 January 2018. The PRIIPs Regulation is applicable since 1 January 2018 to PRIIPs offered and distributed from 1 January 2018. Therefore, if the Notes were to qualify as PRIIPs, it cannot be excluded that the Issuer will be required to prepare a KID in relation to the Notes and incur costs and liabilities in relation thereto.

On 30 May 2017, the Second Chamber of Dutch Parliament adopted the Dutch act implementing the PRIIPs Regulation in the Dutch legislation (Dutch PRIIPs Implementation Act). On 6 June 2017 the First Chamber of Dutch Parliament adopted the Dutch PRIIPs Implementation Act. The Dutch PRIIPs Implementation Act entered into force with effect from 1 January 2018. The Dutch PRIIPs Implementation Act provides the Dutch Authority for the Financial Markets with powers as referred to in article 17 of the PRIIPs Regulation to prohibit the offer or distribution of insurance-based investment products to retail investors. From the text of the Dutch PRIIPs Implementation Act it is also unclear whether the Notes qualify as PRIIPs. Since 1 January 2018 neither EIOPA nor the Dutch Authority for the Financial Markets have provided further guidance as to whether or not the notes issued under securitisation transactions may qualify as PRIIPs.

On 14 May 2019 the European Commission sent a letter to the European Supervisory Authorities (EBA, ESMA and EIOPA) to address the question as to whether or not certain bond issues should, ex ante, be excluded from the applicability of the PRIIPS Regulation. The European Commission stated that even categories of bonds that could seem to fall outside the scope of the PRIIPs Regulation could still be based on contractual terms and conditions that would qualify those bonds as PRIIPs. Therefore, the European Commission stated that it is neither feasible nor prudent to agree ex ante and in abstract terms whether some categories of bonds fall under the PRIIPs Regulation or not.

### 7.16 ECB Purchase Programme and the pandemic emergency purchase programme

In September 2014, the ECB initiated an asset purchase programme (**APP**) whereby it envisages to bring inflation back to levels in line with the ECB's objective to maintain the price stability in the euro area and, also, to help enterprises across Europe to enjoy better access to credit, boost investments, create jobs and thus support the overall economic growth. The

expanded APP commenced in March 2015 and encompasses the earlier announced asset-backed securities purchase programme and the covered bond purchase programme.

On 21 April2021 it was announced by the Governing Council of the ECB that net purchases under the APP will continue at a monthly pace of EUR 20 billion. The Governing Council continues to expect monthly net asset purchases under the APP to run for as long as necessary to reinforce the accommodative impact of its policy rates, and to end shortly before it starts raising the key ECB interest rates. The Governing Council also intends to continue reinvesting, in full, the principal payments from maturing securities purchased under the APP for an extended period of time past the date when it starts raising the key ECB interest rates, and in any case for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation.

The Governing Council also decided on 21 April 2021 to continue purchases under the pandemic emergency purchase programme (**PEPP**) with a total envelope of EUR 1,850 billion. The Governing Council will conduct net asset purchases under the PEPP until at least the end of March 2022 and, in any case, until it judges that the coronavirus crisis phase is over. Since the incoming information confirmed the joint assessment of financing conditions and the inflation outlook carried out at the March 2021 monetary policy meeting, the Governing Council expects purchases under the PEPP over the current second quarter of 2021 to continue to be conducted at a significantly higher pace than during the first months of the year.

The Governing Council will purchase flexibly according to market conditions and with a view to preventing a tightening of financing conditions that is inconsistent with countering the downward impact of the pandemic on the projected path of inflation. In addition, the flexibility of purchases over time, across asset classes and among jurisdictions will continue to support the smooth transmission of monetary policy. If favourable financing conditions can be maintained with asset purchase flows that do not exhaust the envelope over the net purchase horizon of the PEPP, the envelope need not be used in full. Equally, the envelope can be recalibrated if required to maintain favourable financing conditions to help counter the negative pandemic shock to the path of inflation.

The Governing Council will continue to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2023. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary policy stance.

Finally, the Governing Council will also continue to provide ample liquidity through its refinancing operations. In particular, the third series of targeted longer-term refinancing operations (**TLTRO-III**) remains an attractive source of funding for banks, supporting bank lending to firms and households.

The Governing Council adopted on 7 April 2020 (Decision (EU) 2020/506) a package of temporary collateral easing measures to facilitate the availability of eligible collateral for Eurosystem counterparties to participate in liquidity providing operations, such as TLTRO-III. The package is complementary to other measures including additional longer-term refinancing operations (LTROs) and the PEPP as a response to the COVID-19 emergency. The measures

collectively support the provision of bank lending especially by easing the conditions at which credit claims are accepted as collateral. At the same time the Eurosystem is increasing its risk tolerance to support the provision of credit via its refinancing operations, particularly by lowering collateral valuation haircuts for all assets consistently. On 22 April 2020 the Governing Council adopted temporary measures to further mitigate the effect on collateral availability of possible rating downgrades resulting from the economic fallout from the COVID-19 Pandemic. Together these measures aim to ensure that credit institutions have sufficient assets that they can mobilise as collateral with the Eurosystem to participate in the liquidity-providing operations and to continue providing funding to the euro area economy (**Collateral Easing Measures**). The Governing Council of the ECB decided on 10 December 2020 to extend to June 2022 the duration of the set of collateral easing measures adopted by the Governing Council on 7 and 22 April 2020. The extension of these measures will continue to ensure that banks can make full use of the Eurosystem's liquidity operations, most notably the recalibrated TLTROs. The Governing Council will reassess the collateral easing measures before June 2022, ensuring that Eurosystem counterparties' participation in TLTRO-III operations is not adversely affected.

It remains uncertain which effect this restart of the APP, the introduction of the PEPP and the Collateral Easing Measures will have on the volatility in the financial markets and the overall economy in the Eurozone and the wider European Union. The restart of the APP and/or the termination of the APP, the launch of the PEPP and the termination of the PEPP and the Collateral Easing Measures and the readjustment of the Collateral Easing Measures to the former eligibility framework could have an adverse effect on the secondary market value of the Notes and the liquidity in the secondary market for the Notes. The Noteholders should be aware that they may suffer loss if they intend to sell any of the Notes on the secondary market for such Notes as a result of the impact the restart of the APP and/or a potential termination of the APP, the launch of the PEPP and the termination of the PEPP and the Collateral Easing Measures and the readjustment of the Collateral Easing Measures to the former eligibility framework may have on the secondary market value of the Notes and the liquidity in the secondary market for the Notes.

### 7.17 Volcker Rule

Section 619 of the Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an "ownership interest" in or sponsoring a "covered fund" and (iii) entering into certain relationships with covered funds. The Issuer may constitute a "covered fund" for purposes of the Volcker Rule, but the Notes have been structured so that the Notes would not be considered an "ownership interest" in the Issuer. However, there are no assurances that the Notes could not be recharacterised as ownership interests in the Issuer as of the Closing Date. Any prospective investor who is or may be a banking entity within the meaning of the Volcker Rule should consider the requirements of the Volcker Rule and the structure of the Notes and should consult with its own legal advisors regarding such matters prior to investing in the Notes.

## 8 DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS

### 8.1 Trust Deed

The Notes will be secured indirectly, through the Security Trustee, by the Issuer entering into the Trust Deed on the Signing Date with the Shareholder and the Security Trustee, acting as security trustee for (i) the Servicer, (ii) the Directors, (iii) the Issuer Administrator, (iv) the Paying Agent, (v) the Interest Determination Agent, (vi) the Account Bank, (vii) the Swap Counterparty, (viii) the Seller, (ix) the Subordinated Lender, (x) the Call Option Buyer, (xi) the RV Guarantor, (xii) the Data Trustee, (xiii) the Back-Up Servicer Facilitator, (xiv) the Back-Up Servicer (if appointed) and (xv) the Noteholders (together the **Secured Creditors**). In the Trust Deed the Issuer will agree, to the extent necessary in advance, to pay to the Security Trustee an amount equal to the aggregate of all its liabilities to all the Secured Creditors from time to time due in accordance with the terms and conditions of the relevant Transaction Documents, including, without limitation, the Notes (the **Principal Obligations**), which payment undertaking and the obligations and liabilities resulting therefrom is herein referred to as the **Parallel Debt**. The Parallel Debt is secured by the Pledge Agreements as further described below. The Principal Obligations do not include the Issuer's obligations pursuant to the Parallel Debt. In this respect the Issuer and the Security Trustee acknowledge that (i) the Parallel Debt constitutes undertakings, obligations and liabilities of the Issuer to the Security Trustee which are separate and independent from and without prejudice to the Principal Obligations of the Issuer to any Secured Creditor, and (ii) the Parallel Debt represents the Security Trustee's own claim (*vordering*) to receive payment of the Parallel Debt from the Issuer, provided that the aggregate amount that may become due under the Parallel Debt will never exceed the aggregate amount that may become due under all of the Principal Obligations to the Secured Creditors, including, but not limited to, the Noteholders. The total amount due and payable by the Issuer under the Parallel Debt shall be decreased to the extent that the Issuer shall have paid any amounts to any Secured Creditor to reduce the Principal Obligations and the total amount due and payable by the Issuer under the Principal Obligations shall be decreased to the extent that the Issuer shall have paid any amounts to the Security Trustee under the Parallel Debt.

### 8.2 Pledge Agreements

*Issuer Vehicles Pledge Agreement*

On the Signing Date, the Issuer and the Security Trustee will enter into the Issuer Vehicles Pledge Agreement pursuant to which the Issuer will create, or create in advance (*bij voorbaat*), as the case may be, a first priority non-possessory right of pledge (*bezitloos pandrecht, eerste in rang*) over the Purchased Vehicles owned by it.

The right of pledge to be created pursuant to the Issuer Vehicles Pledge Agreement will be granted in favour of the Security Trustee for the benefit of the Secured Creditors to secure and provide for the payment of the Secured Obligations.

Upon the occurrence of a default of the Issuer with respect to the Secured Obligations, the Security Trustee is entitled to foreclose on the Purchased Vehicles or part thereof over which a right of pledge is created pursuant to the Issuer Vehicles Pledge Agreement and to apply all monies received or recovered by the Security Trustee towards satisfaction of the Secured Obligations subject to and in accordance with the provisions of the Trust Deed.

The Issuer Vehicles Pledge Agreement will be governed by Dutch law.

*Seller Vehicles Pledge Agreement*

On the Signing Date, the Seller, the Issuer and the Security Trustee will enter into the Seller Vehicles Pledge Agreement pursuant to which the Seller will create, or create in advance (*bij voorbaat*), as the case may be, a first priority non-possessory right of pledge (*bezitloos pandrecht, eerste in rang*) over the Purchased Vehicles owned by it.

The right of pledge to be created pursuant to the Seller Vehicles Pledge Agreement will be granted in favour of the Security Trustee for the benefit of the Secured Creditors to secure and provide for the payment of the Secured Obligations.

Upon the occurrence of a default of the Issuer with respect to the Secured Obligations, the Security Trustee is entitled to foreclose on the Purchased Vehicles or part thereof over which a right of pledge is created pursuant to the Seller Vehicles Pledge Agreement and to apply all monies received or recovered by the Security Trustee towards satisfaction of the Secured Obligations subject to and in accordance with the provisions of the Trust Deed.

The Seller Vehicles Pledge Agreement will be governed by Dutch law.

*Lease Receivables Pledge Agreement*

On the Signing Date, the Issuer and the Security Trustee will enter into the Lease Receivables Pledge Agreement pursuant to which the Issuer will create, or create in advance (*bij voorbaat*), as the case may be, an undisclosed first priority right of pledge (*stil pandrecht, eerste in rang*) over all of the Issuer's rights (*vorderingen*) within the meaning of section 3:239 of the Dutch Civil Code against the Lessees under or in connection with the Lease Agreements relating to the Purchased Vehicles.

The right of pledge to be created pursuant to the Lease Receivables Pledge Agreement will be granted in favour of the Security Trustee for the benefit of the Secured Creditors to secure and provide for the payment of the Secured Obligations.

The pledge over the Lease Receivables provided in the Lease Receivables Pledge Agreement will not be notified to the Lessees except in the case of certain notification events. These notification events will, to a large extent, be similar to a Seller Event of Default as described in the Master Hire Purchase Agreement. Prior to notification of the pledge to the Lessees, the pledge will be an undisclosed right of pledge (*stil pandrecht*) within the meaning of section 3:239 of the Dutch Civil Code. Upon notification the Security Trustee becomes entitled to collect the claims which become due and payable by the Lessees under the Lease Agreements. Upon the occurrence of a default of the Issuer with respect to the Secured Obligations, provided notice of the right of pledge has been given to the respective Lessees, the Security Trustee is entitled to foreclose the right of pledge created pursuant to the Lease Receivables Pledge Agreement and to apply all monies received or recovered by the Security Trustee towards satisfaction of the Secured Obligations subject to and in accordance with the provisions of the Trust Deed.

The Lease Receivables Pledge Agreement will be governed by Dutch law.

*Issuer Accounts Pledge Agreement*

On the Signing Date, the Issuer, the Security Trustee and the Account Bank will enter into the Issuer Accounts Pledge Agreement pursuant to which the Issuer will create an assignment and fixed charge over the Issuer Accounts.

The security to be created pursuant to the Issue Accounts Pledge Agreement will be granted in favour of the Security Trustee for the benefit of the Secured Creditors to secure and provide for the payment of the Secured Obligations.

The Issuer Accounts Pledge Agreement will be governed by Irish law.

*Issuer Rights Pledge Agreement*

On the Signing Date, the Issuer, the Security Trustee, Athlon (in its capacity as Seller, Servicer, Call Option Buyer, RV Guarantor, Subordinated Lender and borrower under the Issuer Facility Agreement), the Swap Counterparty and the Back-Up Servicer Facilitator will enter into the Issuer Rights Pledge Agreement pursuant to which the Issuer will create a disclosed first priority right of pledge (*openbaar pandrecht, eerste in rang*) over any and all existing and future rights and claims that are made and will be owed to the Issuer (the **Issuer Rights**) under (i) the Master Hire Purchase Agreement, (ii) the Servicing Agreement (iii) the Swap Agreement, (iv) the RV Guarantee Agreement, (vii) the Subordinated Loan Agreement and (viii) the Issuer Facility Agreement.

The rights of pledge to be created pursuant to the Issuer Rights Pledge Agreement shall be granted in favour of the Security Trustee for the benefit of the Secured Creditors and secure and provide for the payment of the Secured Obligations.

Since the rights of pledge created pursuant to the Issuer Rights Pledge Agreement has been notified to the relevant obligors (i.e. the Seller, the Servicer, the Call Option Buyer, the RV Guarantor, the Subordinated Lender, the borrower under the Issuer Facility Agreement, the Swap Counterparty and the Back-Up Servicer Facilitator) the Security Trustee will be entitled to collect the claims pledged thereunder in accordance with section 3:246 of the Dutch Civil Code. However, under the Issuer Rights Pledge Agreement the Issuer and the Security Trustee will agree that the Issuer will nevertheless remain authorised to collect the pledged claims and exercise the rights subject to the pledge, until further notice has been given by the Security Trustee. The authorisation to collect and exercise may be terminated by the Security Trustee, *inter alia*, upon the Issuer being in default with respect to one or more of the Secured Obligations or when it is likely in the opinion of the Security Trustee that the Issuer will be in default with respect to one or more of the Secured Obligations. Upon the occurrence of a default of the Issuer with respect to the Secured Obligations, provided notice of termination of the authorisation to collect and exercise has been given, the Security Trustee shall be entitled to foreclose the relevant rights of pledge and to apply any monies received or recovered by the Security Trustee under the Issuer Rights Pledge Agreement towards satisfaction of the Issuer Secured Obligations. The Security Trustee will apply the amounts received by it in accordance with the provisions of the Trust Deed.

The Issuer Rights Pledge Agreement will be governed by Dutch law.

The security provided pursuant to the provisions of the Seller Vehicles Pledge Agreement, the Issuer Vehicles Pledge Agreement, the Lease Receivables Pledge Agreement, the Issuer Accounts Pledge Agreement and the Issuer Rights Pledge Agreement (collectively, the Pledge Agreements and the Pledge Agreements together with the Trust Deed, the Security Documents), shall indirectly, through the Security Trustee, serve as security for the benefit of the Secured Creditors, including, without limitation, each of the Class A Noteholders and the Class B Noteholders, but amounts owing to the Class B Noteholders will rank junior to the Class A Noteholders (see section 6 (Credit structure) and section 4 (Terms and conditions of the Notes) above).

### 8.3 Master Hire Purchase Agreement

*Initial hire purchase*

Pursuant to the Master Hire Purchase Agreement the Issuer will from time to time hire purchase Leased Vehicles from the Seller which meet the Eligibility Criteria and the Replenishment Criteria by means of a Hire Purchase Contract (i.e. a hire purchase agreement within the meaning of section 7:84 paragraph 3 under b of the Dutch Civil Code) to be entered into in respect of each relevant Leased Vehicle with the Seller. Under a hire purchase contract the parties agree that the purchase price for the relevant asset is paid in regular instalments and that unconditional legal ownership to the asset does not transfer at the time of delivery of the asset to the hire purchaser, but only upon fulfilment of the condition precedent that the purchase price shall have been paid in full (i.e. upon payment of the final instalment). Upon payment in full, the Issuer will automatically by operation of law become the unconditional legal owner of such Purchased Vehicle, even when in the meantime the Seller has been declared Insolvent. Each Hire Purchase Contract forms part of the relevant Combined Transfer Deed. In addition, in the relevant Combined Transfer Deed, the Seller assigns its rights and claims under or in connection with each of the associated Lease Agreements to the Issuer by means of an Assignment Deed which deed will be registered with the Dutch tax authorities (*Belastingdienst*).

Pursuant to section 3:91 of the Dutch Civil Code delivery (*levering*) of assets which are being hire purchased requires that the seller provides control (*macht*) over the relevant assets to the hire purchaser. Pursuant to the Combined Transfer Deed in relation to the relevant Leased Vehicle such control (*macht*) will be provided by means of a statement to that effect by and between the Seller and the Issuer. In addition, notification will be given to the relevant Lessees whereby each Lessee will be informed, among other things, that the Lessee will have to adhere to any instructions which will as from the date of the relevant notification be sent to the Lessee by Athlon, also acting on behalf of the Issuer. The details as to which Leased Vehicles leased by the relevant Lessee are subject to the hire purchase will be made available to the Lessee upon request. Until the occurrence of a Lease Termination Date, the Issuer's control of each Purchased Vehicle will be indirect (*middellijk*). In other words, until the occurrence of a Lease Termination Date, the Issuer will exercise its control through the relevant Lessee.

On the Closing Date, the Seller, the Issuer and the Security Trustee will enter into a Hire Purchase Contract relating to each Leased Vehicle forming part of the Initial Portfolio, by means of the execution of the relevant Combined Transfer Deed.

*Additional hire purchase*

As from the Closing Date and as long as the Revolving Period has not expired or terminated, the Seller may offer to the Issuer to enter into a Hire Purchase Contract with respect to any additional Leased Vehicle by delivery of a duly executed and completed Combined Transfer Deed, which shall constitute an irrevocable offer by the Seller to sell to the Issuer on the first following Payment Date additional Leased Vehicles by way of hire purchase (*huurkoop*) within the meaning of section 7:84 paragraph 3 under b of the Dutch Civil Code. The Issuer shall, subject to conformity with the Eligibility Criteria and Replenishment Criteria, provided that sufficient funds are or will be made available to the Issuer under the relevant Transaction Documents and subject to the other terms and conditions of the Master Hire Purchase Agreement, be obliged to accept such offer by way of counter-execution of the relevant Combined Transfer Deed, which shall include a separate Hire Purchase Contract in respect of each Additional Leased Vehicle, such agreement to be effective as from the relevant Purchase Date. Furthermore, the Combined Transfer Deed shall provide for an assignment by the Seller of all Lease Receivables under or in connection with the associated Lease Agreement within the meaning of section 3:94 of the Dutch Civil Code which deed will be registered with the Dutch tax authorities (*Belastingdienst*) within two (2) Business Days following the relevant Purchase Date.

*Risks, benefit, proceeds and assignment*

As of the relevant Purchase Cut-Off Date, the risk and benefit relating to a Purchased Vehicle will be for the account of the Issuer. The obligations of the Seller in respect of the Purchased Vehicle will remain with the Seller until such time as the Issuer acquires full title to the relevant Purchased Vehicle. In furtherance of the Issuer's interest in the Purchased Vehicles and the associated Lease Receivables, the Seller will be appointed to perform such obligations and exercise such rights subject to and in accordance with the Servicing Agreement.

For each Purchased Vehicle it is agreed in the Master Hire Purchase Agreement that all associated Lease Receivables will qualify as proceeds (*vruchten*) of such Purchased Vehicle for analogous application of section 5:17 of the Dutch Civil Code, with the intent that the Issuer will by operation of law be entitled to such proceeds as from the relevant Purchase Cut-Off Date. To the extent this is not effective for any Lease Receivable for any reason, the Seller in the relevant Combined Transfer Deed assigns (*cedeert*) each such Lease Receivable to the Issuer.

*Full title*

By operation of law, full title (*eigendom*) to any Purchased Vehicles shall transfer to the Issuer upon full discharge of the Purchase Price in respect of such Purchased Vehicle, regardless whether the Seller has become Insolvent at such time.

In respect of each Purchased Vehicle it is agreed in the Master Hire Purchase Agreement that all rights and obligations under the associated Lease Agreements will qualify as being "directly connected to the granting of quiet enjoyment against payment of lease instalments" (*die onmiddellijk verband houden met het doen hebben van het gebruik van de zaak tegen een door de huurder te betalen tegenprestatie*) as referred to in section 7:226(3) of the Dutch Civil Code. The intention is that, upon the transfer to the Issuer of full title of the relevant Purchased Vehicle, all such rights and obligations transfer to the Issuer by operation of law. The Issuer has

agreed in the Master Hire Purchase Agreement with the Seller and the Security Trustee that if and to the extent for any Purchased Vehicle, any right or obligation under the associated Lease Agreement does not qualify as being "directly connected to the granting of quiet enjoyment against payment of lease instalments" (*onmiddellijk verband houdt met het doen hebben van het gebruik van de zaak tegen een door de huurder te betalen tegenprestatie*), as referred to in section 7:226(3) of the Dutch Civil Code, and therefore will not transfer to the Issuer by operation of law upon the transfer to the Issuer of full title to the relevant Purchased Vehicle, the Issuer will assume and bear the risks of any such obligations.

*Representations and warranties*

Under or pursuant to the Master Hire Purchase Agreement, the Seller will on any Purchase Date represent and warrant with respect to the Leased Assets or, as the case may be, relating to the Portfolio including such Leased Assets on such Purchase Date, that the following representations and warranties are true, correct and not misleading in any material respect:

(a) no restrictions on the transfer of the Leased Assets are in effect and the Leased Assets are capable of being transferred;

(b) subject to potential Adverse Claims under the BOVAG General Conditions and the FOCWA General Conditions, (i) the Seller has full right and title to the Leased Asset, free and clear of any Adverse Claim, and has power to transfer or encumber (*is beschikkingsbevoegd*) the Leased Asset and the Seller has not agreed to transfer or encumber it, whether or not in advance, in whole or in part, in any way whatsoever, (ii) otherwise there is no person or entity with a prior proprietary right (*oorspronkelijk rechthebbende*) or privileged receivable (*geprivilegeerde schuldeiser*) in respect of each Leased Asset, save as permitted under the Asset Warranties and/or in accordance with any of the Transaction Documents and (iii) there is no default in the performance of any obligation under the sale and purchase agreement relating to the Leased Vehicles;

(c) the Lease Receivables are, to the best of the Seller's knowledge, not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of such Lease Receivables;

(d) each of the Leased Assets meets the Eligibility Criteria as of the relevant Purchase Cut-Off Date;

(e) the Portfolio, after giving effect to the purchase of the Leased Assets on the relevant Purchase Date, satisfies the Replenishment Criteria;

(f) the particulars of each Leased Vehicle forming part of the Initial Portfolio or, as the case may be, Additional Portfolio included in any Combined Transfer Deed are true and accurate as of the relevant Purchase Cut-Off Date in all material respects;

(g) the Seller has taken out third party liability insurance (*wettelijke aansprakelijkheidsverzekering*), where it is under a statutory obligation to do so, in respect of each of the Leased Vehicles in line with market practice, unless under the Lease Agreement the Lessee is obliged to take out such insurance;

(h) each Lease Agreement is in full force and effect and constitutes legal, valid and enforceable obligations of the parties thereto, is not subject to annulment and is enforceable against such parties in accordance with the terms of the Lease Agreement and there is sufficient evidence of such Lease Agreement;

(i) there is no litigation, arbitration or action before any court or agency pending or any dispute going on, in respect of any invoice under a sale and purchase agreement between the Seller and a supplier pertaining to a Leased Vehicle;

(j) none of the Lease Agreements are subject to any withholding tax in the Netherlands;

(k) it has not altered the Lease Receivables' legal existence or otherwise waived, altered or modified any provision in relation to any Lease Receivable, in particular, it has not impaired the Lease Receivables by annulment, termination or any other means, unless made in accordance with the provisions of the Servicing Agreement;

(l) the Seller is the lessor under the Lease Agreement;

(m) the Lease Agreement has been entered into in accordance with all applicable legal requirements and the ordinary course of the Seller's business pursuant to the Seller's standard underwriting criteria and procedures prevailing at that time that are not less stringent than the underwriting criteria and procedures the Seller applied at the time of origination to similar exposures that are not securitised;

(n) prior to entering into the Lease Agreement the Seller has checked the creditworthiness of the relevant Lessee in accordance with its Credit and Collection Policy prevailing at that time;

(o) all information given in respect of the Leased Assets is true and correct in all material aspects, a Lease Agreement identifier therein allows each Lease Receivable to be identifiable in the Seller's systems and the Leased Vehicle's identification number stated in each of the Lease Agreements or any information or document relating thereto, allows each Leased Vehicle and the Lease Receivables under the associated Lease Agreement to be separately identified;

(p) none of the Leased Assets relate to a Lessee who the Seller considers as unlikely to pay its credit obligations to the Seller or a Lessee who is past due more than 90 days on any material credit obligations to the Seller;

(q) none of the Leased Assets relate to a credit-impaired Lessee, who, to the best of the Seller's knowledge, on the basis of information obtained (x) from such Lessee, (y) in the course of the Seller's servicing of the Lease Agreement of such Lessee or the Seller's risk management procedures or (z) from a third party (including publicly available information):

(i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three (3) years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within

three (3) years prior to the Purchase Date on which the Leased Assets related to such Lessee were transferred;

(ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry in the Netherlands that is available to the Seller; or

(iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Seller which are not securitised,

each an **Asset Warranty** and together the **Asset Warranties**.

*Eligibility Criteria*

Pursuant to the Master Hire Purchase Agreement, a Leased Asset meets the Eligibility Criteria referred to under item (d) of the Asset Warranties if it meets the following criteria (collectively and individually, **Eligibility Criteria**) on the relevant Purchase Cut-Off Date immediately preceding the relevant Purchase Date, to the extent applicable to it:

(a) the Leased Vehicle qualifies as a passenger vehicle (*personenauto*), a van (*bestelauto*) or a commercial vehicle (*commercieel voertuig*);

(b) the Lessee of the Leased Vehicle is a legal entity or private individual conducting an enterprise (*werkzaam in de uitoefening van een beroep of bedrijf*), located in the Netherlands;

(c) the Lease Agreement is governed by Dutch law;

(d) the Lessee of the Leased Vehicle is not an affiliate or employee of the Seller;

(e) the relevant Leased Vehicle is registered in the Netherlands in accordance with the requirements under the Road Traffic Act 1994 (*Wegenverkeerswet 1994);*

(f) the Leased Vehicle is financed by the Seller;

(g) the amounts due and payable under the Lease Agreement are denominated in euro;

(h) the Lessee has not been granted an option to purchase the Leased Vehicle upon the Lease Maturity Date for a purchase price less than its Estimated Residual Value or, if higher, the market price;

(i) each Leased Vehicle has together with its keys and the identification papers been delivered (*ter hand gesteld*) by or on behalf of the Seller to the relevant Lessee;

(j) the purchase price (including VAT) in respect of each Leased Vehicle has been paid in full to the relevant supplier and any sale and purchase agreement pertaining to the Leased Vehicle and each prior Vehicle delivered by such supplier, do not extend to ongoing maintenance or other services;

(k) the associated Lease Agreement is not a Defaulted Lease Agreement;

(l) the Lessee is not in arrears in relation to the associated Lease Agreement;

(m) the scheduled invoice frequency under the associated Lease Agreement is monthly;

(n) the associated Lease Agreement has been originated by the Seller or any legal predecessor of the Seller;

(o) the Lessee under the associated Lease Agreement has satisfied at least one (1) Lease Instalment of the relevant associated Lease Receivable;

(p) the associated Lease Agreement does not have a Lease Maturity Date beyond the Payment Date falling in April 2029;

(q) the associated Lease Agreement does not have a remaining term of less than one (1) month;

(r) the associated Lease Agreement does not have an original term greater than ninety six (96) months;

(s) the associated Lease Agreement qualifies as operational lease (*huur*) within the meaning of article 7:201 of the Dutch Civil Code and does not qualify as lease (*huur*) within the meaning of article 7:84(3) subparagraph c of the Dutch Civil Code;

(t) the associated Lease Agreement does not prohibit or restrict Athlon's capability to delegate the supply of certain services in connection with the associated Lease Agreement to third parties;

(u) the initial purchase price (excluding VAT) of the Leased Vehicle is less than or equal to EUR 200,000; and

(v) the associated Lease Agreement does not permit the Lessee to terminate the Lease Agreement if an Insolvency Event occurs in respect of the Originator, unless the Lessee is required upon such termination to pay a Lease Agreement Early Termination Amount, if any, in respect of such Lease Agreement.

*Replenishment Criteria*

In addition, during the Revolving Period the Additional Leased Vehicles intended to be purchased on any Purchase Date and together with the Purchased Vehicles and the associated Lease Receivables satisfy the replenishment criteria referred to in item (d) of the Asset Warranties if, calculated on a portfolio basis throughout the Revolving Period (including on the Closing Date) and, for the avoidance of doubt, calculated by taking into account the Additional Leased Vehicles proposed to be purchased on such Purchase Date, the purchase of the relevant Additional Leased Vehicles will not result in a breach of any of the following criteria (the **Replenishment Criteria**):

(a) none of the top 5 Lessees measured by their respective financial proportion to the Aggregate Discounted Balance accounts individually for more than 2.00 per cent. of the Aggregate Discounted Balance;

(b) none of the top 6 to 10 Lessees measured by their respective financial proportion to the Aggregate Discounted Balance accounts individually for more than 1.25 per cent. of the Aggregate Discounted Balance;

(c) none of the top 11 to 15 Lessees measured by their respective financial proportion to the Aggregate Discounted Balance accounts individually for more than 1.00 per cent. of the Aggregate Discounted Balance;

(d) none of the top 16 to 30 Lessees measured by their respective financial proportion to the Aggregate Discounted Balance accounts individually for more than 0.75 per cent. of the Aggregate Discounted Balance;

(e) none of the Lessees ranking 31 or lower measured by their respective financial proportion to the Aggregate Discounted Balance accounts individually for more than 0.50 per cent. of the Aggregate Discounted Balance;

(f) the Aggregate Discounted Balance resulting from Estimated Residual Value does not account for more than 53 per cent. of the Aggregate Discounted Balance.

*Purchase Price and payment of Purchase Instalments*

The consideration for the hire purchase of a Purchased Vehicle pursuant to a Hire Purchase Contract entered into on any Purchase Date will be equal to the sum of all Purchase Instalments, consisting of one or more Regular Purchase Instalments and one (1) Final Purchase Instalment.

There will be a Regular Purchase Instalment for each Collection Period that falls, in whole or in part, in the period from the applicable Purchase Date until the earlier of (i) the applicable Lease Early Termination Date and (ii) the applicable Lease Maturity Date. Each Regular Purchase Instalment for a Purchased Vehicle for a Collection Period will equal the sum of the Lease Interest Component and the Lease Principal Component for such Collection Period under the relevant Lease Agreement as calculated by the Servicer as per the relevant Cut-Off Date in accordance with the standard guidelines. Each Regular Purchase Instalment which is payable in respect of a Collection Period, will be due on the first Payment Date following such Collection Period. For each Purchased Vehicle, the first Regular Purchase Instalment will apply to the period from the associated Cut-Off Date to the final day of the Collection Period in which the associated Purchase Date falls.

The Final Purchase Instalment for a Purchased Vehicle will equal (i) in the case of a Matured Lease, the Estimated Residual Value of the relevant Purchased Vehicle as calculated on the associated Cut-Off Date and (ii) in the case of a Lease Agreement Early Termination, the sum of (a) the Present Value of the Estimated Residual Value of the relevant Purchased Vehicle as calculated on the associated Cut-Off Date and (b) the Present Value of all remaining scheduled Lease Interest Components and Lease Principal Components that would have become due and payable under the relevant associated Lease Agreement after the Lease Early Termination Date in the event such Lease Agreement would not have been subject to a Lease Agreement Early Termination. The Final Purchase Instalment will be due on the first Payment Date following the Collection Period within which the relevant Lease Termination Date falls.

By operation of law, the Issuer is entitled to prepay any remaining Purchase Price Instalment at any time. In the Master Hire Purchase Agreement it is agreed that this is only intended to occur in relation to any Purchased Vehicle subject to and in accordance with the provisions of the Issuer Facility Agreement. In each case, pursuant to the Master Hire Purchase Agreement, upon a prepayment by the Issuer of the remaining Purchase Instalments, the Issuer is entitled to a discount on each remaining Purchase Instalment at the Discount Rate.

*Lease Agreement Recalculations*

In the event that a Lease Agreement Recalculation for any Lease Agreement during a Collection Period leads to an increase in the relevant Purchase Price as of the end of the Collection Period, an amount equal to the Purchase Instalment Increase Amount will result in an increase of the remaining Purchase Instalments payable in respect of such Purchased Vehicle by the Issuer to the Seller pursuant to the relevant Hire Purchase Contracts.

In the event that a Lease Agreement Recalculation for any Lease Agreement which has been recalculated during a Collection Period leads to a reduction in the relevant Purchase Price as of the end of the Collection Period, the Issuer is entitled to demand from the Seller by way of a rebate of part of the Purchase Price an amount equal to the Purchase Instalment Decrease Amount. The Purchase Instalment Decrease Amount owed by the Seller to the Issuer will be a Deemed Collection.

Each Deemed Collection actually received by the Issuer in return, will be part of the Available Distribution Amounts and will as such be applied on the following Payment Date, together with the other amounts forming the Available Distribution Amounts, subject to and in accordance with the applicable Priority of Payments.

Following notice from the Servicer that a reduction in the Purchase Price has occurred following a Lease Agreement Recalculation, the Seller shall on the immediately following Payment Date (i) pay to the Issuer an amount equal to the Purchase Instalment Decrease Amount as a Deemed Collection and (ii) provide the Issuer and the Servicer with a list of recalculation of Leased Vehicles and related Lease Receivables.

Following notice from the Servicer that an increase of the Purchase Price has occurred following a Lease Agreement Recalculation an amount equal to the Purchase Instalment Increase Amount will result in a pro rata increase of the remaining Purchase Instalments payable by the Issuer pursuant to the relevant Hire Purchase Contracts.

A Purchase Instalment Decrease Amount or Purchase Instalment Increase Amount will, as the case may be, result in a partial prepayment of the relevant Issuer Advance or an Issuer Increase Advance, as the case may be, under the Issuer Facility Agreement.

*Breach of Asset Warranty or Corporate Warranty*

Pursuant to the terms of the Master Hire Purchase Agreement, the Seller will be required to terminate the relevant Hire Purchase Contract and repay the associated Issuer Advance if any breach of an Asset Warranty made by the Seller in relation to that Purchased Vehicle and/or associated Lease Receivable and/or associated Lease Agreement, by reference to the facts and circumstances then subsisting at the relevant date on which such Asset Warranty was

given and which breach has not been cured within twenty (20) Business Days after the date on which the Seller became aware or (if earlier) was notified by the Servicer, the Issuer or the Security Trustee of the relevant breach of the Asset Warranties. If such breach is not capable of remedy, or is not remedied to the satisfaction of the Issuer within such twenty (20) Business Days, then the Seller shall, if the breach relates to an Asset Warranty, terminate (*opzeggen*) the Hire Purchase Contract relating to the relevant Purchased Vehicle on the first following Payment Date and effective as of the relevant Cut-Off Date. Termination contemplates, among other things, (i) the control of the relevant Purchased Vehicles being provided back to the Seller, (ii) a (conditional) re-assignment of the relevant future Lease Receivables, and (iii) a termination of the Security Trustee's right of pledge on the relevant Purchased Vehicle and any associated Lease Receivables. Each such re-assignment and termination of pledge will be conditional on the associated Issuer Advance being fully and finally repaid in accordance with the Issuer Facility Agreement and on the Seller reimbursing the Issuer and the Security Trustee for any and all reasonable costs, expenses and liabilities incurred by the Issuer and/or the Security Trustee as a result of the termination of the relevant Hire Purchase Contract.

If the breach only relates to a breach of the Replenishment Criteria, the Seller shall only be required to terminate those Hire Purchase Contracts that would ensure the satisfaction of the Replenishment Criteria as at the relevant Payment Date (whereby if more Purchased Vehicles qualify, the relevant Purchased Vehicles will be randomly selected within such group), taking into account any Purchased Vehicles to be hire purchased by the Issuer on such Payment Date.

If the breach relates to a warranty other than an Asset Warranty (i.e. a breach of a Corporate Warranty) the Seller shall pay to the Issuer forthwith on an after tax full indemnity basis the direct losses suffered or incurred (*geleden verlies*) by the Issuer as a result of the breach of the relevant warranty.

*Repurchase other than due to a breach of an Asset Warranty*

The Seller shall also undertake to terminate the relevant Hire Purchase Contract and repay the associated Issuer Advance on the Payment Date immediately succeeding the date on which an amendment of the terms of the relevant Lease Agreement becomes effective, in the event that such amendment is not in accordance with the terms and conditions set out in the Master Hire Purchase Agreement and/or the Servicing Agreement, which include the condition that after such amendment the relevant Lease Agreement, the associated Lease Receivables or the relevant Purchased Vehicle would still meet all the Eligibility Criteria (to the extent applicable). However, the Seller shall not be required to terminate the relevant Hire Purchase Contract and repay the associated Issuer Advance if the relevant amendment is made as part of the Credit and Collection Policy to be complied with upon a default by the Lessee under the relevant Lease Agreement or is otherwise made as part of a restructuring or renegotiation of the relevant Lease Agreement due to a deterioration of the credit quality of the relevant Lessee.

*Seller Clean-Up Call*

The Seller will have the right at its option to exercise the Seller Clean-Up Call and to terminate all, but not some only, of the Hire Purchase Contracts and repay all Issuer Advances on any Payment Date on which (i) the Aggregate Discounted Balance is less than 10 per cent. of the Aggregate Discounted Balance as of the Initial Cut-Off Date or (ii) the Class A Notes including any interest accrued but unpaid are redeemed in full, provided that the conditions set out in

Condition 6.5 (*Redemption following Seller Clean-Up Call*) for redemption of the Notes are fulfilled.

*Exercise of Repurchase Option*

In case of a Matured Lease and upon the occurrence of a Lease Agreement Early Termination the Call Option Buyer will, pursuant to the Master Hire Purchase Agreement, have the right (but not the obligation) to, after having received notice of such termination by the Servicer, on the Payment Date immediately succeeding the Collection Period in which the relevant Lease Termination Date occurred to repurchase the Purchased Vehicle together with the associated Lease Receivables against a payment of the Option Exercise Price. If an Insolvency Event has occurred with respect to a Lessee the Call Option Buyer may only exercise its Repurchase Option with respect to all (but not some of the) Purchased Vehicles relating to such Lessee.

In case the Call Option Buyer elects to exercise the Repurchase Option, the Issuer shall (a) retransfer the relevant Purchased Vehicle to the Call Option Buyer, (b) effect a (conditional) re-assignment of the relevant Lease Receivables, (c) retransfer and procure the assumption by the Call Option Buyer of any Lease Incidental Debt relating to the relevant Purchase Vehicle, and (d) procure that the Security Trustee shall (conditionally) terminate (*opzeggen*) its right of pledge on the relevant Purchased Vehicle and the associated Lease Receivables, all on the relevant Payment Date pertaining and effective as from the relevant Cut-Off Date. Each such re-assignment and termination of pledge will be conditional on the associated Issuer Advance being fully and finally repaid in accordance with the Issuer Facility Agreement and on the Seller reimbursing the Issuer and the Security Trustee for any and all reasonable costs, expenses and liabilities incurred by the Issuer and/or the Security Trustee as a result of the termination of the relevant Hire Purchase Contract.

*Notification of Lessees*

If so requested by the Issuer or the Security Trustee, at any time after the occurrence of a Seller Event of Default the Servicer on behalf of the Issuer, or, following the occurrence of a notification event as referred to in the Lease Receivables Pledge Agreement, on behalf of the Security Trustee, will be subject to and in accordance with the terms of the Servicing Agreement:

(a) give notice in the Issuer's name or, following the occurrence of a notification event as referred to in the Lease Receivables Pledge Agreement, in the Security Trustee's name, to all or any of the Lessees that Athlon (in its capacity as Servicer) is no longer authorised to collect any payments pursuant to the Lease Agreements;

(b) direct all Lessees and any relevant third parties to pay amounts outstanding in respect of Purchased Vehicles and the associated Lease Receivables into the Transaction Account or any other account which is specified by the Issuer, or, following the occurrence of a notification event as referred to in the Lease Receivables Pledge Agreement which is specified by the Security Trustee;

(c) give instructions to immediately transfer any Lease Collections standing to the credit of the account of the Servicer to the Transaction Account; and

(d) take such other action as the Issuer or, following the occurrence of a notification event as referred to in the Lease Receivables Pledge Agreement, the Security Trustee reasonably considers to be necessary, appropriate or desirable in order to recover any amount outstanding in respect of the Purchased Vehicles and/or the associated Lease Receivables or to improve, protect, preserve or enforce their rights against the Lessees in respect of the Purchased Vehicles and the associated Lease Receivables.

The Issuer or the Security Trustee (or a third party acting on its behalf) may notify the Lessees. Any costs in connection with a notification of the Lessees shall be borne by the Servicer.

Additionally, upon the occurrence of a Seller Event of Default, the Issuer or the Security Trustee may terminate the Master Hire Purchase Agreement in which case the Issuer shall be entitled to prepay all amounts, including but not limited to the Regular Purchase Instalments and the Final Purchase Instalments, that have become or (in the absence of such termination) would have become due and payable to the Seller under or in connection with each Hire Purchase Contract concluded pursuant to the Master Hire Purchase Agreement in respect of the Purchased Vehicles on or after the date of termination of the Hire Purchase Contract. In such event the Issuer will be entitled to a discount on each remaining Purchase Instalment at the Discount Rate.

As a consequence of the Issuer having paid all amounts owed by it under a Hire Purchase Contract it acquires legal title to the relevant Vehicle automatically, without any further act or notice being required and irrespective of the Seller having become Insolvent in the meantime.

The Issuer shall be entitled to set-off (*verrekenen*) any of its obligations pursuant to the Master Hire Purchase Agreement and/or any Hire Purchase Contract against the relevant Seller's obligations under the Issuer Facility Agreement, at any time and without prior notice, regardless of the currency in which the Seller's obligations are denominated.

### 8.4 Servicing Agreement

On or prior to the Signing Date the Issuer, the Security Trustee, Athlon (in its capacity as Servicer) and the Back-Up Servicer Facilitator will enter into the Servicing Agreement pursuant to which Athlon will be instructed to act as Servicer and to carry out certain management, collection and recovery activities in relation to the Purchased Vehicles and associated Lease Receivables to be transferred to the Issuer pursuant to the Master Hire Purchase Agreement in accordance with the credit and collection policy of Athlon as amended from time to time in accordance with the terms and conditions of the Servicing Agreement (the **Credit and Collection Policy**).

*Description of servicing functions*

The duties of the Servicer are set out in the Servicing Agreement and the Servicer has agreed, amongst other things, to:

(a) administer the Lease Agreements;

(b) collect all Lease Receivables and any Vehicle Realisation Proceeds in respect of a sale of a Purchased Vehicle to the Lessee pursuant to the relevant Lease Agreement;

(c) to communicate with the Lessees and do all such things and prepare and send to the Lessees and/or any other relevant party all such documents and notices which are incidental thereto;

(d) where the Call Option Buyer has not exercised its Repurchase Option, repossess the respective Purchased Vehicles on behalf of the Issuer upon termination of the associated Lease Agreements and to sell such Purchased Vehicles as soon and against as high a price as possible on behalf of the Issuer (which may be by means of an auction);

(e) arrange for the payment of any and all taxes levied in respect of the Purchased Vehicles or the use thereof, the amounts owed to fuel suppliers and all other amounts which are for the account of the lessor under the associated Lease Agreements;

(f) at all times during the term of the Servicing Agreement, devote itself to or procure that there is devotion to the coordination of the maintenance of the Purchased Vehicles;

(g) deal with early repayments under the associated Lease Agreements;

(h) (re)calculate the Estimated Residual Value, Lease Receivables and/or the Lease Maturity Date in accordance with the Credit and Collection Policy and subject to the terms of the relevant Lease Agreement;

(i) prepare and publish the financial and other reporting on the performance of the Portfolio, including the Servicer Monthly Report;

(j) keep and maintain Records with respect to each Lease Agreement comprised in the Portfolio for the purposes of identifying amounts paid by each Lessee, any amount due from a Lessee and the balance from time to time outstanding with respect to each such Lease Agreement;

(k) keep and maintain Records in respect of amounts recognised as having been delinquent, defaulted or written off in relation to any Lease Agreement which under its term is in default and amounts recovered in relation to any Lease Agreements which have previously been recognised as having been delinquent, defaulted or written off in accordance with the requirements of the Servicing Agreement and the Credit and Collection Policy;

(l) keep and maintain the Records on a Purchased Vehicle by Purchased Vehicle and Lease Receivable by Lease Receivable basis, in whatever medium or media may be expedient showing clearly all transactions and proceedings relating to the Servicing Agreement and to the relevant Lessees (including their correspondence details), the Purchased Vehicle, Lease Receivables and in an adequate form as is necessary to collect each Lease Receivable and/or enforce any security attached to the Purchased Vehicle and/or Lease Receivables;

(m) ensure that the Records in respect of the Purchased Vehicles and associated Lease Receivables and the relevant Lease Agreements are kept in good order, in safe custody in fireproof and flood-proof storage in such manner so that they are identifiable and distinguishable from the Records and other documents which relate to other

agreements which are held by or on behalf of the Servicer or any other person and so that the relevant Lease Agreements and Records are uniquely, unequivocally and physically identifiable from data contained in any Hire Purchase Contract;

(n) give access to Athlon's records (in as far as relating to the Portfolio) to the Issuer or the Security Trustee (or any agent of the Issuer or the Security Trustee) upon request;

(o) take all actions which the Issuer may reasonably request (taking into account the obligations under the relevant Lease Agreement) to protect its interest on the Purchased Vehicles and the Lease Receivables;

(p) determine, as required, any Lease Agreement Recalculations and notify the Issuer, the Seller, the Issuer Administrator and following an Issuer Event of Default, the Security Trustee of any Purchase Instalment Increase Amount or Purchase Instalment Decrease Amount resulting from such recalculation;

(q) deal with any Lease Agreement which under its term is in default in accordance with the terms of the Servicing Agreement; and

(r) perform other tasks incidental to the above and to do or cause to be done any and all things which it reasonably considers necessary, convenient or incidental to the provision of the services to be rendered pursuant to the Servicing Agreement.

In accordance with the terms of the Servicing Agreement, the Servicer shall: (a) comply with the Credit and Collection Policy; and (b) at all times devote or procure that there is devoted to the performance of its obligations, exercise of its discretions and its exercise of the rights of the Issuer and where so permitted the Security Trustee in respect of the Purchased Vehicles and associated Lease Receivables at least (i) the same amount of time and attention and (ii) the same level of skill, care and diligence in the performance of those obligations and discretions as it would if it were administering vehicles and receivables which it beneficially owned and, in any event, will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions under the Servicing Agreement and consider the interests of the Issuer and the Security Trustee (acting on behalf of the Secured Creditors) at all times whilst carrying out the services under the Servicing Agreement but the Servicer shall not be required to do or cause to be done anything which it is prevented from doing by any regulatory direction or any requirement of law.

In addition, the Servicer shall service and administer the assets forming part of the Portfolio in compliance with the Lease Agreements, the Master Hire Purchase Agreement and certain general covenants of the Servicer (including covenants as to the compliance with any applicable laws in rendering the services owed by the Servicer).

*Servicer fee*

In consideration of the performance of the Services, Athlon as Servicer will receive the Senior Servicer Fee until the earlier of (i) the occurrence of a Seller Event of Default and (ii) the appointment of Athlon as Servicer being terminated. Upon the occurrence of a Seller Event of Default, Athlon as Servicer will receive the Servicer Fee until the appointment of Athlon as

Servicer being terminated. Both the Senior Servicer Fee and the Servicer Fee will be payable by the Issuer subject to and in accordance with the applicable Priority of Payments.

*Lease Collections and distribution*

Under the Servicing Agreement the Servicer will procure that all Lease Collections in respect of the Lease Receivables and all Vehicle Realisation Proceeds in respect of a sale of a Purchased Vehicle to the Lessee pursuant to the relevant Lease Agreement collected at any time during the immediately preceding Collection Period and all Deemed Collections are paid on each Payment Date directly into the Transaction Account.

*Lease Agreement Recalculation*

During each Collection Period, the Servicer will determine on each Calculation Date the Lease Agreement Recalculations with respect to each Lease Agreement subject to and in accordance with the provisions of the relevant Lease Agreement and the Credit and Collection Policy of Athlon. Any Lease Agreement Recalculation might then lead to an increase in the associated Purchase Price on the following Payment Date effective as of the immediately preceding Cut-Off Date relating to this Lease Agreement in an amount equal to the Purchase Instalment Increase Amount. Or, as the case may be, a Lease Agreement Recalculation might lead to a decrease of the Purchase Price on the following Payment Date effective as of the immediately preceding Cut-Off Date in the amount equal to the Purchase Instalment Decrease Amount.

The Servicer will notify the Issuer, the Seller and the Issuer Administrator on the same Calculation Date of each Purchase Instalment Increase Amount and Purchase Instalment Decrease Amount resulting from such Lease Agreement Recalculations.

*Performance by third parties*

The Servicer is permitted to delegate some or all of its duties to other entities, including any subsidiaries (provided that such sub-contracting arrangement does not, directly or indirectly, lead to a downgrading of the current ratings of the Class A Notes), although the Servicer will remain liable for the performance of any duties that it delegates to another entity.

*Allocation of Lease Collections*

Where two or more Lease Agreements from a Lessee are included in the Portfolio or where Lease Agreements from a Lessee are included in the Portfolio and other lease agreements from the same Lessee are not included in the Portfolio, in a Collection Period amounts received from the Lessee will be applied in the following order:

(a) *firstly*, to the applicable invoice relating to such payment;

(b) *secondly*, where payments are not identified as relating to a specific invoice to the relevant invoice at the direction of the Lessee;

(c) *thirdly*, where no such allocation is provided by the relevant Lessee within ten (10) Business Days, to the oldest invoice then outstanding until the outstanding balance of such invoice has been reduced to zero and thereafter to the next oldest invoice in order until the outstanding balance of such invoices has been reduced to zero; and

(d) *fourthly*, *pari passu* and *pro rata* between all outstanding invoices of the Lessee including, for the avoidance of doubt, Lease Receivables sold and assigned to the Issuer and Lease Receivables not sold to the Issuer.

Additionally, the *pro rata* share of the collections received and allocated to the Lease Agreements included in the Portfolio shall first be allocated *pari passu* and *pro rata* to (i) Lease VAT Collections and (ii) all other Lease Collections. The share allocated to the Lease Collections under (ii) shall thereafter be allocated *pro rata* to such individual Lease Collections.

*Servicer Monthly Report*

On or prior to the date falling two (2) Business Days prior to each Calculation Date the Servicer shall, using information provided to it by the Seller, pursuant to the Servicing Agreement, prepare and deliver via email or any other agreed electronic means a report applicable to the relevant Collection Period (each a **Servicer Monthly Report**) to the Issuer, the Issuer Administrator and the Security Trustee.

If the information given in the Servicer Monthly Report is not sufficient for the Issuer, the Security Trustee or the Issuer Administrator, the Servicer has undertaken to give such assistance as reasonably requested in order for such parties to perform their respective roles or duties under the Transaction Documents.

*Appointment of Back-Up Servicer*

The Issuer should upon the occurrence of an Appointment Trigger Event appoint a Suitable Entity to act as the Back-Up Servicer pursuant to the terms of the Back-Up Servicing Agreement. The Back-Up Servicer will have to satisfy and meet the requirements and standards as set out in the Servicing Agreement. The Servicer must notify the parties to the Servicing Agreement in writing immediately on the occurrence of an Insolvency Event in relation to the Servicer, the occurrence of an Appointment Trigger Event or the occurrence of a Servicer Termination Event (or any event which with the giving of notice or lapse of time, or both, would become a Servicer Termination Event).

On entry into the Back-Up Servicing Agreement, whilst acting as Back-Up Servicer, the Back-Up Servicer will agree that it will (a) on receipt of the Servicer Monthly Report and all other information delivered to it pursuant to the Servicing Agreement, promptly review such information and (b) promptly notify the Servicer if it requires any further assistance or information reasonably required by it in order to enable it to perform its roles or duties pursuant to the Back-Up Servicing Agreement, such that in each case it is in a position that it is able, on its assumption of the servicer role, to immediately perform services contained in the Servicing Agreement (together, the **Back-Up Servicer Role**).

Following (a) the occurrence of a Servicer Termination Event and (b) the termination of the appointment of the Servicer, the Back-Up Servicer will take over the services of the Servicer under the Servicing Agreement. As of the date that the Back-Up Servicer has taken over the services of the Servicer, the Back-Up Servicer will receive a servicer fee subject to and in accordance with the relevant Priority of Payments.

*Appointment of Back-Up Servicer Facilitator*

Pursuant to the Servicing Agreement, the Issuer will appoint a Back-Up Servicer Facilitator. Pursuant to the Servicing Agreement the Back-Up Servicer Facilitator shall, if upon the occurrence of a Servicer Termination Event no Back-Up Servicer has been appointed, use its best endeavours to identify and approach any potential Suitable Entity to arrange for the appointment by the Issuer of a substitute servicer. If a Suitable Entity has been selected, the Back-Up Servicer Facilitator will arrange for the appointment by the Issuer of such substitute servicer subject to the terms and conditions set out in the Servicing Agreement, provided that such appointment (i) shall be approved by the Security Trustee, (ii) shall be effective not later than the date of the termination of the appointment of the Servicer, (iii) shall be on substantially the same terms as the terms of the Servicing Agreement, providing for remuneration at such a rate that does not exceed the rate then commonly charged by providers of credit management and administration services for provision of such services on such terms and (iv) shall be notified to the Rating Agencies.

*Termination and replacement of the Servicer*

Upon the occurrence of a Servicer Termination Event, the Issuer and the Security Trustee, acting jointly, may at once or at any time thereafter while such Servicer Termination Event continues by notice in writing to the Servicer terminate the Servicing Agreement, with effect from a date (not earlier than the date of the notice) specified in the notice provided that the effective date of such termination shall be no earlier than that when a back-up servicer has been appointed and has taken over the services performed by the Servicer on terms substantially similar to the existing Servicing Agreement.

*Realisation*

The Servicer will undertake to use its best efforts to sell, on behalf of and for the account of the Issuer, the Purchased Vehicles where the Call Option Buyer has not exercised the Repurchase Option, in each case after the Purchased Vehicle has been returned to the Servicer in accordance with the Servicing Agreement. The Servicer shall only sell the related Purchased Vehicles at such time if this would not result in a breach of the relevant Lease Agreement.

*Reporting*

The Servicer will include certain pre-agreed information regarding the Purchased Vehicles in the Servicer Monthly Report. Such information shall (a) cover the Collection Period immediately preceding the relevant Calculation Date and (b) in any event include (i) a cash flow report and (ii) the stratification tables. In addition, the Servicer shall provide the list of Purchased Vehicles.

The Servicer will agree and covenant to the Issuer to also provide the Issuer, the Issuer Administrator and the Security Trustee with any information the Issuer, the Issuer Administrator or the Security Trustee may reasonably request.

### 8.5 Swap Agreement

On (or about) the Signing Date, the Issuer will enter into the interest rate swap agreement (the **Swap Agreement**) with the Swap Counterparty. The Swap Agreement will mitigate the risk of a mismatch between the floating interest rate payable on the Class A Notes and the fixed rate

income being the Lease Interest Components included in the Lease Instalments to be received by the Issuer in respect of the Portfolio.

Under the Swap Agreement the Issuer will pay to the Swap Counterparty on each Payment Date an amount equal to the product of (i) the Principal Amount Outstanding of the Class A Notes on the first day of the relevant Interest Period, (ii) the Swap Fixed Rate and (iii) the Day Count Fraction. In return, the Swap Counterparty will pay to the Issuer on each Payment Date amounts equal to the product of (i) the Principal Amount Outstanding of the Class A Notes on the first day of the relevant Interest Period (ii) the Swap Floating Rate and (iii) the Day Count Fraction.

The Swap Fixed Rate payable by the Issuer is negative and the payment to be made by the Issuer will be determined by applying the negative fixed rate of interest to the Principal Amount Outstanding of the Class A Notes taking into account the applicable Day Count Fraction and such amount will be a negative amount. The Issuer will then be entitled to receive the absolute value of such amount from the Swap Counterparty. On the other hand, if the Swap Floating Rate payable by the Swap Counterparty is negative, the payment to be made by the Swap Counterparty will be determined by applying the negative floating rate of interest to the Principal Amount Outstanding of the Class A Notes taking into account the applicable Day Count Fraction. Such amount will also be a negative amount and the Swap Counterparty will be entitled to receive the absolute value of such amount from the Issuer.

*Payments*

Payments under the Swap Agreement will be made on a net basis on each Payment Date, so that a net amount will be due from the Issuer or the Swap Counterparty (as the case may be) on each Payment Date. Payments made by the Issuer under the Swap Agreement (other than the Subordinated Swap Amount) rank higher in priority than all payments on the Notes. Payments by the Swap Counterparty to the Issuer under the Swap Agreement will be made into the Transaction Account and will, to the extent necessary, be increased to ensure that such payments are free and clear of all taxes.

*Termination*

The Swap Agreement may be terminated in certain circumstances, including but not limited to the following, each as more specifically described in each Swap Agreement (a **Swap Early Termination Event**):

(a) if there is a failure by a party to pay amounts due under the Swap Agreement and any applicable grace period has expired;

(b) if certain insolvency events occur with respect to a party;

(c) if a breach of a provision of the Swap Agreement by the Swap Counterparty is not remedied within the applicable grace period;

(d) if a change of law results in the obligations of one of the parties under the Swap Agreement becoming illegal;

(e) in certain circumstances, if a deduction or withholding for or on account of taxes is imposed on payments made by the Swap Counterparty under the Swap Agreement;

(f) if the Swap Counterparty is downgraded below the Required Credit Ratings and subsequently fails to comply with the requirements of the remedial provisions contained in the Swap Agreement as summarised below;

(g) if the Security Trustee serves a Notes Acceleration Notice on the Issuer pursuant to the Conditions of the Notes; and

(h) if there is a redemption of the Notes in certain circumstances.

Upon an early termination of the transaction under the Swap Agreement, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other. This termination payment will generally be calculated and made in euro. The amount of any termination payment will generally be based on the market value of the Swap Agreement. The market value will be based on market quotations of the cost of entering into a transaction with the same terms and conditions and that would have the effect of preserving the respective full payment obligations of the parties (or based upon the calculation of the loss of the non-defaulting party (calculated in accordance with the Swap Agreement) in the event that no market quotation can be obtained or where the Issuer is the defaulting party or affected party).

*Transfer and gross-up*

The Swap Counterparty may, subject to certain conditions specified in the Swap Agreement, including (without limitation) the satisfaction of certain requirements of the Rating Agencies and prior written consent of the Issuer, transfer its obligations under the Swap Agreement to another entity with the Required Credit Ratings.

The Issuer is not obliged under the Swap Agreement to gross up payments made by it if a withholding or deduction for or on account of tax is imposed on payments made under the Swap Agreement. The Swap Counterparty will generally be obliged to gross up payments made by it to the Issuer if a withholding or deduction for or on account of tax is imposed on payments made by it under the Swap Agreement.

*Downgrade of Swap Counterparty*

In the event that the Swap Counterparty suffers a rating downgrade to below the Required Credit Ratings, or any such rating is withdrawn, the Swap Counterparty will be required to take certain remedial measures which may include the provision of collateral for the obligations of the Swap Counterparty under the Swap Agreement, arranging for the obligations of the Swap Counterparty under the Swap Agreement to be transferred to an entity with the Required Credit Ratings, procuring another entity with at least the Required Credit Ratings to become co-obligor or guarantor in respect of the obligations of the Swap Counterparty under the Swap Agreement,

or the taking of such other suitable action as it may then propose to the Rating Agencies. A failure to take such steps, subject to certain conditions, will give the Issuer the right to terminate the Swap Agreement.

*Credit Support*

On the Signing Date, the Issuer, the Swap Counterparty and the Security Trustee will enter into a Credit Support Annex to the Swap Agreement on the basis of standard ISDA documentation (the **Credit Support Annex**), which provides for requirements relating to the providing of collateral by the Swap Counterparty.

The Issuer will maintain a separate account, the Swap Collateral Account, into which any collateral required to be transferred by the Swap Counterparty in accordance with the provisions set out above will be deposited. Any collateral transferred by the Swap Counterparty which is in excess of its obligations to the Issuer under the Swap Agreement (the **Excess Swap Collateral**) will be returned to the Swap Counterparty (separate from, and not subject to the applicable Priority of Payments) prior to the distribution of any amounts due to the Noteholders or the other Secured Creditors.

*Applicable law and Jurisdiction*

The Swap Agreement, and any non-contractual obligations arising of or in connection with it, will be governed by and construed in accordance with the laws of England. The courts of England have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Swap Agreement.

### 8.6 RV Guarantee Agreement

The RV Guarantor may, pursuant to the terms of the RV Guarantee Agreement, unless the relevant Purchased Vehicle is associated with a Defaulted Lease Agreement, be required to make certain payments to the Issuer if a Lease Termination Date occurs and the Call Option Buyer does not exercise the relevant Repurchase Option.

If a Lease Termination Date occurs in relation to a Lease Agreement (other than a Defaulted Lease Agreement) and the Call Option Buyer does not exercise the relevant Repurchase Option, the RV Guarantor will be obliged to pay to the Issuer in respect of the relevant Purchased Vehicle an amount equal to the higher of:

(A) zero; and

(B) the amount of:

(i) (a) in case of a Matured Lease, the Estimated Residual Value or (b) in case of a Lease Agreement Early Termination, the sum of (x) the Present Value of all remaining scheduled Lease Interest Components and Lease Principal Components that would have become due and payable under the Lease Agreement associated with such Purchased Vehicle after the Lease Early Termination Date in the event such Lease Agreement would not have been subject to a Lease Agreement Early

Termination, and (y) the Present Value of the Estimated Residual Value of such Purchased Vehicle as calculated as of the relevant Cut-Off Date, *minus*

(ii) the Vehicle Realisation Proceeds of such Purchased Vehicle,

(such amount being the **RV Shortfall Amount** ).

In addition, the Seller will be obliged to pay to the Issuer any Lease Incidental Shortfall if and when such Lease Incidental Shortfall occurs. Provided the RV Guarantor has paid the relevant RV Shortfall Amount to the Issuer, the Issuer will be obliged to pay to the RV Guarantor any Lease Agreement Early Termination Amounts received by it in relation to a Lease Agreement which has been subject to a Lease Agreement Early Termination after the relevant Lease Early Termination Date up to an amount equal to such RV Shortfall Amount.

If a Lease Termination Date occurs in relation to a Lease Agreement (other than a Defaulted Lease Agreement) and the Call Option Buyer does not exercise the Repurchase Option, the Issuer will be obliged, provided that the RV Guarantor is not in default with its obligations under the RV Guarantee Agreement, to pay to the RV Guarantor in respect of the relevant Purchased Vehicle an amount equal to the higher of:

(A) zero;

(B) the amount of:

(i) the Vehicle Realisation Proceeds of such Purchased Vehicle, *minus*

(ii) (a) in case of a Matured Lease, the Estimated Residual Value or (b) in case of a Lease Agreement Early Termination, the sum of (x) the Present Value of all remaining scheduled Lease Interest Components and Lease Principal Components that would have become due and payable under the Lease Agreement associated with such Purchased Vehicle after the Lease Early Termination Date in the event such Lease Agreement would not have been subject to a Lease Agreement Early Termination, and (y) the Present Value of the Estimated Residual Value of such Purchased Vehicle as calculated as of the relevant Cut-Off Date,

(such amount being the **RV Excess Amount**).

### 8.7 Subordinated Loan Agreement

On the Signing Date, the Issuer, the Security Trustee, the Issuer Administrator and the Subordinated Lender will enter into the Subordinated Loan Agreement to enable the Issuer to draw, subject to the terms and conditions of the Subordinated Loan Agreement, (i) the General Reserve Advance, (ii) the Commingling Reserve Advance, (iii) the Maintenance Reserve Advance and (ii) the aggregate of any Subordinated Increase Advances.

*Subordinated Loan Advances*

On the Closing Date, the Subordinated Lender will make available to the Issuer the General Reserve Advance to enable the Issuer to make a deposit into the General Reserve Account up

to the Required General Reserve Amount. If on any Payment Date the Available Distribution Amounts as calculated on the immediately preceding Calculation Date are insufficient for the Issuer to satisfy its obligation to make any Issuer Increase Advance under the Issuer Facility Agreement subject to and in accordance with the relevant Priority of Payment, the Subordinated Lender will grant a Subordinated Increase Advance to the Issuer up to the Required Subordinated Increase Amount. Upon the occurrence of a Reserves Trigger Event and for as long as a Reserves Trigger Event is continuing, the Subordinated Lender will make available to the Issuer (i) the Maintenance Reserve Advance and (ii) the Commingling Reserve Advance. The Maintenance Reserve Advance will be made to enable the Issuer to make a deposit into the Transaction Account up to the Required Maintenance Reserve Amount with a corresponding credit to the Maintenance Reserve Ledger. The Commingling Reserve Advance will be made to enable the Issuer to make a deposit into the Transaction Account up to the Required Commingling Reserve Amount with a corresponding credit to the Commingling Reserve Ledger.

*Further Reserve Advances*

Following the occurrence of a Reserves Trigger Event and for as long as a Reserves Trigger Event is continuing, on each Payment Date, the Subordinated Lender will advance to the Issuer (i) further advances, in the amount equal to (if such amount is greater than zero) the Required Maintenance Reserve Amount minus the amount standing to the credit of the Maintenance Reserve Ledger (a **Further Maintenance Reserve Advance**) and (ii) further advances, in the amount equal to (if such amount is greater than zero) the Required Commingling Reserve Amount minus the amount standing to the credit of the Commingling Reserve Ledger (a **Further Commingling Reserve Advance** and together with the Further Maintenance Reserve Advance, the **Further Reserve Advances**). If following the remedy of a Reserves Trigger Event such that a Reserves Trigger Event is no longer continuing a subsequent Reserves Trigger Event occurs, the Subordinated Lender shall advance to the Issuer Further Maintenance Reserve Advances and Further Commingling Reserve Advances in accordance with the terms of the Subordinated Loan Agreement.

If applicable, the Issuer (or the Issuer Administrator on its behalf) will deliver on or prior to the Calculation Date immediately preceding each Payment Date to the Subordinated Lender a drawdown notice specifying the amount of any Further Reserve Advance and requesting that such Further Reserve Advance be made to the Issuer. Each Further Reserve Advance will be paid to the Transaction Account and on the same day be recorded to the credit of the relevant Transaction Account Ledger.

*Repayment of Subordinated Loan Advances*

If at any Payment Date prior to the service of a Notes Acceleration Notice, the amounts standing or recorded, as the case may be, to the credit of the General Reserve Account, the Maintenance Reserve Ledger or the Commingling Reserve Ledger, as the case may be, each as calculated on the immediately preceding Calculation Date, exceeds, respectively, the Required General Reserve Amount, the Required Maintenance Reserve Amount and/or Required Commingling Reserve Amount, such excess shall not form part of the Available Distribution Amounts but shall instead be applied towards repayment (in part) of, respectively, the General Reserve Advance, the Maintenance Reserve Advance and/or the Commingling

Reserve Advance outstanding in accordance with the terms of the Subordinated Loan Agreement.

The remainder of the General Reserve Advance and any Subordinated Increase Advance will be repaid subject to and in accordance with the relevant Priority of Payments if and to the extent the Notes including any interest accrued but unpaid have been redeemed in full.

If on a Payment Date following the remedy of a Reserves Trigger Event such that a Reserves Trigger Event is no longer continuing and no Notes Acceleration Notice has been served, the Notes including any interest accrued but unpaid will be redeemed in full on such Payment Date, the Issuer (or the Issuer Administrator on its behalf) shall on the same Payment Date apply the amounts standing to the credit of the Maintenance Reserve Ledger towards repayment of the Maintenance Reserve Advance. If on such Payment Date the Maintenance Reserve Advance will not be repaid in full from amounts standing to the credit of the Maintenance Reserve Ledger, the Maintenance Reserve Advance will be repaid from Available Distribution Amounts, such Available Distribution Amounts to be applied *pro rata* and *pari passu* amongst themselves to repay the Subordinated Loan Advances in accordance with the relevant Priority of Payments.

If following the remedy of a Reserves Trigger Event such that a Reserves Trigger Event is no longer continuing and no Notes Acceleration Notice has been served, the Issuer (or the Issuer Administrator on its behalf) shall on the next following Business Day apply amounts standing to the credit of the Commingling Reserve Ledger towards repayment of the Commingling Reserve Advance. Any Commingling Reserve Advance not repaid in full from amounts standing to the credit of the Commingling Reserve Ledger will be repaid from Available Distribution Amounts, such Available Distribution Amounts to be applied *pro rata* and *pari passu* amongst themselves to repay the Subordinated Loan Advances in accordance with the relevant Priority of Payments.

Following the service of a Notes Acceleration Notice, the Issuer shall repay the Subordinated Loan Advances in accordance with the Accelerated Amortisation Period Priority of Payments.

*Interest on the Subordinated Loan*

Subject to the applicable Priority of Payment, the rate of interest payable in respect of each Subordinated Loan Advance for each interest period pursuant to the Subordinated Loan Agreement shall be 3.5 per cent.

### 8.8 Issuer Facility Agreement

On the Signing Date, Athlon, the Issuer and the Security Trustee will enter into the Issuer Facility Agreement. On the Closing Date, the Issuer will make available to Athlon an Initial Issuer Advance in respect of each Purchased Vehicle together with the associated Lease Receivables forming part of the Initial Portfolio, each for an amount equal to the sum of (i) the Present Value of all scheduled future Lease Interest Components and all scheduled future Lease Principal Components forming part of the Lease Receivables associated with the Purchased Vehicle forming part of the Initial Portfolio and (ii) the Present Value of the Estimated Residual Value of such Purchased Vehicle, each as calculated as of the Initial Cut-Off Date.

After the Closing Date, further Issuer Advances will be made during the Revolving Period on each Purchase Date, each such Issuer Advance in an amount equal to the Present Value of the Purchase Price of the relevant Additional Leased Vehicle as calculated as of the relevant Additional Cut-Off Date, provided that the sum of such Issuer Advances for the relevant Additional Leased Vehicles shall not exceed the Replenishment Amount available at such time.

*Interest and scheduled principal on the Issuer Advance; scheduled set-off*

Interest on each outstanding Issuer Advance (i) shall be payable on (a) each Payment Date, other than the Payment Date on which the relevant Final Purchase Instalment is due, in respect of the immediately preceding Collection Period and (b) the Payment Date on which the relevant Final Purchase Instalment is due, in respect of both the immediately preceding and the then current Collection Period and (ii) shall equal the product of (A) the Discount Rate and (B) 30 *divided by* 360 and (C) the amount of the relevant Issuer Advance on the first day of the immediately preceding Collection Period.

Each outstanding Issuer Advance shall be prepaid or repaid, as the case may be:

(a) on each Payment Date on which a Regular Purchase Instalment in respect of the associated Purchased Vehicle is due, for an amount equal to (i) the sum of the Lease Principal Component and the Lease Interest Component of the Regular Purchase Instalment payable in respect of the associated Purchased Vehicle on such Payment Date *less* (ii) the amount of interest payable on such Payment Date in respect of such Issuer Advance; *plus* (if applicable)

(b) on the Payment Date on which the Final Purchase Instalment in respect of the associated Purchase Vehicle is due, for an amount equal to the relevant Final Purchase Instalment, in the case of a Lease Agreement Early Termination as discounted in accordance with the relevant provision of the Master Hire Purchase Agreement; and

(c) for the remainder, if any, on the Issuer Facility Final Maturity Date.

The Issuer Facility Agreement provides that all interest payments and repayments and prepayments of principal in respect of any Issuer Advance, will be made by way of set-off in accordance with the terms and conditions of the Issuer Facility Agreement.

*Increase and decrease of Issuer Advance*

Pursuant to the Issuer Facility Agreement, if on a Calculation Date (i) a Purchase Instalment Increase Amount is calculated, the Issuer will make to the Seller an additional advance by which the relevant Issuer Advance will be increased with an amount equal to such Purchase Instalment Increase Amount and/or (ii) a Purchase Instalment Decrease Amount is calculated, the Seller will prepay to the Issuer the relevant Issuer Advance up to an amount equal to such Purchase Instalment Decrease Amount, in either case on the first following Payment Date.

*Termination of Hire Purchase Agreement; repayment of Issuer Advance*

Pursuant to the Issuer Facility Agreement, each time a Hire Purchase Contract is terminated, the Seller will repay to the Issuer the relevant Issuer Advance in full.

*Seller Event of Default, prepayment of Purchase Price and illegality*

The Issuer Facility Agreement provides that upon the occurrence (and continuation) of a Seller Event of Default, the Issuer shall no longer be obliged to make any Purchase Instalments and may (i) declare any Issuer Advances immediately due and payable (together with any accrued interest thereon) by the Seller and/or (iii) waive such Seller Event of Default under such terms it deems fit.

The Issuer Facility Agreement furthermore provides that (i) upon the Issuer expressing a desire to prepay any Purchase Price or (ii) if it is or will become unlawful for the Issuer to make, fund or allow to remain outstanding all or part of the Issuer Advances, the associated Issuer Advances shall be immediately due and payable together with accrued interest thereon.

*Authority to set off*

Pursuant to the Issuer Facility Agreement, the Issuer shall have exclusive authority to set off (i) any Purchase Instalment it owes to the Seller against (ii) any receivable it has vis-à-vis the Seller under or in respect of the associated Issuer Advance. Such set-off shall automatically occur on each Payment Date save to the extent such set-off is accelerated by or on behalf of the Issuer in accordance with the relevant provisions of the Master Hire Purchase Agreement or the Issuer Facility Agreement.

### 8.9 Issuer Administration Agreement

On the Signing Date, the Issuer Administrator, the Issuer and the Security Trustee will enter into the Issuer Administration Agreement pursuant to which the Issuer Administrator will provide certain cash management and bank account operation services (collectively the **Administration Services**) in respect of the Portfolio to the Issuer.

The Administration Services in respect of the transaction contemplated by the Transaction Documents include but are not limited to:

(a) operating the Issuer Accounts and ensure that payments are made into and from the Issuer Accounts in accordance with the Issuer Administration Agreement, the Trust Deed, the Security Documents, the Servicing Agreement, the Account Agreement and any other relevant Transaction Documents;

(b) administering each Priority of Payments including calculating amounts payable by the Issuer, including the Available Distribution Amounts, and providing the reports relating thereto on each Calculation Date;

(c) on behalf of the Issuer calculating and determining amounts required to be drawn or repaid by the Issuer in respect of the Subordinated Loan Advances outstanding under the

Subordinated Loan Agreement, drawing and arranging for repayment of all Subordinated Loan Advances in accordance with the terms of the Subordinated Loan Agreement;

(d) on behalf of the Issuer calculating and determining amounts required to be advanced to Athlon pursuant to the Issuer Facility Agreement and disbursing and arranging for repayment of any and all required amounts by Athlon in accordance with the terms of the Issuer Facility Agreement;

(e) opening and maintaining each Transaction Account Ledger and the Interest Shortfall Ledger and keeping adequate record of any and all amounts to be recorded to the debit and credit of the relevant Transaction Account Ledger or the Interest Shortfall Ledger in accordance with the Transaction Documents;

(f) assisting the auditors of the Issuer and provide such information to them as they may reasonably request for the purpose of carrying out their duties as auditors;

(g) making all filings, give all notices and make all registrations and other notifications required in the day-to-day operation of the business of the Issuer or required to be given by the Issuer pursuant to the Notes and the relevant Transaction Documents; and

(h) arranging for, and determining the amount of, all payments due to be made by the Issuer under the Notes and/or any of the relevant Transaction Documents (including under each relevant Priority of Payments).

The Administration Services are subject to the amounts which are payable by the Issuer Administrator on behalf of the Issuer and being available to the Issuer and do not constitute a guarantee by the Issuer Administrator of all or any of the obligations of the Issuer under any of the Transaction Documents.

*Fee, Costs and Expenses*

The Issuer shall pay to the Issuer Administrator on each Payment Date in accordance with the relevant Priority of Payments in arrear a fee to be agreed between the Issuer, the Issuer Administrator and the Security Trustee for its Administration Services under the Issuer Administration Agreement and indemnify the Issuer Administrator for out-of-pocket costs, expenses and charges, incurred by the Issuer Administrator in the performance of the Administration Services.

*Termination*

If an Issuer Administrator Termination Event occurs, then the Issuer and/or the Security Trustee may at once or at any time thereafter while such Termination Event is continuing, terminate the Issuer Administration Agreement with effect from a date specified by the Issuer and/or the Security Trustee. Upon the termination of the Issuer Administration Agreement, the Issuer or, following an Issuer Event of Default, the Security Trustee shall use its best endeavours to appoint a substitute issuer administrator that satisfies the conditions set forth in the Issuer Administration Agreement.

*Obligations of Issuer Administrator*

Upon termination of the appointment of the Issuer Administrator under the Issuer Administration Agreement, the Issuer Administrator shall forthwith and subject to all applicable laws, deliver to the Issuer or the Security Trustee, as the case may be, or to such other person as the Issuer or the Security Trustee, as the case may be, shall direct, the files, including all legal and financial files, all books of account, papers, records, registers, correspondence and documents in its possession pursuant to the Issuer Administration Agreement and take such further action as the Issuer and/or the Security Trustee may reasonably direct at the expense of the Issuer Administrator.

### 8.10 Transparency Reporting Agreement

Pursuant to article 7 of the Securitisation Regulation, the Issuer (as SSPE under the Securitisation Regulation) and Athlon (as originator under the Securitisation Regulation) are obliged to make information available to the Relevant Recipients and to designate amongst themselves one entity to fulfil the Transparency Requirements in relation to the Transaction. Under the Transparency Reporting Agreement, the Issuer shall, in accordance with article 7(2) of the Securitisation Regulation, designate and appoint the Reporting Entity to fulfil the aforementioned information requirements.

The Seller is the Reporting Entity for the purposes of article 7 of the Securitisation Regulation and has undertaken in the Transparency Reporting Agreement to prepare and deliver to the Relevant Recipients:

(i) the information set forth in the Transparency Requirements in accordance with article 7 of the Securitisation Regulation and to the extent the STS Transparency Requirements are in effect, article 22(5) of the Securitisation Regulation; and

(ii) the information set forth in the STS Transparency Requirements in accordance with the Securitisation Regulation,

provided that the Reporting Entity will only be required to comply with (i) above to the extent that the Transparency Requirements are in effect and (ii) above to the extent that the STS Transparency Requirements are in effect.

For such purpose, the Reporting Entity has undertaken in the Transparency Reporting Agreement that it (or any agent on its behalf) will in particular:

(a) prepare and publish, at least on a quarterly basis, the lease level data setting out the information required by article 7(1)(a) of the Securitisation Regulation and the applicable Regulatory Technical Standards simultaneously with the relevant monthly investor report;

(b) prepare and publish, on a monthly basis, a monthly investor report as required by and in accordance with article 7(1)(e) of the Securitisation Regulation and the applicable Regulatory Technical Standards;

(c) upon the occurrence of an event triggering the existence of any inside information as referred to in article 7(1)(f) of the Securitisation Regulation and to the extent

applicable, any significant event as referred to in article 7(1)(g) of the Securitisation Regulation, publish without delay, subject to the timely receipt of all necessary information from the relevant parties, such inside information or significant event by means of the Inside Information Report; and

(d) make available copies of the relevant Transaction Documents, the STS Notification and the Prospectus in accordance with article 7(1)(b) and (d) and article 22(5) of the Securitisation Regulation,

provided that the disclosure requirements under articles 7 and 22 of the Securitisation Regulation are in effect.

The Reporting Entity (or any agent on its behalf) will publish or make otherwise available the reports and information referred to in paragraphs (a) to (c) (inclusive) above as required under article 7 and article 22 of the Securitisation Regulation to the Relevant Recipients by means of:

(a) once there is a SR Repository registered under article 10 of the Securitisation Regulation and appointed by the Reporting Entity for the Transaction, the SR Repository; or

(b) while no SR Repository has been registered and appointed by the Reporting Entity, the external website of European Datawarehouse (https://editor.eurodw.eu/), being an external website that conforms to the requirements set out in the fourth paragraph of article 7(2) of the Securitisation Regulation.

The Reporting Entity (or any agent on its behalf) will make the information referred to above available to the Relevant Recipients.

### 8.11 Data Trustee Agreements

Pursuant to the Servicing Agreement, Athlon shall (i) provide the Encrypted Personal Data to the Data Trustee and shall simultaneously (ii) lodge the Decryption Key with both the Issuer and the Security Trustee, together with sufficient instructions on how to use such Decryption Key in order to decrypt the Encrypted Personal Data.

Each of Athlon, the Issuer and the Security Trustee has individually appointed the Data Trustee as a data processor under the Applicable Data Protection Laws. On the Signing Date, each of Athlon, the Issuer and the Security Trustee will enter into a Data Trustee Agreement with the Data Trustee containing relevant data processor arrangements as required under the Applicable Data Protection Laws. Subject to and in accordance with the Servicing Agreement and Data Trustee Agreements, the Encrypted Personal Data will only become available to the Issuer following the occurrence of a Seller Event of Default and to the Security Trustee following the occurrence of a Pledge Notification Event.

# 9 DESCRIPTION OF THE PORTFOLIO

## 9.1 Introduction

The Vehicles and associated Lease Agreements forming part of the Initial Portfolio will be selected according to criteria set forth in the Master Hire Purchase Agreement and will be selected in accordance with such agreement, on or before the Closing Date. All of the Lease Agreements forming part of the Initial Portfolio were originated by the Seller before May 2021.

## 9.2 Contract types

Athlon has concluded so-called master agreements (*mantelovereenkomsten* or *hoofdovereenkomsten*) with its lessees containing the conditions under which Athlon is prepared to lease a vehicle to the lessee. Unless agreed otherwise, the master agreements are subject to the general terms and conditions (*algemene voorwaarden*) of Athlon, which are deemed to form an integral part of the relevant master agreements. In respect of each vehicle, a separate lease agreement is entered into between Athlon and the respective lessee, to which the terms and conditions agreed upon in the master agreement (including the general terms and conditions) will apply.

Athlon provides multiple types of car leasing and mobility solutions whereby the closed end operational car lease product forms the majority of the business. The principal and interest component typically make up around 60 per cent. of the monthly lease term.

Generally, each lease agreement has the following common features:

1. Legal ownership of a vehicle remains with the lessor and the lessee will not obtain a security interest in the vehicle.
2. The lessee must return the leased vehicle to the lessor at the end of the agreed lease term unless the lessee has, at any time during the term of the lease or upon termination of the lease purchased it. If the lessee does not voluntarily return the vehicle to Athlon, a charge is levied against it and an action to recover such charge. In addition, all appropriate means are implemented in order to repossess the vehicle without any court order being required. Following the sale of a vehicle upon the scheduled termination of a lease in relation to operational car lease contracts:
    - in the case of a so-called "closed-end lease", a lessee is not liable for any negative fluctuations in the value of the vehicle and in most cases it does not benefit from any positive fluctuations;
    - in the case of a so-called "open-end lease", a shortfall or surplus relative to the agreed residual value may either be shared between the lessor and the lessee, or the lessee will fully benefit from a surplus while the lessor will fully bear a shortfall; in most cases the surplus or shortfall is determined by reference to the average result of at least five (5) cars leased by the relevant lessee rather than on a car by car basis.
3. A termination of a lease by the lessee prior to the agreed lease termination date is pursuant to the terms and conditions of the lease agreements only possible with the consent of Athlon. Athlon is generally willing to entertain a lessee’s request to terminate

the contract early. In this case Athlon will recalculate the contract by using the actual mileage and duration until date of contract termination. The sum of the rental payments that have been paid already are deducted from the sum of the newly calculated rental payments to determine the settlement amount due. Athlon is entitled to cover certain costs and lost revenue in the calculation of this settlement amount.

4. Lease payments are payable in advance of each monthly lease period.
5. The lessee (and the employee) to whom the relevant vehicle is made available are required to ensure regular maintenance and repair of the vehicle and timely replacement of tyres with an official brand dealer or any other company as approved by Athlon.
6. In principle, the lessee is not entitled to set-off (*verrekenen*) amounts payable by it to Athlon.

Notwithstanding the above, the lease agreements may have certain different features and deviations from standard contracts are agreed from time to time between Athlon and the relevant lessee.

### 9.3 Lease instalment

The monthly lease instalment includes the following items:

1. lease principal component;
2. lease interest component;
3. lease servicing component (e.g. insurance, repair, maintenance, tyre replacement and vehicle road tax);
4. lease management fee and administration component; and
5. lease VAT component

Furthermore, Athlon separately invoices the lessee for any additional amounts (e.g. fuel recalculations) which are not part of the monthly lease instalment.

### 9.4 Leasing components

The leasing products Athlon offers consist of several components. These components each can be separately in- or excluded from the leasing product offered to lessees. A full service operational leasing product consists of the components mentioned below.

***Lease principal component***
For depreciation, the annuity-based depreciation methodology is used. The use of this methodology ensures that the monthly interest and principal instalment remain constant.

***Lease interest component***
The interest rates included in Athlon's leasing quotations are based upon the Athlon Cost of Fund (COF) methodology. On top of the COF a margin is calculated to lessees.

***Lease servicing component***

*Repair, Maintenance and Tyre replacement (RMT)*
Athlon provides for the cost of servicing in line with the relevant leased vehicle manufacturer's guidelines and the cost of maintenance and repair arising from wear and tear. Athlon must give its specific authority before any service, maintenance, repair work or tyre replacement is carried out and all servicing must be undertaken by an agent authorised by Athlon.

*Replacement vehicle*
In case of maintenance, repairs or damages drivers can use a replacement vehicle. The replacement vehicle included in a leasing contract can be provided directly, but also after 24 hours, according to particular agreements with the lessees.

*Full comprehensive insurance*
The insurance offered to clients may vary but in general consist of:

1. an insurance for third party liability with a coverage of EUR 2,500,000 per damage claim for material damage and a maximum of EUR 6,500,000 for bodily injuries;
2. a full comprehensive insurance;
3. a passenger accident insurance (*inzittenden verzekering*)/ a driver and passenger indemnity insurance;
4. an insurance for legal assistance (regres service);
5. the insurance policy fees; and
6. the complete administrative and financial handling of damage claims.

*Road side assistance*
Athlon closely co-operates with EuroCross International to provide a 24-hour breakdown service for drivers. During office hours Athlon's own operational department can be of assistance, outside these hours the EuroCross 24-hour alarm service provides this assistance. This way Athlon can guarantee optimum accessibility and service.

*Vehicle road tax*
Vehicle road tax (*motorrijtuigenbelasting*) must be paid for any car or motorcycle registered in the Netherlands and using Dutch roads. Pricing varies depending on the vehicle, its fuel and district of registration. Any changes in applicable regulations will be fully adapted and charged to lessees.

*Fuel and fuel administration*
Athlon provides their lessees with a fuel management system which uses amongst others, the Multi Tank Card (MTC). This system enables Athlon to acquire accurate information to control the fuel costs and surcharge lessees if applicable.

***Lease management fee and administration component***
Management fee and administrative charges contribute to cover Athlon's administrative and fleet management costs.

***Lease VAT component***
The VAT imposed on Athlon by the Dutch tax authorities (*Belastingdienst*) in connection with a lease agreement, shall be at the expense of the lessee under such lease agreement.

## 9.5 Pool Size and Characteristics

For the purpose of this paragraph *Pool Size and Characteristics*, capitalised terms used in this paragraph in respect of the Initial Portfolio are used as if the relevant Leased Vehicle forming part of the Initial Portfolio constitutes a Purchased Vehicle.

The Lease Agreements have been randomly selected according to the Seller's underwriting criteria from a larger pool of lease agreements that meet the Eligibility Criteria. All the Lease Agreements have been originated in accordance with the ordinary course of Athlon's business.

In the view of the Issuer (as SSPE) and the Seller (as originator) the pool satisfies the homogeneous conditions of article 20(8) of the Securitisation Regulation and the regulatory technical standards as contained in article 1(a), (b), (c) and (d) of the RTS Homogeneity. The Lease Agreements (i) have been underwritten in accordance with standards that apply similar approaches for assessing the credit risk associated with the Lease Agreements and without prejudice to Article 9(1) of the Securitisation Regulation, (ii) are serviced in accordance with similar procedures for monitoring, collecting and administering of Lease Receivables from the Lease Agreements, (iii) fall within the same asset category of auto loans and leases and (iv) are in accordance with the homogeneity factor set forth in article 2(4)(b) of the RTS Homogeneity (i.e. Lessees all have their residence in the Netherlands). The criteria set out in (i) up to and including (iv) are derived from article 20(8) Securitisation Regulation and the RTS Homogeneity. The RTS Homogeneity is in final draft adopted by the European Commission and entered into force on 26 November 2019.

The following tables set out the characteristics in respect of the Initial Portfolio as at 31 May 2021 to be sold to the Issuer on the Closing Date.

After the Closing Date, the characteristics of the Initial Portfolio may change as a result of (i) the acquisition of Additional Leased Vehicles together with the associated Lease Receivables during the Revolving Period, (ii) a Lease Agreement becoming a Defaulted Lease Agreement, (iii) a prepayment of a Lease Agreement, (iv) the payment behaviour of amounts due under a Lease Agreement or (v) alterations to a Lease Agreement (such as recalculations).

The characteristics of the Initial Portfolio set forth below demonstrate the capacity to, subject to the risk factors referred to under section 1 (*Risk factors*) above, produce funds to pay interest and principal on the Notes, provided that each such payment shall be subject to the relevant Priority of Payments as further described under section 6 (*Credit structure*).

**The portfolio information presented in this Prospectus is based on the Initial Portfolio as of 31 May 2021.**

**Portfolio Characteristics**

| Cut-off date: 31 May 2021 | Total |
|---|---|
| Aggregate Discounted Balance | € 667,599,630.65 |
| Aggregate Discounted Balance Lease Receivables | € 324,899,642.24 |
| Aggregate Discounted Balance Lease Receivables (percentage) | *48.7%* |
| Aggregate Discounted Balance Residual Value | € 342,699,988.41 |
| Aggregate Discounted Balance Residual Value (percentage) | *51.3%* |
| Aggregate Original Investment Amount | € 969,350,324.21 |
| Number of Leases | 32,765 |
| Number of Lessee Groups | 4,960 |
| Average Outstanding Discounted Balance per Lease | € 20,375 |
| Average Outstanding Discounted Balance per Lessee Group | € 134,597 |
| Weighted Average Lease Agreement Interest Rate | 2.4% |
| Weighted Average Seasoning (months) | 22.3 |
| Weighted Average Remaining Term (months) | 30.7 |
| Weighted Average Contractual Term (months) | 53.0 |

**Portfolio Information – Distribution by Client Type**

| Customer Type | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| Corporate | 32,765 | 100.00% | 667,599,630.65 | 100.00% | 324,899,642.24 | 342,699,988.41 |
| Private | - | 0.00% | - | 0.00% | - | - |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

**Portfolio Information – Distribution by Lease Agreement Type**

| Lease Agreement Type | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| Closed-End Lease | 32,566 | 99.39% | 663,919,594.40 | 99.45% | 322,795,323.11 | 341,124,271.29 |
| Open-End Lease | 199 | 0.61% | 3,680,036.25 | 0.55% | 2,104,319.13 | 1,575,717.12 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

**Portfolio Information – Distribution by Lease Vehicle Type (Passenger/Commercial)**

| Leased Vehicle Type | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| Passenger Vehicle | 27,736 | 84.65% | 590,716,098.90 | 88.48% | 286,689,636.32 | 304,026,462.58 |
| Commercial Vehicle | 5,029 | 15.35% | 76,883,531.75 | 11.52% | 38,210,005.92 | 38,673,525.83 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

**Portfolio Information – Distribution by Lease Vehicle Type (New/Used)**

| Leased Vehicle Type (New/Used) | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| New | 32,765 | 100.00% | 667,599,630.65 | 100.00% | 324,899,642.24 | 342,699,988.41 |
| Used | - | 0.00% | - | 0.00% | - | - |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

**Portfolio Information – Distribution by Aggregate Discounted Balance**

| Aggregate Discounted Balance (€) | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| 0 <= x < 5,000 | 587 | 1.79% | 2,307,853.44 | 0.35% | 624,584.73 | 1,683,268.71 |
| 5,000 <= x < 10,000 | 4,943 | 15.09% | 39,369,321.35 | 5.90% | 11,704,021.24 | 27,665,300.11 |
| 10,000 <= x < 15,000 | 6,425 | 19.61% | 80,466,673.12 | 12.05% | 29,704,848.08 | 50,761,825.04 |
| 15,000 <= x < 20,000 | 6,300 | 19.23% | 109,501,320.81 | 16.40% | 46,223,757.98 | 63,277,562.83 |
| 20,000 <= x < 25,000 | 5,203 | 15.88% | 116,539,627.41 | 17.46% | 55,043,669.18 | 61,495,958.23 |
| 25,000 <= x < 30,000 | 3,687 | 11.25% | 100,824,578.40 | 15.10% | 52,340,953.34 | 48,483,625.06 |
| 30,000 <= x < 35,000 | 2,404 | 7.34% | 77,645,804.81 | 11.63% | 44,732,322.92 | 32,913,481.89 |
| 35,000 <= x < 40,000 | 1,439 | 4.39% | 53,723,760.79 | 8.05% | 32,486,658.05 | 21,237,102.74 |
| 40,000 <= x < 50,000 | 1,146 | 3.50% | 50,539,021.60 | 7.57% | 30,501,914.90 | 20,037,106.70 |
| 50,000 <= x < 60,000 | 434 | 1.32% | 23,327,268.39 | 3.49% | 13,547,823.13 | 9,779,445.26 |
| 60,000 <= x < 70,000 | 155 | 0.47% | 9,964,883.99 | 1.49% | 5,807,435.26 | 4,157,448.73 |
| >= 70,000 | 42 | 0.13% | 3,389,516.54 | 0.51% | 2,181,653.43 | 1,207,863.11 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

| | |
|---|---|
| Maximim | 179,448.83 |
| Minimum | 958.61 |
| Average | 20,375.39 |

**Portfolio Information – Distribution by Original Investment Amount**

| Original Investment Amount (€) | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| 0 < x <= 10,000 | 254 | 0.78% | 1,623,025.97 | 0.24% | 428,700.60 | 1,194,325.37 |
| 10,000 < x <= 20,000 | 7,444 | 22.72% | 75,140,926.93 | 11.26% | 29,582,161.47 | 45,558,765.46 |
| 20,000 < x <= 30,000 | 10,685 | 32.61% | 176,473,891.44 | 26.43% | 79,704,163.99 | 96,769,727.45 |
| 30,000 < x <= 40,000 | 8,746 | 26.69% | 208,027,187.57 | 31.16% | 101,127,072.83 | 106,900,114.74 |
| 40,000 < x <= 50,000 | 3,457 | 10.55% | 107,803,840.96 | 16.15% | 58,779,746.72 | 49,024,094.24 |
| 50,000 < x <= 60,000 | 1,463 | 4.47% | 59,840,366.92 | 8.96% | 34,151,320.25 | 25,689,046.67 |
| 60,000 < x <= 70,000 | 328 | 1.00% | 16,604,421.76 | 2.49% | 9,179,882.64 | 7,424,539.12 |
| 70,000 < x <= 80,000 | 197 | 0.60% | 10,444,913.06 | 1.56% | 5,639,913.20 | 4,804,999.86 |
| 80,000 < x <= 90,000 | 121 | 0.37% | 7,038,533.19 | 1.05% | 3,783,717.72 | 3,254,815.47 |
| 90,000 < x <= 100,000 | 31 | 0.09% | 1,796,850.04 | 0.27% | 957,249.07 | 839,600.97 |
| 100,000 < x <= 110,000 | 25 | 0.08% | 1,613,475.20 | 0.24% | 870,272.20 | 743,203.00 |
| 110,000 < x <= 120,000 | 8 | 0.02% | 499,478.71 | 0.07% | 246,082.06 | 253,396.65 |
| > 120,000 | 6 | 0.02% | 692,718.90 | 0.10% | 449,359.49 | 243,359.41 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

| | |
|---|---|
| Maximim | 191,601.00 |
| Minimum | 4,364.00 |
| Average | 29,584.93 |

**Portfolio Information – Distribution by Nominal Expected Residual Value Amount**

| Expected Nominal RV Amount (€) | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| 0 <= x < 5,000 | 2,894 | 8.83% | 22,736,041.08 | 3.41% | 12,283,529.47 | 10,452,511.61 |
| 5,000 <= x < 10,000 | 11,662 | 35.59% | 161,845,109.99 | 24.24% | 79,577,955.48 | 82,267,154.51 |
| 10,000 <= x < 15,000 | 10,976 | 33.50% | 246,091,932.77 | 36.86% | 122,590,777.35 | 123,501,155.42 |
| 15,000 <= x < 20,000 | 5,129 | 15.65% | 149,432,312.75 | 22.38% | 69,955,720.44 | 79,476,592.31 |
| 20,000 <= x < 25,000 | 1,445 | 4.41% | 53,222,314.64 | 7.97% | 24,202,315.60 | 29,019,999.04 |
| 25,000 <= x < 30,000 | 392 | 1.20% | 18,548,697.34 | 2.78% | 8,905,050.08 | 9,643,647.26 |
| 30,000 <= x < 35,000 | 172 | 0.52% | 9,767,979.86 | 1.46% | 4,792,191.01 | 4,975,788.85 |
| 35,000 <= x < 40,000 | 74 | 0.23% | 4,435,257.54 | 0.66% | 1,931,263.58 | 2,503,993.96 |
| 40,000 <= x < 45,000 | 16 | 0.05% | 959,895.53 | 0.14% | 347,172.64 | 612,722.89 |
| >= 45,000 | 5 | 0.02% | 560,089.15 | 0.08% | 313,666.59 | 246,422.56 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

| | |
|---|---|
| Maximim | 57,842.00 |
| Minimum | 126.00 |
| Average | 11,434.52 |

**Portfolio Information – Distribution by Discounted Expected Residual Value Amount**

| Expected Discounted RV Amount (€) | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| 0 <= x < 5,000 | 3,541 | 10.81% | 30,907,353.05 | 4.63% | 17,390,599.21 | 13,516,753.84 |
| 5,000 <= x < 10,000 | 13,483 | 41.15% | 209,431,487.73 | 31.37% | 106,938,160.63 | 102,493,327.10 |
| 10,000 <= x < 15,000 | 10,628 | 32.44% | 253,877,168.28 | 38.03% | 123,745,277.90 | 130,131,890.38 |
| 15,000 <= x < 20,000 | 3,728 | 11.38% | 114,066,019.14 | 17.09% | 50,971,915.26 | 63,094,103.88 |
| 20,000 <= x < 25,000 | 957 | 2.92% | 36,604,302.66 | 5.48% | 15,713,584.80 | 20,890,717.86 |
| 25,000 <= x < 30,000 | 285 | 0.87% | 14,246,916.32 | 2.13% | 6,536,138.99 | 7,710,777.33 |
| 30,000 <= x < 35,000 | 102 | 0.31% | 5,925,207.32 | 0.89% | 2,656,674.92 | 3,268,532.40 |
| 35,000 <= x < 40,000 | 32 | 0.10% | 1,741,578.09 | 0.26% | 557,192.29 | 1,184,385.80 |
| 40,000 <= x < 45,000 | 5 | 0.02% | 330,812.26 | 0.05% | 126,136.68 | 204,675.58 |
| >= 45,000 | 4 | 0.01% | 468,785.80 | 0.07% | 263,961.56 | 204,824.24 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

| | |
|---|---|
| Maximim | 55,347.57 |
| Minimum | 119.47 |
| Average | 10,459.33 |

**Portfolio Information – Distribution by Original Term of Lease Agreement**

| Original Term (months) | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| 0 < x <= 12 | 256 | 0.78% | 4,531,640.64 | 0.68% | 1,003,567.01 | 3,528,073.63 |
| 12 < x <= 24 | 973 | 2.97% | 11,592,843.98 | 1.74% | 2,477,484.03 | 9,115,359.95 |
| 24 < x <= 36 | 2,771 | 8.46% | 46,417,843.82 | 6.95% | 15,692,210.58 | 30,725,633.24 |
| 36 < x <= 48 | 13,377 | 40.83% | 290,447,247.52 | 43.51% | 135,170,445.93 | 155,276,801.59 |
| 48 < x <= 60 | 12,819 | 39.12% | 273,195,152.17 | 40.92% | 147,228,043.49 | 125,967,108.68 |
| 60 < x <= 72 | 2,503 | 7.64% | 40,521,705.25 | 6.07% | 22,730,546.68 | 17,791,158.57 |
| 72 < x <= 84 | 63 | 0.19% | 810,855.96 | 0.12% | 535,754.64 | 275,101.32 |
| 84 < x <= 96 | 3 | 0.01% | 82,341.31 | 0.01% | 61,589.88 | 20,751.43 |
| > 96 | - | 0.00% | - | 0.00% | - | - |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

| | |
|---|---|
| Maximim | 96.0 |
| Minimum | 3.0 |
| Weighted Average | 52.0 |

**Portfolio Information – Distribution by Remaining Term of Lease Agreement**

| Remaining Term (months) | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| 0 < x <= 12 | 8,057 | 24.59% | 97,695,375.20 | 14.63% | 19,208,279.53 | 78,487,095.67 |
| 12 < x <= 24 | 7,335 | 22.39% | 125,663,897.16 | 18.82% | 48,846,029.88 | 76,817,867.28 |
| 24 < x <= 36 | 7,658 | 23.37% | 176,526,423.38 | 26.44% | 90,373,553.83 | 86,152,869.55 |
| 36 < x <= 48 | 6,614 | 20.19% | 178,413,027.16 | 26.72% | 107,179,214.66 | 71,233,812.50 |
| 48 < x <= 60 | 2,882 | 8.80% | 83,990,289.10 | 12.58% | 55,578,751.30 | 28,411,537.80 |
| 60 < x <= 72 | 218 | 0.67% | 5,281,777.89 | 0.79% | 3,689,897.07 | 1,591,880.82 |
| 72 < x <= 84 | 1 | 0.00% | 28,840.76 | 0.00% | 23,915.97 | 4,924.79 |
| > 84 | - | 0.00% | - | 0.00% | - | - |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

| | |
|---|---|
| Maximim | 72.9 |
| Minimum | 1.0 |
| Weighted Average | 30.7 |

**Portfolio Information – Distribution by Seasoning of Lease Agreement**

| Seasoning (months) | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| 0 < x <= 12 | 6,567 | 20.04% | 187,695,109.13 | 28.11% | 114,071,038.56 | 73,624,070.57 |
| 12 < x <= 24 | 9,037 | 27.58% | 216,899,051.32 | 32.49% | 113,915,551.27 | 102,983,500.05 |
| 24 < x <= 36 | 7,576 | 23.12% | 144,657,076.20 | 21.67% | 63,305,730.03 | 81,351,346.17 |
| 36 < x <= 48 | 5,765 | 17.59% | 80,272,807.29 | 12.02% | 24,348,037.39 | 55,924,769.90 |
| 48 < x <= 60 | 2,990 | 9.13% | 32,140,210.13 | 4.81% | 7,745,656.91 | 24,394,553.22 |
| 60 < x <= 72 | 657 | 2.01% | 4,826,695.88 | 0.72% | 1,242,287.87 | 3,584,408.01 |
| 72 < x <= 84 | 156 | 0.48% | 1,054,104.16 | 0.16% | 254,773.53 | 799,330.63 |
| > 84 | 17 | 0.05% | 54,576.54 | 0.01% | 16,566.68 | 38,009.86 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

| | |
|---|---|
| Maximim | 95.9 |
| Minimum | 1.1 |
| Weighted Average | 22.3 |

**Portfolio Information – Distribution by Lease Agreement Start Year**

| Lease Agreement Start Year | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| 2013 | 8 | 0.02% | 24,536.34 | 0.00% | 7,630.55 | 16,905.79 |
| 2014 | 39 | 0.12% | 201,467.00 | 0.03% | 45,623.05 | 155,843.95 |
| 2015 | 474 | 1.45% | 3,222,038.51 | 0.48% | 745,872.34 | 2,476,166.17 |
| 2016 | 1,710 | 5.22% | 16,459,429.40 | 2.47% | 3,725,191.01 | 12,734,238.39 |
| 2017 | 4,521 | 13.80% | 55,843,096.50 | 8.36% | 15,135,965.90 | 40,707,130.60 |
| 2018 | 6,843 | 20.89% | 115,321,947.21 | 17.27% | 43,937,181.71 | 71,384,765.50 |
| 2019 | 9,135 | 27.88% | 204,574,518.90 | 30.64% | 101,547,775.53 | 103,026,743.37 |
| 2020 | 7,967 | 24.32% | 214,152,318.41 | 32.08% | 123,968,346.05 | 90,183,972.36 |
| 2021 | 2,068 | 6.31% | 57,800,278.38 | 8.66% | 35,786,056.10 | 22,014,222.28 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

**Portfolio Information – Distribution by Lease Agreement End Year**

| Lease Agreement End Year | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| 2021 | 4,371 | 13.34% | 49,464,818.04 | 7.41% | 7,018,603.95 | 42,446,214.09 |
| 2022 | 7,813 | 23.85% | 113,877,837.29 | 17.06% | 35,424,592.05 | 78,453,245.24 |
| 2023 | 7,732 | 23.60% | 162,780,818.46 | 24.38% | 76,217,075.53 | 86,563,742.93 |
| 2024 | 7,495 | 22.88% | 190,961,818.38 | 28.60% | 109,378,707.93 | 81,583,110.45 |
| 2025 | 4,174 | 12.74% | 119,409,175.64 | 17.89% | 76,024,212.05 | 43,384,963.59 |
| 2026 | 1,121 | 3.42% | 29,672,177.42 | 4.44% | 19,829,254.82 | 9,842,922.60 |
| 2027 | 59 | 0.18% | 1,432,985.42 | 0.21% | 1,007,195.91 | 425,789.51 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

**Portfolio Information – Distribution by Interest Rate on Lease Agreement**

| Lease Agreement Interest Rate (in %) | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| x = 0.00 | - | 0.00% | - | 0.00% | - | - |
| 0.00 < x <= 1.00 | 1,373 | 4.19% | 27,191,839.91 | 4.07% | 12,507,176.32 | 14,684,663.59 |
| 1.00 < x <= 2.00 | 10,784 | 32.91% | 217,433,251.75 | 32.57% | 100,628,005.85 | 116,805,245.90 |
| 2.00 < x <= 3.00 | 9,508 | 29.02% | 200,147,615.88 | 29.98% | 96,702,037.11 | 103,445,578.77 |
| 3.00 < x <= 4.00 | 10,713 | 32.70% | 214,509,105.33 | 32.13% | 110,093,447.05 | 104,415,658.28 |
| 4.00 < x <= 5.00 | 350 | 1.07% | 7,462,965.47 | 1.12% | 4,421,791.76 | 3,041,173.71 |
| 5.00 < x <= 6.00 | 36 | 0.11% | 837,394.46 | 0.13% | 535,464.48 | 301,929.98 |
| 6.00 < x <= 7.00 | 1 | 0.00% | 17,457.85 | 0.00% | 11,719.67 | 5,738.18 |
| > 7.00 | - | 0.00% | - | 0.00% | - | - |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

| | |
|---|---|
| Maximim | 6.0% |
| Minimum | 0.1% |
| Weighted Average | 2.4% |

**Portfolio Information – Distribution by Lessee Province**

| Province | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| Zuid-Holland | 7,366 | 22.48% | 142,664,603.94 | 21.37% | 69,330,384.72 | 73,334,219.22 |
| Noord-Holland | 5,916 | 18.06% | 127,145,628.11 | 19.05% | 62,138,991.50 | 65,006,636.61 |
| Noord-Brabant | 5,413 | 16.52% | 107,638,467.76 | 16.12% | 49,434,024.94 | 58,204,442.82 |
| Gelderland | 4,879 | 14.89% | 104,156,245.17 | 15.60% | 50,253,317.31 | 53,902,927.86 |
| Utrecht | 4,142 | 12.64% | 90,258,734.39 | 13.52% | 43,314,847.31 | 46,943,887.08 |
| Flevoland | 2,083 | 6.36% | 38,075,365.61 | 5.70% | 19,940,226.06 | 18,135,139.55 |
| Overijssel | 1,624 | 4.96% | 29,384,043.67 | 4.40% | 16,248,988.48 | 13,135,055.19 |
| Limburg | 705 | 2.15% | 15,355,093.95 | 2.30% | 7,772,290.83 | 7,582,803.12 |
| Groningen | 259 | 0.79% | 5,398,525.70 | 0.81% | 2,660,895.08 | 2,737,630.62 |
| Zeeland | 199 | 0.61% | 4,117,094.07 | 0.62% | 2,065,098.86 | 2,051,995.21 |
| Drenthe | 84 | 0.26% | 1,727,077.86 | 0.26% | 882,308.91 | 844,768.95 |
| Friesland | 95 | 0.29% | 1,678,750.42 | 0.25% | 858,268.24 | 820,482.18 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

**Portfolio Information – Distribution by Leased Vehicle Fuel Type**

| Fuel Type | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| Petrol | 15,861 | 48.41% | 290,494,023.62 | 43.51% | 132,331,371.16 | 158,162,652.46 |
| Diesel | 10,258 | 31.31% | 163,703,559.21 | 24.52% | 72,033,881.66 | 91,669,677.55 |
| Electric | 4,767 | 14.55% | 167,894,337.52 | 25.15% | 97,406,691.07 | 70,487,646.45 |
| Hybrid* | 1,778 | 5.43% | 43,540,829.94 | 6.52% | 21,966,985.04 | 21,573,844.90 |
| Other | 101 | 0.31% | 1,966,880.36 | 0.29% | 1,160,713.31 | 806,167.05 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

** incl. both plug-in and traditional hybrids*

**Portfolio Information – Distribution by Leased Vehicle Manufacturer**

| Vehicle Manufacturer | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| Volkswagen | 5,063 | 15.45% | 93,674,203.49 | 14.03% | 42,972,871.14 | 50,701,332.35 |
| Tesla | 1,544 | 4.71% | 60,025,157.94 | 8.99% | 35,283,703.31 | 24,741,454.63 |
| Renault | 3,495 | 10.67% | 49,095,937.60 | 7.35% | 22,455,916.67 | 26,640,020.93 |
| Mercedes | 1,978 | 6.04% | 48,976,714.48 | 7.34% | 23,003,893.32 | 25,972,821.16 |
| Skoda | 2,423 | 7.40% | 48,498,845.89 | 7.26% | 24,058,468.73 | 24,440,377.16 |
| Peugeot | 2,787 | 8.51% | 46,313,159.80 | 6.94% | 22,592,446.26 | 23,720,713.54 |
| Audi | 1,353 | 4.13% | 40,971,958.66 | 6.14% | 18,852,719.25 | 22,119,239.41 |
| Opel | 2,669 | 8.15% | 40,126,203.12 | 6.01% | 16,377,235.88 | 23,748,967.24 |
| Volvo | 1,178 | 3.60% | 34,471,064.68 | 5.16% | 17,554,277.00 | 16,916,787.68 |
| Ford | 2,082 | 6.35% | 30,508,583.58 | 4.57% | 14,639,429.17 | 15,869,154.41 |
| BMW | 1,045 | 3.19% | 28,385,520.88 | 4.25% | 12,532,409.57 | 15,853,111.31 |
| Kia | 1,073 | 3.27% | 25,611,989.93 | 3.84% | 14,784,790.60 | 10,827,199.33 |
| Hyundai | 805 | 2.46% | 20,353,584.68 | 3.05% | 11,581,544.71 | 8,772,039.97 |
| Seat | 902 | 2.75% | 17,396,807.07 | 2.61% | 8,375,819.15 | 9,020,987.92 |
| Toyota | 1,024 | 3.13% | 15,309,100.49 | 2.29% | 6,900,384.92 | 8,408,715.57 |
| Other | 3,344 | 10.21% | 67,880,798.36 | 10.17% | 32,933,732.56 | 34,947,065.80 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

**Portfolio Information – Distribution by Lessee Payment Type**

| Payment Type | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| Direct Debit | 22,148 | 67.60% | 446,078,911.19 | 66.82% | 219,283,698.72 | 226,795,212.47 |
| Other | 10,617 | 32.40% | 221,520,719.46 | 33.18% | 105,615,943.52 | 115,904,775.94 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

**Portfolio Information – Distribution by Lease Agreement Concentration**

| Contract concentration | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| 1 | 2,882 | 8.80% | 65,560,774.51 | 9.82% | 31,179,939.58 | 34,380,834.93 |
| 1 < x <= 10 | 6,189 | 18.89% | 130,957,262.92 | 19.62% | 67,799,489.69 | 63,157,773.23 |
| 10 < x <= 25 | 4,799 | 14.65% | 100,212,277.40 | 15.01% | 51,330,943.22 | 48,881,334.18 |
| 25 < x <= 50 | 3,796 | 11.59% | 76,385,163.98 | 11.44% | 36,741,620.72 | 39,643,543.26 |
| 50 < x <= 100 | 4,139 | 12.63% | 84,269,803.11 | 12.62% | 39,306,971.67 | 44,962,831.44 |
| 100 < x <= 200 | 4,086 | 12.47% | 79,464,672.67 | 11.90% | 37,159,516.26 | 42,305,156.41 |
| >200 | 6,874 | 20.98% | 130,749,676.06 | 19.59% | 61,381,161.10 | 69,368,514.96 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

**Portfolio Information – Distribution by Top 30 Obligors**

| Top 30 Obligors | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| Top 1 | 624 | 1.90% | 13,348,630.83 | 2.00% | 7,722,395.37 | 5,626,235.46 |
| Top 2 | 788 | 2.41% | 13,319,145.03 | 2.00% | 6,192,626.68 | 7,126,518.35 |
| Top 3 | 875 | 2.67% | 13,286,210.49 | 1.99% | 7,936,389.19 | 5,349,821.30 |
| Top 4 | 632 | 1.93% | 13,249,332.26 | 1.98% | 5,591,458.32 | 7,657,873.94 |
| Top 5 | 573 | 1.75% | 13,222,265.86 | 1.98% | 5,827,215.99 | 7,395,049.87 |
| Top 6 | 485 | 1.48% | 8,319,057.58 | 1.25% | 2,478,926.52 | 5,840,131.06 |
| Top 7 | 526 | 1.61% | 8,315,354.13 | 1.25% | 3,847,252.12 | 4,468,102.01 |
| Top 8 | 459 | 1.40% | 8,308,475.56 | 1.24% | 3,619,544.47 | 4,688,931.09 |
| Top 9 | 280 | 0.85% | 6,887,442.13 | 1.03% | 3,192,081.38 | 3,695,360.75 |
| Top 10 | 332 | 1.01% | 6,213,340.37 | 0.93% | 2,856,972.18 | 3,356,368.19 |
| Top 11 | 259 | 0.79% | 6,188,611.09 | 0.93% | 3,020,254.31 | 3,168,356.78 |
| Top 12 | 250 | 0.76% | 5,935,125.88 | 0.89% | 2,455,230.93 | 3,479,894.95 |
| Top 13 | 187 | 0.57% | 5,565,030.18 | 0.83% | 3,087,330.46 | 2,477,699.72 |
| Top 14 | 272 | 0.83% | 4,988,725.31 | 0.75% | 2,662,288.08 | 2,326,437.23 |
| Top 15 | 313 | 0.96% | 4,803,912.57 | 0.72% | 1,884,356.57 | 2,919,556.00 |
| Top 16 | 206 | 0.63% | 4,364,046.97 | 0.65% | 2,094,168.99 | 2,269,877.98 |
| Top 17 | 163 | 0.50% | 4,029,406.79 | 0.60% | 1,443,626.04 | 2,585,780.75 |
| Top 18 | 190 | 0.58% | 3,680,790.34 | 0.55% | 2,209,198.05 | 1,471,592.29 |
| Top 19 | 175 | 0.53% | 3,531,616.17 | 0.53% | 1,274,642.79 | 2,256,973.38 |
| Top 20 | 127 | 0.39% | 3,527,950.41 | 0.53% | 1,620,038.59 | 1,907,911.82 |
| Top 21 | 158 | 0.48% | 3,492,858.90 | 0.52% | 1,589,819.87 | 1,903,039.03 |
| Top 22 | 164 | 0.50% | 3,416,922.45 | 0.51% | 1,537,582.02 | 1,879,340.43 |
| Top 23 | 118 | 0.36% | 3,411,358.57 | 0.51% | 2,003,058.88 | 1,408,299.69 |
| Top 24 | 138 | 0.42% | 3,371,469.13 | 0.51% | 1,811,871.57 | 1,559,597.56 |
| Top 25 | 138 | 0.42% | 3,354,321.20 | 0.50% | 1,752,101.07 | 1,602,220.13 |
| Top 26 | 134 | 0.41% | 3,223,617.88 | 0.48% | 1,993,124.08 | 1,230,493.80 |
| Top 27 | 124 | 0.38% | 3,214,555.29 | 0.48% | 1,520,777.30 | 1,693,777.99 |
| Top 28 | 113 | 0.34% | 3,077,048.54 | 0.46% | 1,666,689.39 | 1,410,359.15 |
| Top 29 | 186 | 0.57% | 3,022,642.22 | 0.45% | 1,497,426.28 | 1,525,215.94 |
| Top 30 | 96 | 0.29% | 2,836,138.81 | 0.42% | 1,390,615.26 | 1,445,523.55 |
| Others | 23,680 | 72.27% | 484,094,227.71 | 72.51% | 237,120,579.49 | 246,973,648.22 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

**Portfolio Information – Distribution by Lessee Industry Sector**

| Industrial Sector (NACE) | Number of Leases | % | Aggregate Discounted Balance (€) | % | Aggregate Discounted Balance Lease Receivables (€) | Aggregate Discounted Balance Estimated Residual Value (€) |
|---|---|---|---|---|---|---|
| M. Professional, scientific and technical activities | 6,312 | 19.26% | 128,276,080.03 | 19.21% | 61,513,632.40 | 66,762,447.63 |
| G. Wholesale and retail trade; repair of motor vehicles and motorcycles | 3,838 | 11.71% | 84,614,969.48 | 12.67% | 41,690,890.31 | 42,924,079.17 |
| J. Information and communication | 3,463 | 10.57% | 83,046,068.99 | 12.44% | 39,919,649.33 | 43,126,419.66 |
| C. Manufacturing | 3,761 | 11.48% | 80,954,667.09 | 12.13% | 41,352,087.54 | 39,602,579.55 |
| F. Construction | 4,338 | 13.24% | 76,960,891.89 | 11.53% | 39,245,432.89 | 37,715,459.00 |
| K. Financial and insurance activities | 3,428 | 10.46% | 75,960,920.89 | 11.38% | 36,108,797.90 | 39,852,122.99 |
| N. Administrative and support service activities | 3,298 | 10.07% | 54,903,763.50 | 8.22% | 24,055,039.09 | 30,848,724.41 |
| H. Transportation and storage | 807 | 2.46% | 16,538,111.64 | 2.48% | 7,641,737.56 | 8,896,374.08 |
| Q. Human health and social work activities | 832 | 2.54% | 14,014,943.67 | 2.10% | 7,000,196.99 | 7,014,746.68 |
| E. Water supply; sewerage, waste management and remediation activities | 437 | 1.33% | 9,536,817.85 | 1.43% | 5,332,543.15 | 4,204,274.70 |
| D. Electricity, gas, steam and air conditioning supply | 381 | 1.16% | 8,784,667.63 | 1.32% | 4,401,546.26 | 4,383,121.37 |
| L. Real estate activities | 506 | 1.54% | 8,109,517.11 | 1.21% | 3,843,232.96 | 4,266,284.15 |
| I. Accommodation and food service activities | 357 | 1.09% | 5,469,847.43 | 0.82% | 2,359,606.48 | 3,110,240.95 |
| S. Other service activities | 251 | 0.77% | 4,687,355.63 | 0.70% | 2,275,085.10 | 2,412,270.53 |
| R. Arts, entertainment and recreation | 218 | 0.67% | 4,565,703.11 | 0.68% | 2,269,279.75 | 2,296,423.36 |
| P. Education | 196 | 0.60% | 4,052,332.43 | 0.61% | 2,070,265.22 | 1,982,067.21 |
| A. Agriculture, forestry and fishing | 156 | 0.48% | 3,637,856.56 | 0.54% | 1,862,488.15 | 1,775,368.41 |
| O. Public administration and defence; compulsory social security | 161 | 0.49% | 2,808,201.43 | 0.42% | 1,599,690.50 | 1,208,510.93 |
| B. Mining and quarrying | 23 | 0.07% | 645,130.05 | 0.10% | 347,364.41 | 297,765.64 |
| T. Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use | 2 | 0.01% | 31,784.24 | 0.00% | 11,076.25 | 20,707.99 |
| **Total** | **32,765** | **100.00%** | **667,599,630.65** | **100.00%** | **324,899,642.24** | **342,699,988.41** |

## 9.6 Historical default and loss performance data

The historical performance data set out hereafter relate to the portfolio of auto lease receivables granted by the Seller to retail small business (B2B) and Corporate (B2B) customers, consisting of new vehicles only and including a residual value amount. Leases to private individuals have been excluded from the historical performance data.

In each of the tables below, "Q1" refers to the period from 1 January to 31 March, "Q2" refers to the period from 1 April to 30 June, "Q3" refers to the period from 1 July to 30 September and "Q4" refers to the period from 1 October to 31 December.

The tables below were prepared on the basis of the internal records of the Seller.

There can be no assurance that the future experience and performance of the Purchased Lease Receivables will be similar to the historical performance set out in the tables below.

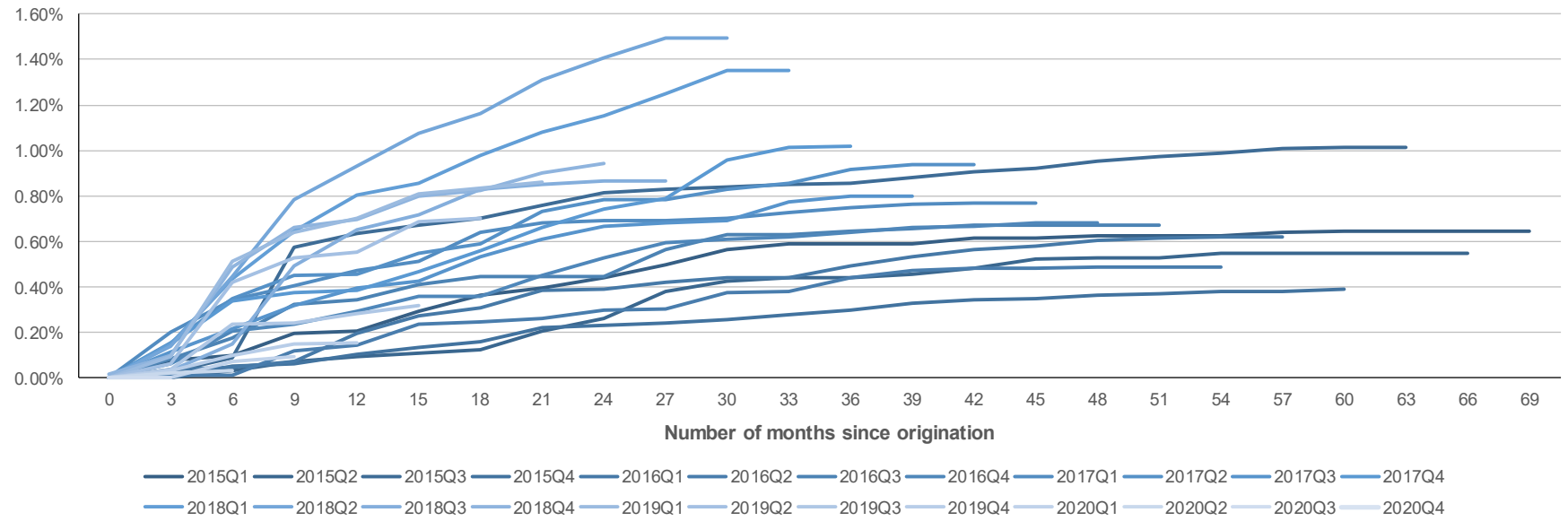
**Gross default rates**

For a generation of originated leases (being all leases originated during the same quarter), the cumulative gross default rate in respect of a month is calculated as the ratio of:

(i) the cumulative defaulted amount recorded between the quarter when such leases were originated and the relevant month; to

(ii) the initial outstanding amount of such leases.

**Quarterly Cumulated Gross Default Rates**
Total portfolio



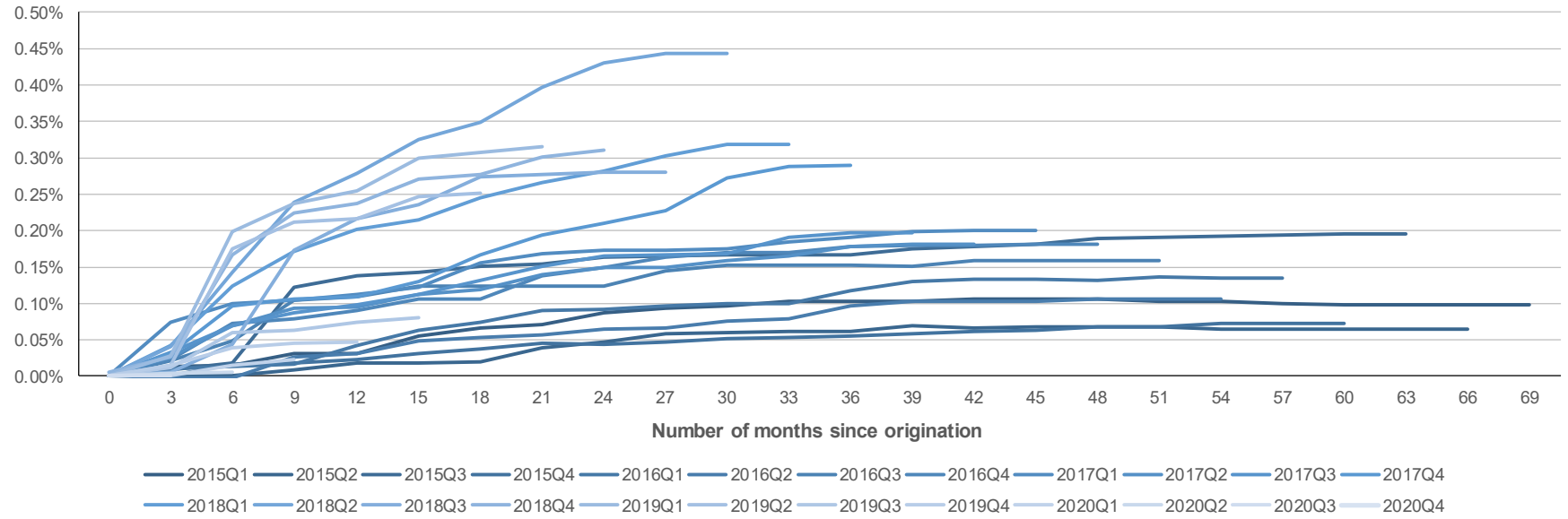

**Net Default Rates**

For a generation of originated leases (being all leases originated during the same quarter), the cumulative net default rate in respect of a month is calculated as the ratio of:

i. the cumulative net defaulted amount recorded between the quarter when such leases were originated and the relevant month, to

ii. the initial outstanding amount of such leases.

**Quarterly Cumulated Net Default Rates**
Total portfolio



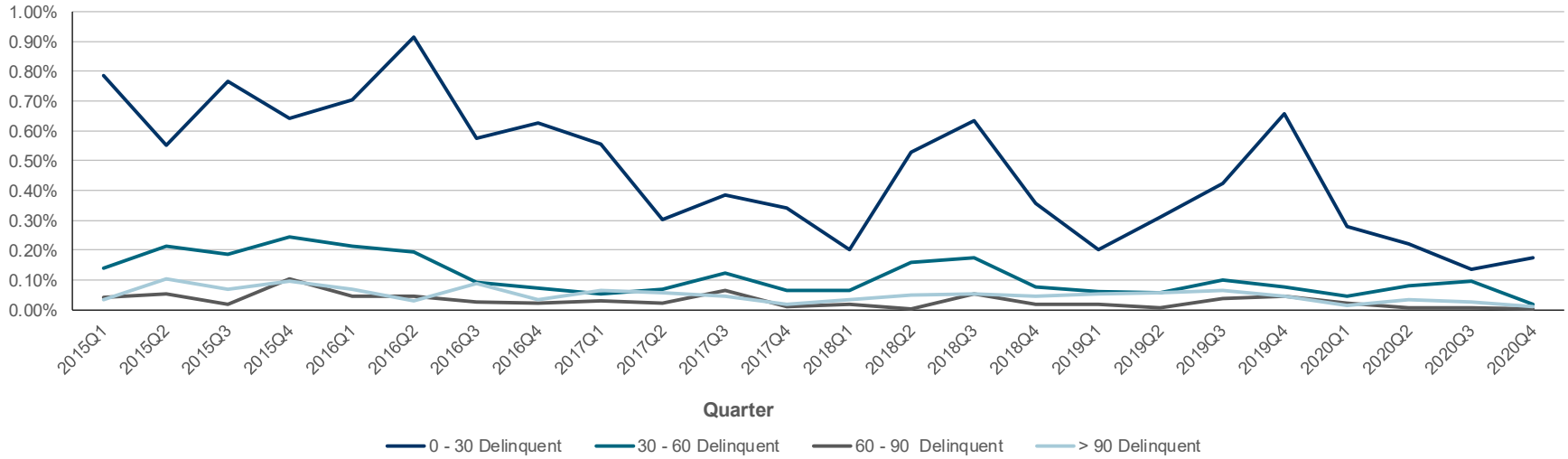

## Delinquencies

For a given month and a given delinquency bucket (e.g. 30-60 days delinquent), the delinquency rate is calculated as the ratio of:

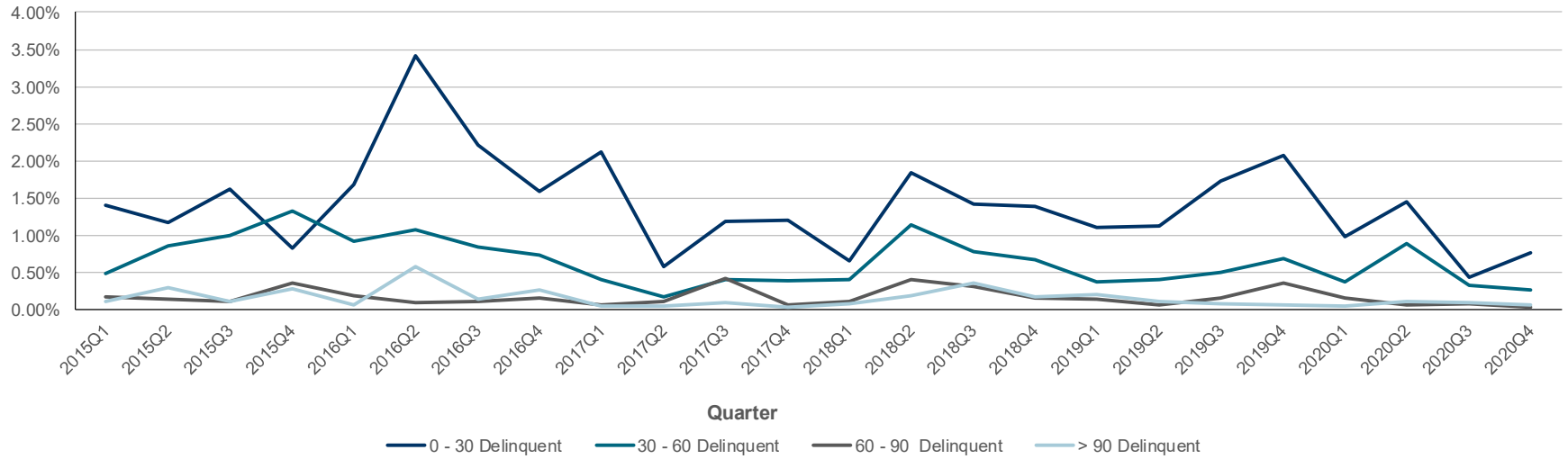
i. the outstanding principal balance of all delinquent leases (in the same delinquency bucket), or the delinquent arrears amount outstanding during the quarter, to

ii. the outstanding principal balance of all leases (defaulted leases excluded) at the end of the quarter.

**Delinquent arrears amount as % of outstanding portfolio**
Total portfolio




**Delinquent Principal balance outstanding as % of outstanding portfolio**
Total portfolio



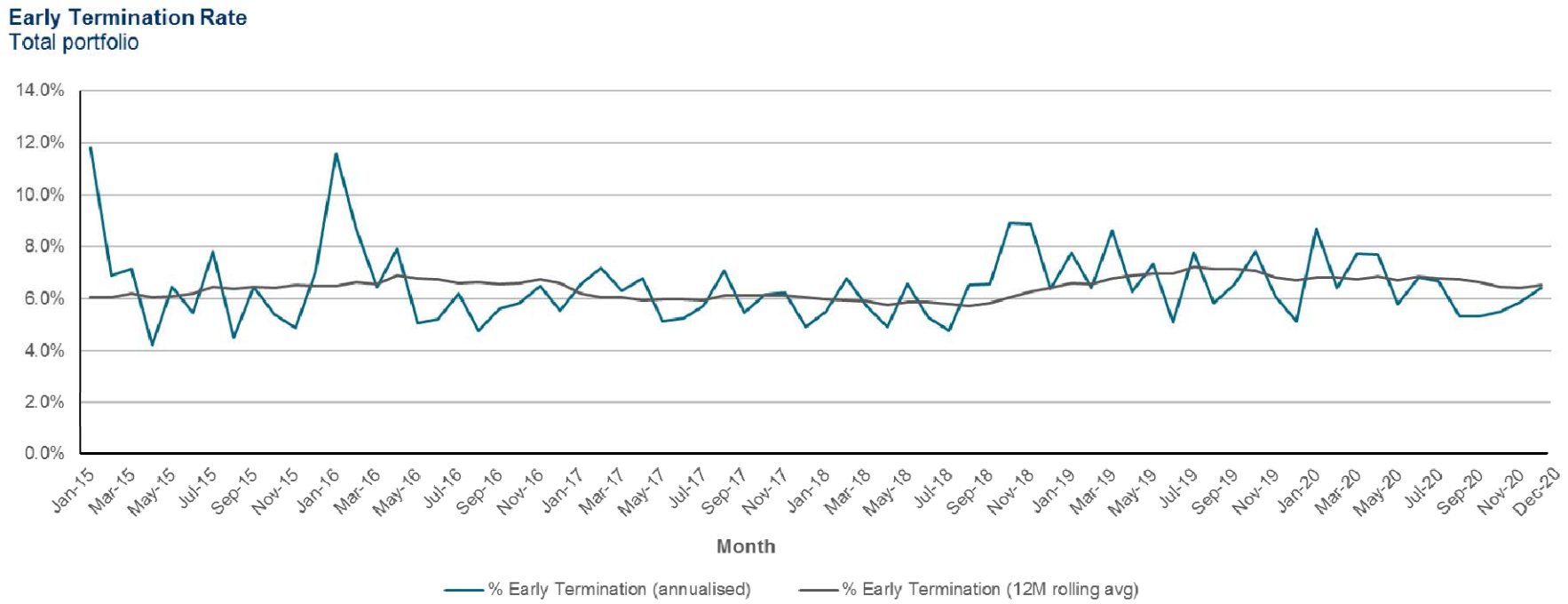
**Early Terminations**

For a given month, the annualised Early Termination Rate (ATR) is calculated from the monthly Early Termination Rate (MTR) according to the following formula: ATR = 1-(1-MTR)^12.

The monthly Early Termination Rate (MTR) is calculated as the ratio of:

i. the outstanding principal balance of all leases early terminated during the month, to

ii. the outstanding principal balance of all leases (defaulted leases excluded) at the end of the previous month.



## 9.7 Economic environment

During the past year, the COVID-19 Pandemic and especially the measures that were implemented to combat it caused the global economy to contract by around 4.0% in real terms, thus leading to the most severe recession since the end of World War II . As a result, the global gross domestic product shrank at more than twice the rate as in the financial crisis of 2008/2009. Central banks and governments around the world have implemented extensive and unusually expansive measures in order to cushion the impact of this huge drop-in economic activity on companies and jobs. Thanks to this support, last year's trough of the crisis was already reached in the second quarter, globally, when national lockdowns greatly restricted large areas of economic activity in almost all of the world's major economies. The subsequent gradual easing of these measures initially caused a strong rebound, which, however, lost considerable momentum in some regions toward the end of the year due to a renewed rapid rise in the number of infections. The recession and the pandemic-related restrictions also caused global trade to contract substantially, which hampered growth further, particularly in export-dependent economies.

The pandemic hit the economies of the industrialized countries very hard. In the first half of the year, the COVID-19 Pandemic and the associated containment measures also caused the eurozone to plunge into a deep recession that affected the manufacturing and services sectors equally. However, this drop varied greatly among the different member states and was determined not only by the intensity of the pandemic but also by a country's dependence on sectors such as tourism and hospitality, which were particularly hard hit by the crisis. During the summer, economic activity in Europe also recovered considerably amid the easing of restrictions. However, renewed restrictions as a result of an intense second wave of infections that began in the fall affected the economy once again and led to a decrease of about 7.0% for the year as a whole. The impact on the job market was at least mitigated somewhat by short-time work and other employment-protection measures. Within this context, the German economy shrank by an estimated 5.0%.

Currency exchange rates were volatile in this recession-impacted environment. Against the US dollar, the euro moved between USD 1.070 and USD 1.228 during the year. At the end of the year, the euro was around 9% stronger than at the end of 2019. The range of fluctuation of the Japanese yen against the euro was 114.6 to 127.2. Year-on-year, at the end of 2020, the euro had appreciated by about 4% against the yen. At the end of 2020, the value of the British pound compared to the euro was about 6% lower than at the end of the previous year. The euro rose by almost 40% against the Brazilian real and by around 35% against the Turkish lira. The euro rose considerably against the ruble, gaining around 30% of its relative value.

The development of the global car market was also affected by the COVID-19 Pandemic during the past year. Even though demand already reached its low point in the second quarter and recovered gradually thereafter, the global market nevertheless contracted substantially by around 15% during the year as a whole.

The Chinese market, which was the first big sales market to be affected by the pandemic, decreased slightly. However, at around 6%, this drop was less severe than initially expected. The US light vehicle market also developed somewhat better than feared during the early stage of the pandemic. However, at around 15%, the drop in demand was still very pronounced.

By contrast, the COVID-19 Pandemic had an especially severe impact on the European market. Overall car demand decreased by more than 20% in Europe. Of Europe's three biggest individual markets, Germany developed best, registering a decrease of around 19%, while the markets in France and the UK suffered even greater decreases of around 25% and almost 30% respectively.

The economic impact of the COVID-19 Pandemic also had a noticeable effect on demand for vans. In the EU 30 region (EU, UK, Norway and Switzerland), the market was significantly lower than in the previous year. The market volume for mid-size and large vans was 12% below that of the prior year, while the decrease in the small van segment was even more severe, at more than 25%. The US market for large vans was also substantially lower than in the prior year, declining by 19%. The demand for large vans also decreased considerably in Brazil. In China, however, the market for mid-size vans was significantly above the level of the prior year.

The severe economic crisis caused the demand for heavy-duty trucks to decrease sharply in many of Daimler's key sales markets. The North American market contracted by 30%. Demand for heavy-duty trucks also dropped substantially in the EU 30 region, where it decreased by around 28%, according to latest estimates. By contrast, the decrease in Brazil was less pronounced than initially expected and amounted to some 10%. The Japanese market also did better than expected, declining by around 7%.

The bus markets were also affected by the COVID-19 Pandemic. Bus demand in the EU 30 region was significantly below the previous year's level and the market also contracted considerably in Brazil.

## 10 EXPECTED MATURITY AND AVERAGE LIFE OF THE CLASS A NOTES AND ASSUMPTIONS

The weighted average life of the Class A Notes refers to the average amount of time that will elapse from the Closing Date to the date of distribution of amounts of principal to the relevant Noteholders on the basis of a day count fraction convention of actual number of days divided by 360.

The weighted average life of the Class A Notes will be influenced by, among others, the rate at which the Issuer Advances associated with the Lease Receivables are repaid or reduced, either in the form of scheduled payments, prepayments, or defaults. Therefore, the calculation of the possible weighted average of the Class A Notes can be done based on certain assumptions, which are outlined below:

(a) the Class A Notes will be issued on 16 June 2021;

(b) the portfolio at the Initial Cut-Off Date is the same as the Initial Portfolio at the Closing Date;

(c) the Purchased Vehicles are sold on the Lease Maturity Date for a price equal to the Estimated Residual Value;

(d) there will be no delinquencies, defaults or losses on the Purchased Vehicles and the associated Lease Receivables, and principal and residual value payments will be received on a timely basis together with prepayments (if any);

(e) there will be no Lease Agreement Recalculations;

(f) no Hire Purchase Contracts are early terminated by the Seller;

(g) the first Payment Date will be on 26 July 2021 and thereafter each following Payment Date will be the 26th day of each calendar month, subject to the Business Day Convention;

(h) the Revolving Period is assumed to end on (but excluding) the Payment Date falling in July 2022;

(i) the Lease Receivables associated with Purchased Vehicles are subject to a constant annual rate of principal prepayments as set out in the below table;

(j) the initial amount of the Class A Notes is equal to the aggregate Principal Amount Outstanding as set forth on the front cover of this Prospectus;

(k) the exercise of the Seller Clean-Up Call will have no impact of the weighted average life of the Class A Notes given the above assumptions;

(l) during the Revolving Period, the Aggregate Discounted Balance of the Portfolio is equal to the sum of the Principal Amount Outstanding of the Class A Notes on the Closing Date; and

(m) it is assumed that portfolio's composition after the end of the Revolving Period will be identical to the Initial Portfolio and will share the same expected amortisation profile.

The exact average life of the Class A Notes cannot be predicted as the actual rate at which the Lease Receivables associated with Purchased Vehicles will be repaid and a number of other relevant factors are unknown. The average life of the Class A Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic and they must, therefore, be viewed with considerable caution.

The approximate weighted average life and principal payment window of Class A Notes, at various prepayment rates (**CPR** – Constant Annual Prepayment Rate), would be as follows:

| CPR | Weighted Average Life in Years | First Principal Payment | Expected Maturity |
|---|---|---|---|
| 0% | 2.43 | Jul-22 | Apr-25 |
| 5% | 2.31 | Jul-22 | Feb-25 |
| 7% | 2.26 | Jul-22 | Jan-25 |
| 10% | 2.20 | Jul-22 | Dec-24 |

**Assumed amortisation of the Class A Notes**

The amortisation scenario below is based on the assumptions listed above and further assuming a CPR of 7%. The actual amortisation of the Class A Notes may differ substantially from the figures indicated below.

| Class A Notes Amortisation Schedule | | |
|---|---|---|
| **Payment Date** | **O/S Balance** | **Amortisation Amount** |
| Closing Date | 500,000,000.00 | - |
| Jul-21 | 500,000,000.00 | - |
| Aug-21 | 500,000,000.00 | - |
| Sep-21 | 500,000,000.00 | - |
| Oct-21 | 500,000,000.00 | - |
| Nov-21 | 500,000,000.00 | - |
| Dec-21 | 500,000,000.00 | - |
| Jan-22 | 500,000,000.00 | - |
| Feb-22 | 500,000,000.00 | - |
| Mar-22 | 500,000,000.00 | - |
| Apr-22 | 500,000,000.00 | - |
| May-22 | 500,000,000.00 | - |
| Jun-22 | 500,000,000.00 | - |
| Jul-22 | 478,886,880.28 | 21,113,119.72 |
| Aug-22 | 459,335,382.91 | 19,551,497.37 |
| Sep-22 | 438,909,100.83 | 20,426,282.08 |
| Oct-22 | 418,153,981.69 | 20,755,119.14 |
| Nov-22 | 396,863,786.82 | 21,290,194.86 |
| Dec-22 | 376,126,357.35 | 20,737,429.48 |
| Jan-23 | 354,676,819.73 | 21,449,537.61 |
| Feb-23 | 335,712,408.87 | 18,964,410.86 |
| Mar-23 | 317,227,131.53 | 18,485,277.34 |
| Apr-23 | 299,671,554.27 | 17,555,577.26 |
| May-23 | 283,456,266.83 | 16,215,287.44 |
| Jun-23 | 266,276,724.49 | 17,179,542.34 |
| Jul-23 | 248,731,789.32 | 17,544,935.16 |
| Aug-23 | 233,314,385.31 | 15,417,404.01 |
| Sep-23 | 218,101,352.24 | 15,213,033.07 |
| Oct-23 | 203,470,821.06 | 14,630,531.18 |
| Nov-23 | 188,508,531.15 | 14,962,289.91 |
| Dec-23 | 173,797,311.45 | 14,711,219.70 |
| Jan-24 | 159,609,840.12 | 14,187,471.34 |
| Feb-24 | 144,484,127.73 | 15,125,712.39 |
| Mar-24 | 130,539,446.27 | 13,944,681.45 |
| Apr-24 | 116,167,036.58 | 14,372,409.69 |

| | | |
|---|---|---|
| May-24 | 103,624,366.94 | 12,542,669.64 |
| Jun-24 | 90,878,943.72 | 12,745,423.21 |
| Jul-24 | 77,359,922.37 | 13,519,021.35 |
| Aug-24 | 64,865,607.49 | 12,494,314.87 |
| Sep-24 | 52,739,057.34 | 12,126,550.16 |
| Oct-24 | 40,138,037.44 | 12,601,019.90 |
| Nov-24 | 26,926,134.35 | 13,211,903.09 |
| Dec-24 | 13,120,910.25 | 13,805,224.09 |
| Jan-25 | - | 13,120,910.25 |

## 11 THE ISSUER

The Issuer was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law on 17 February 2021. The official seat (*statutaire zetel)* of the Issuer is in Amsterdam, the Netherlands and its registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and its telephone number is +31 20 521 47 77. The Issuer is registered with the Trade Register under number 81937865 and has the following LEI: 724500UE6DL8I2UAVB22. The Issuer has no separate commercial name.

The objectives of the Issuer are (a) to hire-purchase acquire, purchase, manage, alienate and encumber vehicles and receivables and to exercise any rights connected to such vehicles and receivables, (b) to take up loans by way of issue of securities, granting participations or by entering into loan agreements, to acquire the vehicles and receivables mentioned under a. and to enter into agreements ancillary thereto, (c) to invest and on-lend any funds held by the Issuer, (d) to hedge interest rate and other financial risks amongst others by entering into derivative agreements, including swap agreements and option agreements, (e) if incidental to the foregoing: (i) to take up loans, amongst others to repay the obligations under any securities, participations and loan agreements mentioned under b and (ii) to grant property and personal security rights (*goederenrechtelijke en persoonlijke zekerheidsrechten*), or to release security rights granted to it by third parties and (f) to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense.

The Issuer was established as a special purpose vehicle for the purpose of issuing asset backed securities, the acquisition of leased vehicles together with any associated lease receivables and rights and claims relating to the relevant lease agreements and certain related transactions described elsewhere in this Prospectus. The Issuer operates under Dutch law, provided that it may enter into contracts which are governed by the laws of another jurisdiction than the Netherlands.

The Issuer has an authorised share capital of EUR 1.00, of which EUR 1.00 has been issued and fully paid (one share and one class of shares). The entire issued share capital of the Issuer is held by the Shareholder.

The sole managing director of the Issuer is Intertrust Management B.V. Intertrust Management B.V. has elected domicile at the registered office of the Issuer at Prins Bernhardplein 200, 1097 JB Amsterdam, telephone number +31 20 521 47 77. The managing directors of Intertrust Management B.V. are E.M. van Ankeren, D.H. Schornagel and T.T.B. Leenders.

The corporate objects of Intertrust Management B.V. are, *inter alia*, (a) to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises and (b) to provide advice and other services.

Intertrust Management B.V., being the sole managing director of the Issuer, belongs to the same group of companies as Amsterdamsch Trustee's Kantoor B.V., being the sole managing director of the Security Trustee and the same group of companies as Intertrust Administrative Services B.V., being the Issuer Administrator and as Data Custody Agent Services B.V., being

the Data Trustee. As the interests of the Issuer, the Security Trustee, the Issuer Administrator and the Data Trustee could deviate from each other, a conflict of interest may arise due to the fact that the sole managing director of the Issuer, the sole managing director of the Security Trustee, the Issuer Administrator and the Data Trustee belong to the same group of companies. In this respect it is of note that in the Management Agreements between each of the Directors with the entity of which it has been appointed managing director (*statutair directeur*), each of the Directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director *(statutair directeur*) should do or should refrain from doing and (ii) refrain from taking any action detrimental to the obligations under any of the Transaction Documents.

In addition each of the Directors agrees in the relevant management agreement that it will procure that the relevant entity will not enter into any agreement in relation to the Issuer and/or the Shareholder and/or the Security Trustee other than the Transaction Documents to which it is a party, unless permitted under the Transaction Documents, without the prior written consent of the Security Trustee and that the Security Trustee will not enter into any agreement other than the Transaction Documents to which it is a party, unless permitted under the Transaction Documents, without the prior written consent of the Issuer.

The Issuer Management Agreement may be terminated by the Issuer (with the consent of the Security Trustee) or the Security Trustee upon the occurrence of certain termination events, including, but not limited to, a default by the Issuer Director (unless remedied within the applicable grace period), liquidation of the Issuer Director or the Issuer Director being declared bankrupt or granted a suspension of payments. Furthermore, the Issuer Management Agreement can be terminated by the Issuer Director or the Security Trustee per the end of each calendar year upon 90 days prior written notice, provided that a Rating Agency Confirmation is available in respect of such termination. The Issuer Director shall resign upon termination of the Issuer Management Agreement, provided that such resignation shall only be effective as from the moment (a) a new director reasonably acceptable to the Security Trustee has been appointed, (b) the Issuer Director having notified the Rating Agencies in writing of the identity of the successor managing director and (c) a Rating Agency Confirmation from each Rating Agency is available in respect of such appointment.

The Issuer has the corporate power and capacity to issue the Notes, to acquire the relevant Leased Vehicles and the associated Lease Receivables and to enter into and perform the obligations under the Transaction Documents.

**Statement of the managing director of Silver Arrow Athlon NL 2021-1 B.V.**

Silver Arrow Athlon NL 2021-1 B.V. was incorporated on 17 February 2021 with an issued share capital of EUR 1.00. Since the date of its incorporation there has been no material adverse change in the financial position or prospects of the Issuer, nor has there been any significant change in the financial or trading position of the Issuer and the Issuer has not commenced operations, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in this Prospectus and no financial statement has been drawn up as at the date of this Prospectus. There are no legal, arbitration or governmental proceedings which may have, or have had, significant effects on the Issuer's financial position

or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.

The financial year of the Issuer coincides with the calendar year. The first financial year shall end on 31 December 2021.

**Capitalisation**

The following table shows the capitalisation of the Issuer as on the date of its incorporation as adjusted to give effect to the issue of the Notes. Copies of the deed of incorporation and the articles of association of the Issuer may be obtained at the specified offices of the Issuer and at the specified offices of the Paying Agent during normal business hours.

**Share Capital**

| | |
|---|---|
| Authorised share capital | EUR 1.00 |
| Issued share capital | EUR 1.00 |

**Borrowings**

| | | |
|---|---|---|
| Class A Notes | EUR | 500,000,000 |
| Class B Notes | EUR | 167,600,000 |
| General Reserve Advance | EUR | 2,500,000 |

**Wft**

The Issuer is not subject to any licence requirement under section 2:11 of the Wft as amended, due to the fact that the Notes will only be offered to Non-Public Lenders and any Subordinated Loan Advance under the Subordinated Loan Agreement will be granted by a Non-Public Lender.

## 12 SHAREHOLDER

The Shareholder was established as a foundation (*stichting*) under Dutch law on 17 February 2021. The official seat (*statutaire* zetel) of the Shareholder is in Amsterdam, the Netherlands and its registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The Shareholder is registered with the Trade Register under number 81933347.

The objects of the Shareholder are to, *inter alia*, acquire and hold shares in the share capital of the Issuer and to exercise all rights attached to such shares, to dispose of and encumber such shares, including the exercise of voting rights, to borrow and to lend, as well as everything pertaining to the foregoing, relating thereto or conducive thereto, all to be interpreted in the broadest sense. Pursuant to the articles of association of the Shareholder an amendment of the articles of association of the Shareholder requires the prior written consent of the Security Trustee. Moreover, the Director shall only be authorised to dissolve the Shareholder after (i) receiving the prior written consent of the Security Trustee and (ii) the Issuer has been fully discharged for all its obligations by virtue of the Transaction Documents.

The sole managing director of the Shareholder is Intertrust Management B.V. Intertrust Management B.V. has elected domicile at the registered office of the Issuer at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The managing directors of Intertrust Management B.V. are E.M. van Ankeren, D.H. Schornagel and T.T.B. Leenders.

## 13 THE SELLER AND THE SERVICER

### 13.1 Business and organisation of Athlon

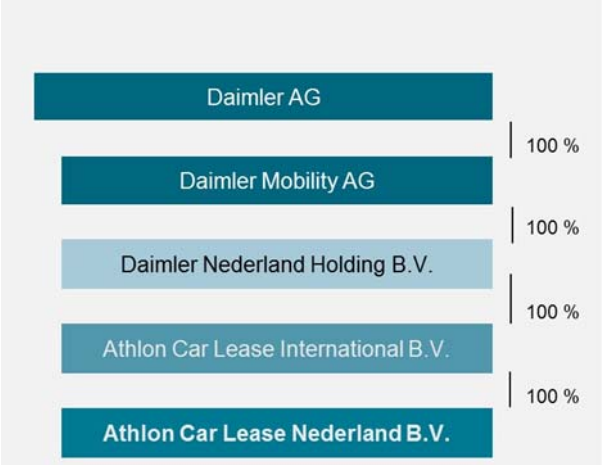
#### 13.1.1 Description of the Seller

Athlon is a wholly owned subsidiary of Athlon International, which in turn is a 100 per cent. subsidiary of Daimler Nederland Holding B.V. and indirectly a 100 per cent. subsidiary of Daimler. Athlon does not publish separate financial statements.

Athlon was incorporated as a private company with limited liability *(besloten vennootschap met beperkte aansprakelijkheid)* under Dutch law. Athlon is a leading Dutch car leasing company. Besides developing sustainable products and clean mobility solutions, Athlon wants to inspire the environment to take up sustainable solutions. Scale, quality, customer satisfaction and regional presence are of paramount importance for Athlon's continued success.

Athlon has originated and serviced auto-leases for more than five (5) years, being exposures similar to the hire purchased Leased Vehicles and the associated Lease Receivables. The Servicer has expertise in servicing – and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of – the Portfolio and the wider Athlon portfolio.

#### 13.1.2 Current corporate structure




#### 13.1.3 Business overview

Athlon provides leasing services primarily to corporate customers. The car lease activities are focused on operational leasing, fleet management and rental services.

- *Operational leasing*
  In this offering Athlon remains the legal and economical owner of the car and takes care of all services such as financing, body repair services, fuel management, insurances and maintenance. Due to the extensive service package this form of leasing provides greater

added value to its customers compared to financial leasing. In case of financial leasing the lease provider arranges typically only the financing of the car;

- *Fleet management*
  In this concept the cars are owned and financed by the customer. Athlon performs the day to day management of the fleet, arranging all other matters such as insurances, maintenance and body repair activities. The latter obviously creating a possibility for cross selling;
- *Rental Services*
  This service consists of the offering of rental vehicles to lessees in order to fulfil their temporary mobility needs. Athlon Car Lease Rental Services has a fleet of both passenger as well as light commercial vehicles.

13.1.4 COMI Athlon

Athlon has represented to the Issuer and the Security Trustee in the Master Hire Purchase Agreement that (i) its COMI is situated in the Netherlands and (ii) it is not subject to any one or more of the insolvency and winding-up proceedings listed in Annex A to the Insolvency Regulation in any EU Member State and has not been dissolved (*ontbonden*), granted a suspension of payments (*surséance verleend*) or declared bankrupt (*failliet verklaard*).

The Seller has also covenanted in the Master Hire Purchase Agreement that for so long as the Notes remain outstanding it will maintain its COMI in the Netherlands.

13.1.5 Points of Sales

Athlon has a direct and indirect sales approach in place for operational leasing customers:

- Direct:
  - through account managers who are working in the key accounts and large accounts sales channels and conclude direct sales to corporate customers (Business-to-Business);
  - Athlon also concludes direct sales online in the SME market (Business-to-Business) and private lease market (Business-to-Consumer and Business-to-Employee); and
- Indirect:
  - lead generation for a fee through partners.

Athlon uses the internet through its proprietary system "MyAthlon". MyAthlon is an internet application, which is used for on-line calculations, order processing, reporting and self-service by the customers.

In line with the sales channels and customer needs, the commercial organization is divided into several sales units:

- Direct sales Key Accounts (customers with 11 to 200 cars);
- Direct sales Large Accounts (customers with more than 200 cars);

- Direct sales SME (customers SME with 1 to 10 cars); and
- Direct sales private lease (private customers and employees of corporate companies).

The sales units are made up of three (3) uniform pillars:

- Sales Management
- Sales Acquisition
- Sales Support

*National approach*
Personal contact and direct lines are very important to Athlon. Therefore, specific dedicated account teams manage large and key customer fleets from Athlon's office in Almere. These account teams are the single point of contact for Athlon's customers and drivers and are fully up-to-date on the customer's specific arrangements and processes. This ensures a short, personal and efficient line of communication.

## 13.2 Credit and collection policy

### 13.2.1 Credit underwriting process

The credit application process of Athlon forms part of the overall Daimler Mobility credit organisation as it is guided by Daimler Mobility policies and uses Daimler Mobility approved tooling and scorecards in respect of credit applications. The credit policies include, among others, standards to manage the credit risk including small ticket underwriting guidelines and instructions and car lease specific risk policies.

Credit lines are approved within a delegated authority and are based on a minimum 4-eyes principle (with the exception of scorecard generated automatic approvals), in which the account responsible is always the first set of eyes. The type of credit application, in combination with exposure, is used to determine internal authorisation levels and if scoring or rating is applicable. In all decisions with respect to credit applications, with the exception of scorecard generated automatic approvals, the local credit department is involved.

Credit applications are labelled based on predefined criteria into Retail Small Business (retail B2B with group exposures up to EUR 500,000) and Corporate (corporate B2B with group exposures equal to or in excess of EUR 500,000) whereby scoring applies to Retail Small Business and rating applies to Corporate.

Athlon's Credit Management checks its clients' creditworthiness, in case of revolving credit lines or exposure above EUR 1,000,000, yearly in order to assess whether its clients are likely to be able to meet their obligations under the lease contracts. This recurring credit approval process, including requests for limits increase, is similar to the initial credit approval process.

### *13.2.2 Rating process and scoring process*

The classification of the credit risk is done by assigning an internal scoring or rating class to each relevant credit counterparty. This is a borrower scoring or rating class reflecting the

likelihood of a counterparty becoming unable to repay the loan or fulfil other debt obligations. Athlon's internal scoring and rating methodology is based on and equal to the Daimler Mobility rating & scoring methodology.

If the information obtained in the rating and scoring process shows an increased credit risk, additional security will be required which generally take the form of:

- a liability statement of parent and/or other group companies for all debts including early termination charges under the master agreement;
- security cash deposits;
- an irrevocable bank guarantee;
- a limitation on the type of assets (only marketable assets); and
- a mandatory SEPA direct debit.

### 13.3 Servicing and collection procedures

When a master agreement has been signed, the lessee can order cars through the internet application "MyAthlon" operated by Athlon (password protected) or through direct contact with its dedicated account team. Once the lessee has made his/her choice, an order form is automatically printed and sent directly to the lessee for authorisation. Upon receipt of the signed order form from the lessee, the car is ordered from an authorised dealer through the purchasing department.

Athlon services the contract in relation to any third party including the dealerships and garages. In case of any maintenance or repair to the car, the relevant garage will, primarily via system supported decision making, ask for permission to carry out the requested repairs prior to such repairs being carried out. The invoice is sent to Athlon directly.

### 13.4 Credit risk management

#### 13.4.1 Methods of Payment

The majority of all contracts are setup with automated regular payments via SEPA direct debit. There is, however, also the possibility of a manual bank transfer, which is used mostly in case of the larger accounts.

All lease instalments are due in advance; invoices are typically issued 30 days prior to such due date. Basic principle is that each client should give a SEPA mandate for direct debit collection. However, Athlon may decide (e.g. because of commercial reasons and/or limited credit risk) not to ask for this authorisation in which case payment by client is carried out manually. All lease payments are paid monthly into the bank account of Athlon.

#### 13.4.2 Collections process

Both the collection- and the recovery team use a debtor monitoring system consisting of several profiles that describe on which moment in time (in relation to the due date of an invoice), which steps have to be taken by the collections or recovery team. Each client is linked to a certain

profile, which is based on whether the client pays by SEPA direct debit or not. On the basis of the profile the collections team has a daily overview of the actions to be taken. The outcome of these actions is documented accordingly.

Specialized dunning strategies can be applied in case of market / industry developments or even on a customer level. A standard dunning profile for collections consists of reminders, phone calls and, if applicable, blocking the fuel card. In the absence of any customer reaction, the contract will be terminated. At this point the collection process ends and the contract management is transferred to the debt recovery specialists.

The key objectives of the Athlon collections strategy are:

- No debit & credit arrears > 60 days
- 95 per cent. payment allocation within one (1) day
- Disputes are solved within 30 days
- Increase direct debit penetration

### 13.4.3 Recovery process

For the recovery process, three (3) profiles are defined in the debtor monitoring system. The profiles consist of (i) for payment agreements > 90 days, (ii) legal/litigation cases, and (iii) bankruptcy files. Asset repossession, transfer contracts/cars to a new lessee as the case may be and remarketing is an integrated part of the recovery strategy.

The key objectives of the overall Athlon recovery strategy are:

- Full and timely repossession of assets
- Transfer contracts to a new lessee when possible
- Optimal remarketing of the assets (focus is to increase re-lease of early terminated contract cars)

### 13.4.4 Residual value

A residual value loss or gain arises when there is a difference between the book value and the (present) market value of the leased vehicles. Athlon’s residual value risk management organisation consists of:

- a local cost price committee, whose main task is to decide on the cost price of several individual costs components on operational level of which depreciation / residual value pricing is one (see below);
- a local risk committee - RV, with as a main task to oversee the asset risk profile of the country by actively monitoring and steering the risk-reward performance of the local portfolio;
- an international risk management committee tasked with overseeing the asset risk profiles of the countries by actively monitoring and steering the risk-reward performance of the country portfolios.

*Residual value setting process*
The residual value is expressed as a percentage of the purchase price of the leased vehicle. The process of setting a residual value is specific to each vehicle type and depends on factors such as the term of the operating lease, expected mileage, expected usage, model, engine size, transmission type, fuel type and expected market circumstances. A dedicated cost price committee meets every six (6) weeks to approve the residual values for new models and to discuss the latest developments in (and possibly to adjust) the residual values of the existing models. Residual value pricing commences with statistical modelling using Athlon's historical sales proceeds and is complemented with expert judgement and external data sources.

Each vehicle segment is at a minimum reviewed twice a year by the cost price committee, with special attention to new models and end-of-life models. In this meeting (i) the latest developments of the residual value, (ii) the ability to sell, and (iii) general market trends and information per type of car are discussed. Factors considered when setting residual value recommendations include the output of modelling using Athlon's historical sales proceeds combined with expert judgement and external data sources. Views on future economic conditions, new car prices, new car types, technical developments like electrification and other factors likely to influence the used car market are also taken into account.

The vehicles are valued at actual cost after deduction of annuity-based depreciation, which is generally determined on the basis of the lease term. The residual value for each make / model is determined using the lease term of four (4) years and 30,000 km per year (120,000 km in total) as a reference. A comprehensive matrix is calculated based on different combinations of lease terms and annual mileages.

*Mileage variation, duration, contract adjustments*
Each contract is based on an expected mileage and duration. Athlon is entitled to recalculate the lease contract at the end as well as during the contract when significant variations occur between contractual mileage and actual mileage. In case the variation is within the contractual agreed terms a mileage variation adjustment is made. A recalculation will lead to a revised monthly lease term based on latest expectations on mileage / duration and will also include a compensation for Athlon to cover costs and margin. As such recalculations mitigate the residual value risk. A lease contract is on average recalculated at least once during its term.

*RV reporting*
The residual value risk is monitored through quarterly quantitative- and qualitative reporting. The reporting provides amongst others insight the residual value setting in time, development of contract duration and mileage in relation to residual value developments and sales results from various relevant perspectives. Three (3) times a year the residual value risk of the entire portfolio is assessed.

### 13.5 Contract maturity

At the end of an operational lease agreement the vehicle will be returned by the lessee (except in cases where the vehicle is sold to the lessee or to the lessee's driver-employee). The vehicle must be returned in a good condition which may include normal wear and tear. Athlon has

established a process with respect to the intake of former lease vehicles that is TUV Nord certified and uses independent third parties for the assessment of potential damages.

When returned at one of the intake points designated by Athlon an inspection report evidencing receipt of the vehicle (the **Inspection Report**) will be made on site together with the driver. If delivered somewhere else, the Inspection Report will made at the premises of Athlon by independent specialized employees of an external damage repair company. The Inspection report will show (a) if the vehicle has any damage and (b) the kilometres shown on the odometer on the return date. The Inspection Report will also reflect the documents and elements delivered with the vehicle as. If the Inspection Report states that the vehicle has damage not related to normal wear and tear or the customer has not returned all the documents and elements handed over at the start of the agreement, Athlon is entitled to charge the amount of the damage and the costs of replacement of the lost documentation or elements to the customer.

When the state of the vehicle has been assessed and a minimum trade value has been established, it will be marketed through the Athlon sales channels. Athlon uses business-to-business, business-to-customer and business-to-driver sales channels.

## 14 THE SECURITY TRUSTEE

The Security Trustee was established as a foundation (*stichting*) under Dutch law on 17 February 2021. The official seat (*statutaire* zetel) of the Security Trustee is in Amsterdam, the Netherlands and its registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The Security Trustee is registered with the Trade Register under number 81933851.

The objects of the Security Trustee are (a) to act as agent and/or trustee of the Noteholders and certain other creditors of the Issuer; (b) to acquire security rights as agent and/or trustee and/or for itself; (c) to hold, administer and enforce the security rights mentioned under (b) for the benefit of the Noteholders and certain other creditors of the Issuer and to perform acts and legal acts (including the acceptance of a parallel debt obligation from, *inter alia*, the Issuer) which are or may be related, incidental or conducive to the holding of the above security rights and (d) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole managing director of the Security Trustee is Amsterdamsch Trustee's Kantoor B.V. Amsterdamsch Trustee's Kantoor B.V. has elected domicile at the registered office of the Issuer at Prins Bermhardplein 200, 1097 JB Amsterdam, the Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V. are M.H. Hogeterp, J.E. Hardeveld and A.J. Vink.

The sole shareholder of Amsterdamsch Trustee's Kantoor B.V. is Intertrust (Netherlands) B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, which entity is also the sole shareholder of each of the Issuer Administrator, the Data Trustee and Intertrust Management B.V., being the managing director of each the Issuer and the Shareholder.

## 15 THE DATA TRUSTEE

The Data Trustee was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law on 9 December 2003. The official seat (*statutaire* zetel) of the Data Trustee is in Amsterdam, the Netherlands and its registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The Data Trustee is registered with the Trade Register under number 34199176.

The objects of the Data Trustee are (a) entering into agreements with third parties with regard to the storage and management of encrypted or unencrypted personal data and/or keys by the company on behalf of those third parties and/or other involved parties for the purpose of unlocking the encrypted personal data in connection with securitisation transactions and other financing transactions entered into by those third parties in relation to loan receivables payable by consumers or non-consumers (**Custody and Management Services**), (b) performing the Custody and Management Services, (c) providing advice in relation to the Custody and Management Services, (d) outsourcing the Custody and Management Services to third parties and (e) to perform any and all acts which are related, incidental or which may be conducive to the above.

The managing directors of the Data Trustee are A.J. Vink, T.T.B. Leenders and D.H. Schornagel.

The sole shareholder of the Data Trustee is Intertrust (Netherlands) B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, which entity is also the sole shareholder of each of the Issuer Administrator and Intertrust Management B.V., being the managing director of each the Issuer and the Shareholder.

## 16 THE ISSUER ADMINISTRATOR

Intertrust Administrative Services B.V. will be appointed as Issuer Administrator in accordance with and under the terms of the Issuer Administration Agreement (see further under section 8.9 (*Issuer Administration Agreement*)). Intertrust Administrative Services B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law on 20 June 1963. It has its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The Issuer Administrator is registered with the Trade Register under number 33210270.

The corporate objects of the Issuer Administrator are to (a) represent financial, economic and administrative interests in the Netherlands and other countries, (b) act as trust company, as well as to participate in, manage and administer other enterprises, companies and legal entities and (c) perform any and all acts which are related, incidental or which may be conducive to the above.

The managing directors of the Issuer Administrator are E.M. van Ankeren, T.T.B. Leenders and D.H. Schornagel. The sole shareholder of the Issuer Administrator is Intertrust (Netherlands) B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, which entity is also the sole shareholder of each of the Directors and the Data Trustee.

## 17 THE SWAP COUNTERPARTY

Skandinaviska Enskilda Banken AB (publ) (**SEB**) will enter into the Swap Agreement with the Issuer. SEB is a public limited company under Swedish law and registered with the Swedish Companies Registration Office (*bolagsverket*) under registration number 502032-9081.

SEB and its subsidiaries are a leading Nordic financial services group. As a relationship bank strongly committed to delivering customer value, SEB offers financial advice and a wide range of financial services to corporate customers, financial institutions and private individuals in Sweden and the Baltic countries. In Denmark, Finland, Norway and Germany, SEB's operations focus on delivering a full-service offering to corporate and institutional clients and building long-term customer relationships. As of the date of this Prospectus, SEB serves more than four million private customers. As of 31 December 2020, SEB had total assets of SEK 3,040 billion and total equity of SEK 172 billion. For the twelve months ended 31 December 2020, SEB’s net profit was SEK 15,7 billion and for the year ended 31 December 2019, SEB’s net profit was SEK 20,2 billion.

The delivery of this Prospectus does not imply that there has been no change in the affairs of SEB since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

## 18 THE ACCOUNT BANK, PAYING AGENT AND INTEREST DETERMINATION AGENT

Elavon Financial Services DAC will be appointed as Account Bank, Paying Agent and Interest Determination Agent in accordance with and under the terms of respectively the Account Agreement and the Paying Agency Agreement.

Elavon Financial Services DAC, trading as U.S. Bank Global Corporate Trust, is an integral part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, U.S. Bank Global Corporate Trust conducts business through Elavon Financial Services DAC from its offices in Dublin at Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland D18 W319 and through its UK Branch in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

Elavon Financial Services DAC is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services DAC is authorised by the Central Bank of Ireland and the activities of its UK Branch are also subject to the limited regulation of the UK Financial Conduct Authority and Prudential Regulation Authority.

In Europe, the Corporate Trust business is conducted in combination with U.S. Bank Global Corporate Trust Limited (the legal entity through which certain Corporate Trust agency appointments are conducted), U.S. Bank Trustees Limited (the legal entity through which Corporate Trust trustee appointments are conducted) and U.S. Bank National Association (the legal entity through which Corporate Trust conducts business in the United States).

The Corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The Corporate Trust business provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at www.usbank.com.

## 19 TAXATION

*The following is a general summary and the tax consequences as described here may not apply to a holder of Notes. Any potential investor should consult his tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in his particular circumstances.*

### 19.1 Dutch taxation

This summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Notes and does not purport to describe every aspect of taxation that may be relevant to a particular holder. Tax matters are complex, and the tax consequences of the issuance to a particular holder of Notes will depend in part on such holder's circumstances. Accordingly, a holder is urged to consult his own tax advisor for a full understanding of the tax consequences of the Issuance to him, including the applicability and effect of Dutch tax laws.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this summary the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands. This summary assumes that the Issuer is organised, and that its business will be conducted, in the manner outlined in this Prospectus. A change to such organisational structure or to the manner in which the Issuer conducts its business may invalidate the contents of this summary, which will not be updated to reflect such change.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this Prospectus. The tax law upon which this summary is based, is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

The summary in this Dutch taxation paragraph does not address the Dutch tax consequences for a holder of Notes who:

(i) is a person who may be deemed an owner of Notes for Dutch tax purposes pursuant to specific statutory attribution rules in Dutch tax law;

(ii) is, although in principle subject to Dutch corporation tax, in whole or in part, specifically exempt from that tax in connection with income from Notes;

(iii) is an investment institution as defined in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*);

(iv) is an entity that, although in principle subject to Dutch corporation tax, is fully or partly exempt from Dutch corporation tax;

(v) owns Notes in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role;

(vi) has a substantial interest in the Issuer or a deemed substantial interest in the Issuer for Dutch tax purposes. Generally, a person holds a substantial interest if (a) such person – either alone or, in the case of an individual, together with his partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of

his partner for Dutch tax purposes – owns or is deemed to own, directly or indirectly, 5 per cent. or more of the shares or of any class of shares of the Issuer, or rights to acquire, directly or indirectly, such an interest in the shares of the Issuer or profit participating certificates relating to 5 per cent. or more of the annual profits or to 5 per cent. or more of the liquidation proceeds of the Issuer, or (b) such person's shares, rights to acquire shares or profit participating certificates in the Issuer are held by him following the application of a non-recognition provision; or

(vii) is for Dutch tax purposes taxable as a corporate entity and resident of Aruba, Curaçao or Sint Maarten.

### 19.1.1 Withholding tax

All payments under the Notes may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority of or in the Netherlands, except that Dutch withholding tax may apply with respect to payments of interest made or deemed to be made by the Issuer if the interest payments are made or deemed to be made to a related party, which (i) is resident in a low-tax or non-cooperative jurisdiction as specifically listed in an annually updated Dutch regulation, (ii) has a permanent establishment in any such jurisdiction to which the interest is attributable, (iii) is neither resident in the Netherlands nor in a low-tax or non-cooperative jurisdiction, and is entitled to the interest with the main purpose or one of the main purposes to avoid withholding tax of another person, (iv) is a hybrid entity, or (v) is not resident in any jurisdiction, all within the meaning of the Dutch Withholding Tax Act 2021.

### 19.1.2 Taxes on income and capital gains

**Non-resident holders of Notes**

*Individuals*

If a holder of Notes is an individual who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch income tax, he will not be subject to Dutch income tax in respect of any benefits derived or deemed to be derived from or in connection with Notes, except if:

(i) he derives profits from an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, and such enterprise is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and his Notes are attributable to such permanent establishment or permanent representative;

(ii) he derives benefits or is deemed to derive benefits from or in connection with Notes that are taxable as benefits from miscellaneous activities performed in the Netherlands; or

(iii) he derives profits pursuant to the entitlement to a share in the profits of an enterprise, other than as a holder of securities, which is effectively managed in the Netherlands and to which enterprise his Notes are attributable

*Corporate entities*

If a holder of Notes is a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, which is neither resident nor deemed to be resident

in the Netherlands for purposes of Dutch corporation tax, it will not be subject to Dutch corporation tax in respect of any benefits derived or deemed to be derived from or in connection with Notes, except if:

(i) it derives profits from an enterprise directly which is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and to which permanent establishment or permanent representative its Notes are attributable; or

(ii) it derives profits pursuant to a co-entitlement to the net value of an enterprise which is managed in the Netherlands, other than as a holder of securities, and to which enterprise its Notes are attributable.

*General*

A holder of Notes will not be deemed to be resident in the Netherlands for Dutch tax purposes by reason only of the execution and/or enforcement of the Transaction Documents and the issue of Notes or the performance by the Issuer of its obligations under the Transaction Documents or under the Notes.

If a holder of Notes is neither resident nor deemed to be resident in the Netherlands, such holder will for Dutch tax purposes not carry on or be deemed to carry on an enterprise, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands by reason only of the execution and/or enforcement of the documents relating to the issue of Notes or the performance by the Issuer of its obligations under such documents or under the Notes.

### 19.1.3 Gift and inheritance taxes

No Dutch gift tax or Dutch inheritance tax will arise with respect to an acquisition or deemed acquisition of Notes by way of gift by, or upon the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax except if, in the event of a gift whilst not being a resident nor being a deemed resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, the holder of Notes becomes a resident or a deemed resident in the Netherlands and dies within 180 days after the date of the gift.

For purposes of Dutch gift tax and Dutch inheritance tax, a gift of Notes made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

### 19.1.4 Registration taxes and duties

No Dutch registration tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with the execution and/or enforcement (including by legal proceedings and including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of Notes, the performance by the Issuer of its obligations under such documents or under Notes, or the transfer of Notes.

### 19.1.5 Value added tax

No Dutch VAT will be due in respect of or in connection with (i) the issuing of Notes, or (ii) the payments on Notes.

## 20 CREDIT RATINGS

It is a condition precedent to issuance that, upon issue, the Class A Notes be assigned an 'Aaa (sf)' rating by Moody's and an 'AAAsf' rating by DBRS. The Class B Notes will not be assigned a rating. Each of the Rating Agencies is established in the European Union and is registered under the CRA Regulation.

Each of the Rating Agencies engaged by the Issuer to rate the Notes has agreed to perform ratings surveillance with respect to its ratings for as long as the Notes remain outstanding. Fees for such ratings surveillance by the Rating Agencies will be paid by the Issuer. Although the Issuer will pay fees for ongoing rating surveillance by the Rating Agencies, the Issuer has no obligation or ability to ensure that any Rating Agency performs rating surveillance. In addition, a Rating Agency may cease rating surveillance if the information furnished to that Rating Agency is insufficient to allow it to perform surveillance.

The Rating Agencies have informed the Issuer that the "sf" designation in their ratings represents an identifier for structured finance product ratings. For additional information about this identifier, prospective investors can go to the related rating agency's website. The Issuer and the Managers have not verified, do not adopt and do not accept responsibility for any statements made by the Rating Agencies on their internet websites. Credit ratings referenced throughout this Prospectus are forward-looking opinions about credit risk and express an agency's opinion about the ability of and willingness of an issuer of securities to meet its financial obligations in full and on time. Ratings are not indications of investment merit and are not buy, sell or hold recommendations, a measure of asset value, or an indication of the suitability of an investment.

A rating is not a recommendation to buy, sell or hold securities and there is no assurance that any such rating will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in any of the Rating Agencies' judgement, circumstances so warrant. The ratings to be assigned to the Class A Notes by the Rating Agencies are based on the value and cash flow-generating ability of the Lease Receivables and other relevant structural features of the transaction, including, *inter alia*, the long-term unsecured and unsubordinated debt rating of the other parties involved in the transaction, such as the providers and guarantors of ancillary facilities (i.e. the Account Bank and the Swap Counterparty) and reflect only the view of each of the Rating Agencies. The credit ratings assigned by DBRS and Moody's on the Closing Date address the timely payment of interest and ultimate payment of principal to the Class A Noteholders by a date that is not later than the Final Maturity Date, each in accordance with and subject to the Conditions.

Any decline in or withdrawal of the credit ratings of the Class A Notes or changes in credit rating methodologies may affect the market value of such Notes. Furthermore, the credit ratings may not reflect the potential impact of all rights related to the structure, market, additional factors discussed above or below and other factors that may affect the value of the Notes.

There is no assurance that any credit ratings assigned by the Rating Agencies on the Closing Date will continue for any period of time or that they will not be reviewed, revised, suspended or

withdrawn entirely by any of the Rating Agencies if, in any of the Rating Agencies' judgement, circumstances so warrant. The Issuer does not have an obligation to maintain the credit ratings assigned to the Class A Notes.

Future events, including, but not limited to, events affecting the Swap Counterparty and/or circumstances relating to the Leased Vehicles, the Lease Receivables and/or the Dutch car lease market, in general could have an adverse effect on the ratings of the Class A Notes as well. Any revision, suspension or withdrawal of the ratings of the Class A Notes may have an adverse effect on the market value of the Class A Notes and the ability of the Noteholders to sell or acquire credit protection on their Notes readily.

Other credit rating agencies that have not been engaged to rate the Notes by the Issuer may issue unsolicited credit ratings on the Notes at any time. Any unsolicited ratings in respect of the Notes may differ from the ratings expected to be assigned by Moody's and DBRS and may not be reflected in any final terms. Issuance of an unsolicited rating which is lower than the ratings assigned by Moody's and DBRS in respect of the Class A Notes may adversely affect the market valuation and/or the liquidity of the Notes.

In addition, the Transaction Documents may provide that upon the occurrence of a certain event or matter, the Security Trustee needs to obtain a Rating Agency Confirmation before it is allowed to take any action or consent to an amendment of the relevant Transaction Documents as a result of the occurrence of such event or matter. An exception applies only in the case of an amendment or alteration of a Transaction Document which is (i) made in order for the Issuer to comply with EMIR obligations or any obligation which applies to it under the CRA Regulation, the Commission Delegated Regulation (EU) 2015/3 (including, without limitation, any associated regulatory or implementing technical standards and advice, guidance or recommendations from relevant supervisory regulators), the Securitisation Regulation, the Benchmarks Regulation (other than a modification to facilitate an Alternative Base Rate as set out in Condition 4.5 (*Alternative Base Rate*)), the CRR Amendment Regulation and/or for the Transaction (x) to qualify as an STS securitisation and/or (y) for the Notes to qualify for certain preferential capital treatment (provided that, in respect of (x) and(y) above, such modification is, in the opinion of the Security Trustee, not materially prejudicial to the interest of the Noteholders) or is required pursuant to mandatory law to the extent such modification is not considered to be a Basic Terms Modification or (ii) of a formal, minor or technical nature or made to correct a manifest error and, in each case, is notified to the Rating Agencies.

The Noteholders should be aware that a Rating Agency is not obliged to provide a written statement and that whether or not a Rating Agency Confirmation has been obtained by the Security Trustee, this does not include a confirmation by a Rating Agency of the then current ratings assigned to the Class A Notes (even if such Rating Agency Confirmation includes a statement in writing from a Rating Agency that the then current rating assigned to the Notes will not be adversely affected by or withdrawn as a result of the relevant event or matter), nor does it mean that the Notes may not be downgraded or such ratings may not be withdrawn by a Rating Agency, either as a result of the occurrence of the event or matter in respect of which the Rating Agencies have been notified or such Rating Agency Confirmation has been obtained or for any other reason.

The Rating Agencies may change their criteria and methodologies and it may therefore be required that the Transaction Documents be restructured in connection therewith to prevent a downgrade of the credit ratings assigned to the Notes. There is, however, no obligation for any party to the Transaction Documents, including the Issuer, to cooperate with or to initiate or propose such a restructuring. A failure to restructure the Transaction may lead to a downgrade of the credit ratings assigned to the Class A Notes.

## 21 SUBSCRIPTION AND SALE

### 21.1 Subscription for and purchase of the Notes

The Joint Lead Managers have, pursuant to the Subscription Agreement, agreed with the Issuer, subject to certain conditions precedent being satisfied, to severally subscribe and pay, or procure the subscription and payment for the Class A Notes at their Issue Price. Pursuant to a notes purchase agreement dated on or about the Closing Date between Athlon and the Issuer (the **Class B Notes Purchase Agreement**) Athlon will, subject to certain conditions, on the Closing Date purchase the Class B Notes at their issue price. Athlon and the Issuer have agreed to indemnify and reimburse the Joint Lead Managers against certain liabilities and expenses in connection with the issue of the Class A Notes. The Joint Lead Managers are in certain circumstances entitled to be released from their obligations under the Subscription Agreement.

### 21.2 Selling restrictions

**General**

All applicable laws and regulations must be observed in any jurisdiction in which the Notes may be offered, sold or delivered. Each Joint Lead Manager has agreed that it will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof, to the best of each Joint Lead Manager's knowledge and belief, and that will not impose any obligations on each of the Joint Lead Managers except as set out in the Subscription Agreement.

The Notes sold on the Closing Date may not be purchased by any person except for persons that are not Risk Retention U.S. Persons. Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is very similar to the definition of "U.S. person" in Regulation S, the definitions are not identical 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 the Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed, and in certain circumstances (including as a condition to placing an order relating to the Notes), will be required, to have made certain representations and agreements, including that it (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 Note to a Risk Retention U.S. 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.

Notwithstanding the foregoing, the Issuer can, with the prior consent of the Seller, sell a limited portion of the Class A Notes to, or for the account or benefit of, Risk Retention U.S. Persons in accordance with an exemption from the U.S. Risk Retention Rules.

Each Joint Lead Manager agrees that it will, directly or indirectly, sell and deliver any of the Notes only to persons which are not Risk Retention U.S. Persons, unless otherwise agreed by the Seller.

**United States of America and its territories**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. state securities law and may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act. Each Joint Lead Manager has represented and agreed to the Issuer in the Subscription Agreement that it has not offered or sold the Notes, and will not offer or sell the Notes (i) as part of its distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Notes are first offered to persons other than distributors in reliance on Regulation S and (b) the issue date (the **Distribution Compliance Period**) within the United States or to, or for the account or benefit of, US persons except, in either case, only in accordance with Rule 903 of Regulation S under the Securities Act. Neither the Joint Lead Managers nor their respective affiliates nor any persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of Notes, each Joint Lead Manager will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from them during the Distribution Compliance Period a confirmation or notice to substantially the following effect:

> *"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Notes are first offered to persons other than distributors in reliance on Regulation S and (b) the issue date, except in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".*

Terms used in this section have the meaning given to them in Regulation S under the Securities Act.

Further, each of the Joint Lead Managers has represented and agreed to the Issuer in the Subscription Agreement that:

(a) except to the extent permitted under U.S. Treas. Reg. section 1.163-5 (c)(2)(i)(D) (the **TEFRA D Rules**), (i) it has not offered or sold, and during the restricted period will not offer or sell, directly or indirectly, Notes in bearer form to a person who is within the United States or its possessions or to a United States Person, and (ii) it has not delivered and will not deliver, directly or indirectly, within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

(b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

(c) if it was considered a United States person, that it is acquiring the Notes for purposes of resale in connection with their original issuance and agrees that if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. section 1.163-5 (c)(2)(i)(D)(6); and

(d) with respect to each Affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period that it will either (i) repeat and confirm the representations and agreements contained in sub-clauses (a), (b) and (c); or (ii) obtain from such Affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (a), (b) and (c).

Terms used in this section have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

**United Kingdom**

Each Joint Lead Manager has represented that it has not offered, sold or otherwise made available Notes to any retail investor in the UK. For these purposes,

(a) 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 UK law by virtue of the EUWA;

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, 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 UK law 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 UK law by virtue of the EUWA;

(b) the expression an **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 for the Notes.

Additionaly, each Joint Lead Manager has represented and agreed in the Subscription Agreement that:

(a) 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 (the **FSMA**)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

**Republic of France**

Each Joint Lead Manager has represented and agreed to the Issuer in the Subscription Agreement that:

(a) the Prospectus is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers (**AMF**);

(b) the Notes have not been offered, sold or distributed and will not be offered, sold or distributed, directly or indirectly, to the public in France. Such offers, sales and distributions have been and shall only be made in France (i) to qualified investors (*investisseurs qualifiés*) acting for their own account and/or (ii) to persons providing portfolio management investment service for third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), each as defined in and in accordance with Articles L. 411-2-II, D. 411-1, D. 321-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code and any implementing regulation and/or (iii) in a transaction that, in accordance with Article L. 411-2-I of the French Monetary and Financial Code and Article 211-2 of the General Regulation of the AMF, does not constitute a public offering of financial securities;

(c) pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the subsequent direct or indirect retransfer of the Notes to the public in France can only be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-3 of the French Monetary and Financial Code; and

(d) this Prospectus and any other offering material relating to the Notes have not been and will not be submitted to the AMF for approval and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

**Prohibition on Sales to retail investors in the EEA**

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression “retail investor” means a person who is one (or more) of the following:

(i) retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (**Insurance Distribution Directive**), where in both instances (i) and (ii) that client or 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 the Prospectus Regulation;

(b) the expression “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.

## 22 USE OF PROCEEDS

The aggregate proceeds of the Notes to be issued on the Closing Date amount to EUR 672,165,000. The net proceeds of the Notes will be used on the Closing Date by the Issuer to (i) advance the Initial Issuer Advances subject to and in accordance with the Issuer Facility Agreement and (ii) pay an initial payment to the Seller in connection with the entering into of the Hire Purchase Contracts in respect of the Leased Vehicles forming part of the Initial Portfolio subject to and in accordance with the Master Hire Purchase Agreement.

## 23 GENERAL INFORMATION

### 23.1 Authorisation

The issue of the Notes has been duly authorised by resolutions of the board of managing directors (*bestuur*) of the Issuer dated 4 June 2021. All authorisations consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under Dutch law have been given for the issue of the Notes and for the Issuer to undertake and perform its obligations under the relevant Transaction Documents and the Notes.

### 23.2 Listing of the Class A Notes

Application has been made to list the Class A Notes on the Official List and have them admitted to trading on the Regulated Market. The estimated total costs involved with such admission amount to EUR 13,500.

### 23.3 Clearance

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN and the common codes are as follows:

| | Common Code | ISIN |
|---|---|---|
| **Class A Notes** | 234121278 | XS2341212780 |
| **Class B Notes** | 234122886 | XS2341228869 |

The address of Euroclear is 1 Boulevard de Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

### 23.4 Documents available

Copies of the following documents will, when published, be available for inspection at the specified offices of the Paying Agent and the Security Trustee during normal business hours, as long as the Notes are outstanding:

(a) this Prospectus and any supplements to this Prospectus;

(b) an English translation of the deed of incorporation (*akte van oprichting*) including the articles of association (*statuten*) of the Issuer;

(c) an English translation of the deed of incorporation (*akte van oprichting*) including the articles of association (*statuten*) of the Security Trustee; and

(d) the following agreements entered into in connection with the transactions set out in this Prospectus, being:

  (i) the Master Definitions and Common Terms Agreement;

  (ii) the Paying Agency Agreement;

  (iii) the Issuer Facility Agreement;

(iv) the Swap Agreement;

(v) the Account Agreement;

(vi) the Issuer Administration Agreement;

(vii) the Subordinated Loan Agreement;

(viii) the Trust Deed;

(ix) the Management Agreements;

(x) the Master Hire Purchase Agreement;

(xi) the Pledge Agreements;

(xii) the Servicing Agreement;

(xiii) the RV Guarantee Agreement;

(xiv) the Transparency Reporting Agreement; and

(xv) the Data Trustee Agreements.

The documents listed above (other than the Prospectus) have not been scrutinised or approved by the competent authority.

Copies of the Transaction Documents, the Prospectus and the STS notification within the meaning of article 27 of the Securitisation Regulation shall be published on European Datawarehouse (https://editor.eurodw.eu/) ultimately within fifteen (15) days of the Closing Date.

### 23.5 Annual accounts

No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. So long as the Class A Notes are listed on the Luxembourg Stock Exchange, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified offices of the Security Trustee.

The auditors of the Issuer that will be appointed will be a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

### 23.6 Incorporation by reference

The deed of incorporation dated 17 February 2021 and the articles of association of the Issuer are in its entirety incorporated by reference, a free copy of which is available at the office of the Issuer located: Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and can be obtained at: https://cm.intertrustgroup.com/en/default/articles-of-association/results#SilverArrow.

### 23.7 Reports

As long as the Notes are outstanding, the Seller as Reporting Entity will (or will procure that any agent on its behalf will) publish or make otherwise available the reports and information as

required under article 7 and article 22 of the Securitisation Regulation. The monthly investor report on the performance, including the arrears and the losses, of the transaction, together with current stratification tables can be obtained at: http://cm.intertrustgroup.com and/or https://editor.eurodw.eu/.

The defined terms used in the monthly investor report shall, by reference, incorporate the defined terms set out generally in the Prospectus and more specifically in the Glossary of Certain Defined Terms.

**23.8 External verification**

The accuracy of the data included in the stratification tables in respect of the pool as selected on the Initial Cut-Off Date has been verified by an appropriate and independent party.

**23.9 Estimated upfront costs**

The estimated aggregate upfront costs of the transaction amount to approximately 0.01 per cent. of the proceeds of the Notes. There are no costs deducted by the Issuer from any investment made by any Noteholder in respect of the subscription or purchase of the Notes.

**23.10 Prospectus Regulation**

This Prospectus constitutes a prospectus for the purpose of the Prospectus Regulation. A free copy of the Prospectus is available at the offices of the Issuer and the Paying Agent, or can be obtained at https://cm.intertrustgroup.com/en/default/offering_circulars/results#SilverArrow.

**23.11 Miscellaneous**

The language of the 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.

**23.12 US Taxes**

The Notes will bear a legend to the following effect: "Any United States Person (as defined in the Internal Revenue Code), who holds this obligation will be subject to the limitations under the United States income tax laws, including limitations provided in section 165(j) and 1287(a) of the Internal Revenue Code".

The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

**23.13 Notes not part of a re-securitisation**

The Notes are not part of a securitisation of one or more exposures where at least one of these exposures is a securitisation.

23.14 **Limited recourse**

Each Transaction Party has agreed with the Issuer that notwithstanding any other provision of any Transaction Document, all obligations of the Issuer, respectively, to such Transaction Party are limited in recourse as set out in the relevant Transaction Documents.

### 23.15 Governing law

All Transaction Documents, other than the Swap Agreement and the Issuer Accounts Pledge Agreement, will be governed by Dutch law. The Swap Agreement will be governed by English law. The Issuer Accounts Pledge Agreement will be governed by Irish law.

## 24 GLOSSARY OF CERTAIN DEFINED TERMS

### 24.1 Interpretation

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 thereto under applicable law.

Any reference in this Prospectus to:

a **Class** of Notes shall be construed as a reference to the Class A Notes or the Class B Notes, as applicable;

a **Code** shall be construed as a reference to such code as the same may have been, or may from time to time be, amended;

**€**, **EUR** and **euro** shall be construed as a reference to the single currency which was introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community (as amended by the Treaty on European Union);

**holder** means the bearer of a Note and related expressions shall (where appropriate) be construed accordingly;

**including** or **include** shall be construed as a reference to **including without limitation** or **include without limitation**, respectively;

**indebtedness** shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a **law** or **directive** or **regulation** shall be construed as any law (including common or customary law), statute, constitution, decree, judgement, treaty, regulation, directive, by-law, order, any regulatory technical standards and any implementing technical standards, official statement of practice or guidance or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court and shall be construed as a reference to such law (including common or customary law), statute, constitution, decree, judgement, treaty, regulation, directive, by-law, order, any regulatory technical standards and any implementing technical standards, official statement of practice or guidance or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court as the same may have been, or may from time to time be, amended;

a **month** means a period beginning in one (1) calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it commences or, where there is no date in the next calendar month numerically corresponding as aforesaid, the last day of such calendar month, and "months" and "monthly" shall be construed accordingly;

the **Notes**, the **Conditions**, any **Transaction Document** or any other agreement or document shall be construed as a reference to the Notes, the Conditions, such Transaction Document or,

as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, restated, varied, novated, supplemented or replaced;

a **person** shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing or any successor or successors of such party;

a reference to **suspension of payments** or **moratorium of payments** shall, where applicable, be deemed to include a reference to the suspension of payments (*surseance van betaling*) as meant in the Dutch Bankruptcy Act (*Faillissementswet*) or any intervention, recovery and resolution measures, including but not limited to measures, that may be taken pursuant to the BRRD, as implemented in Dutch law, the Wft and the SRM-Regulation; and, in respect of a private individual, any debt restructuring scheme (*schuldsanering natuurlijke personen*);

**principal** shall be construed as the English translation of *hoofdsom* or, if the context so requires, *pro resto hoofdsom* and, where applicable, shall include premium;

**repay**, **redeem** and **pay** shall each include both of the others and **repaid**, **repayable** and **repayment**, **redeemed**, **redeemable** and **redemption** and **paid**, **payable** and **payment** shall be construed accordingly;

a **statute** or **treaty** or an **Act** shall be construed as a reference to such statute or treaty or Act as the same may have been, or may from time to time be, amended or, in the case of a statute or an Act, re-enacted;

a **successor** of any party shall be construed so as to include an assignee, transferee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party or otherwise replaced such party (by way of novation or otherwise), under or in connection with a Transaction Document or to which, under such laws, such rights and obligations have been transferred; and

any **Transaction Party** or **party** or a party to any Transaction Document (however referred to or defined) shall be construed so as to include its successors and any subsequent successors in accordance with their respective interests.

In this Prospectus, save where the context otherwise requires, words importing the singular number include the plural and vice versa.

Headings used in this Prospectus are for ease of reference only and do not affect the interpretation of this Prospectus.

### 24.2 Definitions

Except where the context otherwise required, the following defined terms used in this Prospectus have the meaning set out below.

**Accelerated Amortisation Period Priority of Payments** means the priority of payments set out as such in section 6.7 (*Priority of Payments*) of this Prospectus.

**Account Agreement** means the account agreement entered into by and between the Account Bank, the Issuer, the Issuer Administrator and the Security Trustee on the Signing Date.

**Account Bank** means Elavon, acting in its capacity as account bank or, as the case may be, any other Eligible Bank which would subsequently be appointed as Account Bank pursuant to the terms of the Account Agreement.

**Additional Issuer Advance** means any advance made available by the Issuer to the Seller on any Additional Purchase Date under the Issuer Facility Agreement in respect of an Additional Leased Vehicle, or, after the granting thereof, the principal amount outstanding from time to time of such advance.

**Additional Leased Vehicle** means a Leased Vehicle in respect of which a Hire Purchase Contract is entered into by and between the Seller and the Issuer pursuant to the Master Hire Purchase Agreement after the Closing Date.

**Additional Portfolio** means a portfolio consisting of Additional Leased Vehicles together with the associated Lease Receivables purchased by the Issuer from the Seller on an Additional Purchase Date.

**Additional Cut-Off Date** means the last day of the Collection Period immediately preceding the relevant Additional Purchase Date.

**Additional Purchase Date** means each Payment Date during the Revolving Period excluding the Initial Purchase Date on which a Hire Purchase Contract is concluded.

**Administration Services** has the meaning given to such term in section 8.9 (*Issuer Administration Agreement*) of this Prospectus.

**Adverse Claim** means any encumbrance, attachment, right or other claim in, over or on any person's assets or properties in favour of any other parties.

**Affiliate** means in relation to any person, any entity controlled, directly or indirectly by the person, any entity that controls, directly or indirectly the person or any entity directly or indirectly under common control with such person (for this purpose, "control" of any entity of person means ownership of a majority of the voting power of the entity or person).

**Aggregate Discounted Balance** means in respect of the Portfolio the sum of (a) the Present Value of all Lease Interest Components and Lease Principal Components which will become payable and have become payable but have not yet been paid and (b) the Present Value of the Estimated Residual Value, each in respect of the Purchased Vehicles to the extent not relating to a Defaulted Lease Agreement, calculated as per the relevant Cut-Off Date.

**Alternative Base Rate** means the changed base rate on the Class A Notes from Euribor to an alternative base rate in accordance with Condition 4.5 (*Alternative Base Rate*).

**Amended ECB Guideline** means the ECB Guideline as amended pursuant to ECB Guideline (EU) 2016/64.

**Amending EMIR** means Regulation (EU) 2019/834 amending EMIR.

**APP** means the asset purchase programme of the ECB.

**Applicable Data Protection Laws** means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard

to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, the Dutch General Data Protection Regulation Implementation Act (*Uitvoeringswet Algemene verordening gegevensbescherming*) and any applicable European Union or (other) European Union member state's law relating to data protection or the privacy of individuals.

**Appointment Trigger Event** means the occurrence of any of the following events:

(a) Daimler ceases to own, directly or indirectly, at least 50.1 per cent. of the share capital of Athlon in its capacity as Seller and Servicer; or

(b) the long-term unsecured, unsubordinated and unguaranteed debt obligations of Daimler are assigned a rating lower than BB(low) by DBRS; or

(c) the long-term unsecured, unsubordinated and unguaranteed debt obligations of Daimler are assigned a rating lower than Ba3 (or its replacement) by Moody's.

**Arranger** means ING.

**Asset Warranties** means the representations and warranties relating to the Leased Assets set forth as such in the subsection entitled "*Representations and Warranties"* in section 8.3 (*Master Hire Purchase Agreement*) of this Prospectus.

**Assignment Deed** means a deed of assignment within the meaning of section 3:94 of the Dutch Civil Code forming part of the relevant Combined Transfer Deed.

**Athlon** means Athlon Car Lease Nederland B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and existing under Dutch law, having its official seat (*statutaire zetel*) in Hoofddorp, the Netherlands and its registered address at Stationsplein-NO 414, 1117 CL Schiphol, the Netherlands and registered in the Trade Register under number 33136871.

**Athlon Information** has the meaning given to such term in section *Responsibility statements and important information*.

**Athlon International** means Athlon Car Lease International B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and existing under Dutch law, having its official seat (*statutaire zetel*) in Hoofddorp, the Netherlands and its registered address at Stationsplein-NO 414, 1117 CL Schiphol, the Netherlands and registered in the Trade Register under number 34066011.

**Available Distribution Amounts** has the meaning given to such term in section 6.7 (*Priority of Payments*) of this Prospectus.

**ATK** means Amsterdamsch Trustee’s Kantoor B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and existing under Dutch law, having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered address at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and registered in the Trade Register under number 33001955.

**Back-Up Servicer** means an entity appointed by the Issuer, subject to and in accordance with the Servicing Agreement.

**Back-Up Servicer Facilitator** means Intertrust Administrative, acting in its capacity as back-up servicer facilitator.

**Back-Up Servicer Role** has the meaning given to such term in section 8.4 (*Servicing Agreement*) of this Prospectus.

**Back-Up Servicing Agreement** means the back-up servicing agreement which the Issuer, the Back-Up Servicer and the Security Trustee will enter into in the event the Back-Up Servicer is appointed.

**Base Rate Modification** has the meaning given to such term in Condition 4.5 (*Alternative Base Rate*).

**Base Rate Modification Certificate** means the certificate that the Security Trustee receives from the Servicer (on behalf of the Issuer), certifying to the Security Trustee that what is set out in Condition 4.5 (*Alternative Base Rate*).

**Basel I** means the capital accord under the title "International convergence of capital measurement and capital standards" published in July 1988 by the Basel Committee.

**Basel II** means the capital accord under the title "Basel II: International Convergence of Capital Measurement and Capital Standards Revised Framework" published on 26 June 2004 by the Basel Committee.

**Basel III** means the capital accord amending Basel II under the title "Basel III: a global regulatory framework for more resilient banks and banking systems" and “Basel III: International framework for liquidity risk measurement, standards and monitoring” first published in December 2010 by the Basel Committee.

**Basel III Framework** has the meaning given to such term in section 7.5 (*Rules concerning capital relief*) of this Prospectus.

**Basel III Reforms** has the meaning given to such term in section 7.5 (*Rules concerning capital relief*) of this Prospectus.

**Basel Committee** means the Basel Committee on Banking Supervision.

**Basic Terms Modification** has the meaning given to such term in Condition 11 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal Director*).

**Benchmarks Regulation** means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 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/EU and Regulation (EU) No 596/2014.

**Benchmarks Regulation Requirements** means the requirements imposed on the administrator of a benchmark pursuant to the Benchmarks Regulation, which includes a requirement for the administrators of a benchmark to be licensed by or to be registered with the competent authority as a condition to be permitted to administer the benchmark.

**BofA Securities** means BofA Securities Europe SA, a company organised under the laws of France and with its registered office at 51 rue La Boétie, 75008 Paris, France.

**BOVAG General Conditions** means the general terms and conditions commercial market BOVAG car dealers purchase/repair and maintenance (a*lgemene voorwaarden zakelijke markt BOVAG autobedrijven koop/reparatie & onderhoud*), as published by BOVAG from time to time.

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council.

**BRRD2** means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC.

**BRRD Implementing Act** means the Dutch Act of 11 November 2015 amending and supplementing, *inter alia*, the Wft to implement the provisions of the BRRD.

**Business Day** means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are generally open for business in Frankfurt and Stuttgart, Germany, Stockholm, Sweden, Amsterdam, the Netherlands, London, the United Kingdom and Luxembourg City, Luxembourg, provided that such day is also a day on which the TARGET2 System or any successor thereto is operating credit or transferring instructions in respect of payments in euro.

**Calculation Date** means, in relation to a Payment Date, the second Business Day prior to such Payment Date.

**Call Option Buyer** means Athlon, acting in its capacity as call option buyer.

**Call Option Provider** means Silver Arrow Athlon NL 2021-1, acting in its capacity as call option provider.

**Class** means either the Class A Notes or the Class B Notes.

**Class A Noteholders** means each of the holders of the Class A Notes.

**Class A Notes** means the EUR 500,000,000 class A floating rate notes due 2031.

**Class A Notes Interest Amount** has the meaning given to such term in Condition 4.6 (*Determination of Interest Amount*).

**Class A Notes Interest Rate** means the higher of (i) an annual rate equal to Euribor for one-month euro deposits plus a margin which will be 0.70 per cent. per annum and (ii) zero per cent.

**Class B Noteholders** means each of the holders of the Class B Notes.

**Class B Notes** means the EUR 167,600,000 class B fixed rate notes due 2031.

**Class B Notes Interest Amount** has the meaning given to such term in Condition 4.6 (*Determination of Interest Amount*).

**Class B Notes Interest Rate** means 2.5 per cent. per annum.

**Class B Notes Purchase Agreement** means the notes purchase agreement regarding the Class B Notes dated on or about the Closing Date between Athlon and the Issuer.

**Clearing Obligation RTS** means Delegated Regulations (EU) 2015/2205, (EU) 2016/592 and (EU) 2016/1178 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on the clearing obligation.

**Clearing Systems** has the meaning given to such term in Condition 1.1 (*Global Notes*).

**Clearstream, Luxembourg** means Clearstream Banking, S.A.

**Client Sector** means any of the industry sectors used by the Servicer to classify a Lessee.

**Closing Date** means 16 June 2021 or such later date as may be agreed between the Issuer and the Managers.

**Co-Managers** means SEB and UniCredit.

**Code** means U.S. Internal Revenue Code of 1986.

**Collateral Easing Measures** has the meaning given to such term in section 7.16 (*ECB Purchase Programme and the pandemic emergency purchase programme*) of this Prospectus.

**Collection Account** means any account maintained by Athlon with BNP Paribas and/or such other bank account into which the relevant Lessees are instructed to pay any amount due under or pursuant to the relevant Lease Agreement.

**Collection Ledger** means the ledger with such name referred to in section 6.4.2 (*Transaction Account Ledgers*) of this Prospectus.

**Collection Period** means the period commencing on (and including) the first day of a calendar month and ending on (but excluding) the first day of the next calendar month, excluding the first collection period which commences on (and includes) the first day of June 2021 and ends on (but excludes) the first day of July 2021.

**Combined Transfer Deed** means a deed substantially in the form of the schedule entitled *Combined Transfer Deed* to the Master Hire Purchase Agreement which is entered into in respect of the Leased Vehicles and the associated Lease Receivables by the Seller, the Issuer and the Security Trustee on any Purchase Date.

**COMI** means centre of main interest as referred to in the Insolvency Regulation.

**Commingling Reserve Advance** has the meaning given to such term in section 6.3 (*Subordinated Loan Agreement*) of this Prospectus.

**Commingling Reserve Ledger** means the ledger with such name referred to in section 6.4.2 (*Transaction Account Ledgers*) of this Prospectus.

**Commingling Reserve Reduction Amount** means:

(a) on the Closing Date and on any Payment Date during the Revolving Period: zero;

(b) on any Payment Date after the end of the Revolving Period, the product of:

(i) the Aggregate Discounted Balance on the last day of the Collection Period immediately preceding the relevant Payment Date; and

(ii) the difference, if positive, of (A) less (B) where:

(A) is the result of (x) the Aggregate Discounted Balance on the last day of the Collection Period immediately preceding the relevant Payment Date minus the aggregate Principal Amount Outstanding of the Notes on such Payment Date plus the amount standing to the credit of the General Reserve Account on such Payment Date, divided by (y) the Aggregate Discounted Balance on the last day of the Collection Period immediately preceding the relevant Payment Date; and

(B) is the result of (x) the Aggregate Discounted Balance on the Initial Cut-Off Date minus the aggregate Principal Amount Outstanding of the Notes on the Closing Date plus the amount standing to the credit of the General Reserve Account on the Closing Date, divided by (y) the Aggregate Discounted Balance on the Initial Cut-Off Date.

**Common Safekeeper** means Euroclear in respect of the Class A Notes and Elavon in respect of the Class B Notes.

**Conditions** means the terms and conditions of the Notes set out in schedule 5 to the Trust Deed as from time to time modified in accordance with the Trust Deed and, with respect to any Notes represented by a Global Note, as modified by the provisions of the relevant Global Note.

**Corporate Warranties** means the representations and warranties of the Seller will make with respect of itself in each Hire Purchase Contract.

**Coupon** means any interest coupon appertaining to the Definitive Notes.

**COVID-19** means the coronavirus COVID-19.

**COVID-19 Banking Package** means the Proposal published by the European Commission for a Regulation amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards adjustments in response to the COVID-19 Pandemic.

**COVID-19 Pandemic** means the classification of COVID-19 by the World Health Organization as a global pandemic.

**CRA Regulation** means Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies, as amended by Regulation EU No 462/2013 of 21 May 2013.

**CRD** means Directive 2006/48/EC of the European Parliament and of the Council (as amended by Directive 2009/111/EC).

**CRD IV** means 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 Directives 2006/48/EC and 2006/49/EC.

**CRD V** means Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding

companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, as further described in section 7 (Regulatory and industry compliance) of this Prospectus.

**Credit and Collection Policy** means the credit and collection policy of Athlon as amended from time to time in accordance with the terms and conditions of the Servicing Agreement.

**Credit Support Annex** means the credit support annex entered into between the Swap Counterparty, the Issuer and the Security Trustee in relation to the Swap Agreement on or about the Signing Date.

**CRR** means 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, together with the corrigendum thereto and EU Delegated Regulation 625/2014 supplementing Regulation 575/2013.

**CRR Amendment Regulation** means Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

**CRR2** means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012, as further described in section 7 (*Regulatory and industry compliance*) of this Prospectus.

**CSPP** means the corporate sector purchase programme of the ECB.

**CSSF** means *Commission de Surveillance du Secteur Financier of Luxembourg*.

**Cut-Off Date** means in respect of (i) the entering into of a Hire Purchase Contract in respect of the Initial Portfolio and each Initial Leased Vehicle, the Initial Cut-Off Date, (ii) the entering into of a Hire Purchase Contract in respect of any Additional Portfolio and each Additional Leased Vehicle, the relevant Additional Cut-Off Date and (iii) any termination of a Hire Purchase Contract, disposal of a Purchased Vehicle or the calculation of the Aggregate Discounted Balance, the Available Distribution Amounts and any related item to be calculated for that purpose, the last date of the Collection Period immediately preceding the date on which such termination, disposal or calculation takes place.

**Daimler** means Daimler AG, incorporated under German law as a public company with limited liability (*Aktiengesellschaft*), having its registered office at Mercedesstrasse 120, 70372 Stuttgart, Germany and registered with the German trade Register under number 19360.

**Data Custody** means Data Custody Agent Services B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and registered with the Trade Register under number 34199176.

**Data Trustee** means Data Custody, acting in its capacity as data trustee.

**Data Trustee Agreement** means any of (i) the data trustee agreement to be entered into by and between the Servicer and the Data Trustee on the Signing Date, (ii) the data trustee agreement to be entered into by and between the Issuer and the Data Trustee on the Signing Date and (iii) the data trustee agreement to be entered into by and between the Security Trustee and the Data Trustee on the Signing Date.

**Day Count Fraction** means in respect of an Interest Period, the actual number of days in such Interest Period divided by 360.

**DBRS** means for the purpose of identifying which DBRS entity which has assigned the credit rating to the Class A Notes, DBRS Ratings GmbH and any successor to this rating activity, and (ii) in any other case, any entity that is part of DBRS Morningstar, which is either registered or not under the CRA Regulation, as it appears from the last the last available list published by ESMA on the ESMA website, or any other applicable regulation.

**DBRS Equivalent Chart** means:

| DBRS | Moody's | S&P | Fitch |
|---|---|---|---|
| AAA | Aaa | AAA | AAA |
| AA (high) | Aa1 | AA+ | AA+ |
| AA | Aa2 | AA | AA |
| AA (low) | Aa3 | AA- | AA- |
| A (high) | A1 | A+ | A+ |
| A | A2 | A | A |
| A (low) | A3 | A- | A- |
| BBB (high) | Baa1 | BBB+ | BBB+ |
| BBB | Baa2 | BBB | BBB |
| BBB (low) | Baa3 | BBB- | BBB- |
| BB (high) | Ba1 | BB+ | BB+ |
| BB | Ba2 | BB | BB |
| BB (low) | Ba3 | BB- | BB- |
| B (high) | B1 | B+ | B+ |
| B | B2 | B | B |
| B (low) | B3 | B- | B- |
| CCC (high) | Caa1 | CCC+ | CCC |

| | | | |
|---|---|---|---|
| CCC | Caa2 | CCC | |
| CCC (low) | Caa3 | CCC- | |
| CC | Ca | CC | |
| | | C | |
| D | C | D | D |

**DBRS Equivalent Rating** means with respect to the long-term senior debt ratings, (i) if a Fitch public rating, a Moody's public rating and an S&P public rating are all available, (a) the remaining rating (upon conversion on the basis of the DBRS Equivalent Chart) once the highest and lowest ratings have been excluded or (b) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart); (ii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) above, but public ratings by any two of Fitch, Moody's and S&P are available, the lower rating available (upon conversion on the basis of the DBRS Equivalent Chart); and (iii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) or paragraph (ii) above, and therefore only a public rating by one of Fitch, Moody's and S&P is available, such rating will be the DBRS Equivalent Rating (upon the conversion on the basis of the DBRS Equivalent Chart).

**Decryption Key** means the decryption key required to decrypt, where relevant, any Encrypted Personal Data subject to and in accordance with the Servicing Agreement and the Data Trustee Agreements.

**Deemed Collections** means in respect of any Payment Date, the aggregate of the following amounts which are deemed to be collected by the Servicer in respect of the Collection Period immediately preceding the relevant Payment Date in respect of a Purchased Vehicle and which are due by the Seller to the Issuer:

(a) any amounts incurred, paid or discharged by the relevant Lessee on behalf of Athlon that reduce the amount due by the relevant Lessee to Athlon; and

(b) any amount unpaid by the relevant Lessee under the associated Lease Receivables if the non-payment was caused by reasons other than circumstances relating exclusively to credit risk,

all as calculated on the relevant Calculation Date in respect of the immediately preceding Collection Period.

**Default Ratio** means in relation to a Payment Date and the Portfolio (including any Additional Leased Vehicles to be hire purchased on such Payment Date):

(a) the sum of the Present Value of (i) the Estimated Residual Value of the relevant Purchased Vehicles subject to Defaulted Lease Agreements and (ii) the associated Lease Interest Components and Lease Principal Components, which would have been received if each Defaulted Lease Agreement was not a Defaulted Lease Agreement, as calculated as at the date the Lease Agreement first was declared a Defaulted Lease Agreement,

*divided by*

(b) the sum of the Aggregate Discounted Balance of the Portfolio,

each as calculated on the Calculation Date immediately preceding such Payment Date.

**Defaulted Lease Agreement** means a Lease Agreement:

(a) in respect of which:

(i) the relevant Lessee is in arrears with respect to any Lease Instalment by more than 90 days from its due date; or

(ii) the Servicer has made specific provisions in the relevant accounts or has written off the Lease Receivables resulting from such Lease Agreement in the relevant accounts in accordance with the applicable accounting principles; or

(iii) an Insolvency Event relating to the Lessee has occurred,

and

(b) which has been terminated.

**Defaulted Lease Recovery Receipts** means in relation to a Defaulted Lease Agreement any payment received by the Issuer in respect of the Lease Receivables associated with such Defaulted Lease Agreement after the relevant Lease Early Termination Date.

**Definitive Note** means any Note in definitive bearer form in respect of any Class of Notes pursuant to, and on the terms set out in, the Trust Deed and the Conditions.

**Delinquency Ratio** means in relation to a Payment Date and the Portfolio (including any Additional Leased Vehicles to be hire purchased on such Payment Date):

(a) the sum of the Lease Interest Components and Lease Principal Components forming part of the Lease Instalments which are in arrear for a period from and including 61 days on;

*divided by*

(b) the Aggregate Discounted Balance of the Portfolio,

each as calculated on the Calculation Date immediately preceding such Payment Date.

**Director** means any of the Issuer Director, the Shareholder Director and the Security Trustee Director.

**Disclosure Technical Standards** means ESMA's Opinion regarding amendments to ESMA's draft technical standards on disclosure requirements under the Securitisation Regulation, published on 31 January 2019 under number ESMA33-128-600.

**Discount Rate** means in respect of any Lease Agreement, 4 per cent.

**Distribution Compliance Period** has the meaning given to such term in section 21.2 (*Selling restrictions*) of this Prospectus.

**DR Risk Management OTC Derivatives** means Commission Delegated Regulation (EU) 2016/2251 of 4 October 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty.

**Draft RTS Risk Retention** means the EBA Final Draft Regulatory Technical Standards specifying the requirements for originators, sponsors and original lenders relating to risk retention pursuant to article 6(7) of Regulation (EU) 2017/2402 dated 31 July 2018 with number EBA/RTS/2018/01.

**Dutch PRIIPs Implementation Act** means the Dutch act implementing the PRIIPs Regulation (*Wet implementatie verordening essentiële informatiedocumenten van 7 juni 2017*).

**EEA** means the European Economic Area.

**EBA** means the European Banking Authority.

**EBA Regulation** means Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC.

**EBA STS Guidelines non-ABCP Securitisations** means EBA's Final Report Guidelines on the STS criteria for non-ABCP securitisation (EBA/GL/2018/09) of 12 December 2018.

**ECB** means the European Central Bank.

**ECB Guideline** means Guideline (EU) 2015/510 on the implementation of the Eurosystem monetary policy.

**ECL** has the meaning given to such term in section 7.9 (*COVID-19 Banking Package*) of this Prospectus.

**EIOPA** means the European Insurance and Occupational Pensions Authority.

**Elavon** means Elavon Financial Services DAC, a Designated Activity Company registered in Ireland with the Companies Registration Office, registered number 418442, with its registered office at Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland.

**Eligibility Criteria** means the criteria relating to each Leased Asset set forth as such in the subsection entitled "*Eligibility Criteria"* in section 8.3 (*Master Hire Purchase Agreement*) of this Prospectus.

**EMIR** means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

**EMMI** means European Money Markets Institute.

**Encrypted Personal Data** means in relation to a Purchased Vehicle, the Personal Data encrypted by the Servicer for the purpose of depositing them with the Data Trustee in accordance with the Servicing Agreement and the Data Trustee Agreements, being the associated Vehicle registration number and Lessee name and contact details.

**ESIS** means European Standard Information Sheet.

**ESMA** means the European Securities and Markets Authority.

**Estimated Residual Value** means the estimated residual value of a Purchased Vehicle at the Lease Maturity Date as calculated and recalculated from time to time by the Servicer in accordance with the Servicer's standard guidelines and subject to the terms and conditions of the associated Lease Agreement.

**EU** means the European Union.

**Euribor** has the meaning given to such term in Condition 4.4(a) (*Interest*).

**Euroclear** means Euroclear Bank S.A./N.V.

**European Commission** means the commission of the European Union.

**European Council** means the council of the European Union.

**European Parliament** means the parliament of the European Union.

**European Supervisory Authorities** means EBA, ESMA and European Insurance and Occupational Pensions Authority.

**Eurosystem Eligible Collateral** means collateral recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem.

**Eurozone** means all Member States of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957).

**Euro Day Count Fraction** has the meaning given to such term in Condition 4.6 (*Determination of Interest Amount*).

**EUWA** means the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020.

**Excess Collection Amount** means on any Payment Date during the Revolving Period the amount, as calculated on the immediately preceding Calculation Date, by which the Replenishment Amount exceeds any Additional Issuer Advances to be disbursed by the Issuer on such Payment Date pursuant to the terms of the Issuer Facility Agreement.

**Excess Swap Collateral** has the meaning given to such term in section 8.5 (*Swap Agreement*) of this Prospectus.

**Exchange Date** means the date, not earlier than 40 days after the issue date of the Notes on which interests in the Temporary Global Notes will be exchangeable for interests in the Permanent Global Notes.

**Extraordinary Expenses** means expenses relating to (i) the Insolvency of the Issuer, (ii) amendments to (a) the deed of incorporation of the Issuer, the Shareholder or the Security Trustee and (b) any Transaction Document, (iii) legal enforcement of Security Documents, (iv) extraordinary audit and legal counsel expenses, (v) any other extraordinary charges supported by the Issuer or the Issuer Director acting on behalf of the Issuer or the Security Trustee or the Security Trustee Director and (iv) any indemnity payments due and payable by the Issuer under or in connection with any Transaction Document.

**Extraordinary Resolution** means (i) a resolution of a Class of Noteholders passed with due observance of the formalities for convening a meeting set out in the Trust Deed by a majority consisting of not less than two-thirds of the Noteholders eligible to vote at a meeting of the

relevant Class of Noteholders duly convened and held in accordance with the provisions of the Trust Deed, except that in respect of a Basic Terms Modification the majority required shall be at least three-fourths of the validly cast votes in respect of that Extraordinary Resolution, or (ii) a resolution unanimously adopted in writing by all Noteholders in accordance with Condition 11.7.

**FATCA** means Sections 1471 through 1474 of the Code or U.S. Treasury regulations and other authoritative guidance thereunder or any intergovernmental agreement implementing FATCA.

**Final Maturity Date** means the Payment Date falling in April 2031.

**Final Purchase Instalment** means the final Purchase Instalment to be paid by the Issuer to the Seller pursuant to a Hire Purchase Contract.

**Fitch** means Fitch Ratings Ltd.

**FOCWA General Conditions** means the general terms and conditions for enterprises enlisted with the Dutch Association of Enterprises in car body work (*Nederlandse Vereniging van Ondernemers in het Carrosseriebedrijf*) as published from time to time.

**FSMA** means the United Kingdom Financial Services and Markets Act 2000.

**Further Commingling Reserve Advance** has the meaning giving to such term in section 8.7 (*Subordination Loan Agreement*) of this Prospectus.

**Further Maintenance Reserve Advance** has the meaning giving to such term in section 8.7 (*Subordination Loan Agreement*) of this Prospectus.

**Further Reserve Advances** has the meaning given to such term in section 8.7 (*Subordination Loan Agreement*) of this Prospectus.

**General Reserve Account** means the bank account of the Issuer designated as such in the Account Agreement.

**General Reserve Advance** has the meaning given to such term in section 6.3 (*Subordinated Loan Agreement*) of this Prospectus.

**Global Note** means any Temporary Global Note or Permanent Global Note.

**Hire Purchase Contract** means with respect to a Leased Vehicle, the hire purchase agreement (*overeenkomst van huurkoop*) within the meaning of section 7:84 paragraph 3 under b of the Dutch Civil Code entered into by and between the Seller and the Issuer pursuant to the Master Hire Purchase Agreement.

**HQLA** means high quality liquid assets.

**ING** means ING Bank N.V., incorporated under Dutch law as a public company with limited liability (*naamloze vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Bijlmerdreef 106, 1102 CT, Amsterdam, the Netherlands and registered with the Trade Register under number 33031431.

**Initial Issuer Advance** means an advance made available by the Issuer to the Seller on the Closing Date under the Issuer Facility Agreement in respect of an Initial Leased Vehicle, or, after the granting thereof, the principal amount outstanding from time to time of such advance.

**Initial Leased Vehicle** means a Leased Vehicle in respect of which a Hire Purchase Contract is entered into by and between the Seller and the Issuer pursuant to the Master Hire Purchase Agreement on the Signing Date.

**Initial Portfolio** means the portfolio consisting of the Initial Leased Vehicles together with the associated Lease Receivables hire purchased by the Issuer from the Seller on the Initial Purchase Date.

**Initial Cut-Off Date** means 31 May 2021.

**Initial Purchase Date** means the Closing Date.

**Initial Purchase Instalment** means the first Regular Purchase Instalment payable in respect of a Purchased Vehicle.

**Inside Information Report** means the report to be prepared and delivered by the Reporting Entity pursuant to the Transparency Reporting Agreement upon the occurrence of an event triggering the existence of any inside information as referred to in article 7(1)(f) of the Securitisation Regulation or, to the extent applicable, any significant event as referred to in article 7(1)(g) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

**Insolvency** means, in accordance with Dutch law, a (preliminary) suspension of payment ((*voorlopige*) *surseance van betaling*), bankruptcy (*faillissement*) or special measures (*bijzondere voorzieningen*) within the meaning of chapter 3 of the Act on the financial supervision (*Wet op het financieel toezicht*), or with respect to any other jurisdiction, any similar proceedings.

**Insolvency Event** means in respect of a company:

(a) a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) on any major part of such company's assets which has not been discharged or released within a period of twenty (20) Business Days;

(b) if an order is made by any competent court or other authority or a resolution is passed for the dissolution (*ontbinding*) or winding-up of such company or for the appointment of an Insolvency Official of such company or of all or substantially all of its assets;

(c) an assignment for the benefit of, or the entering into of any general assignment (*akkoord*) with, its creditors; or

(d) Insolvency Proceedings are imposed on such company.

**Insolvency Official** means a bankruptcy trustee (*curator*), administrator (*bewindvoerder*) or other similar officer in respect of a company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction.

**Insolvency Proceedings** means a petition for Insolvency that has been filed and which has not been discharged, stayed or dismissed within a period of twenty (20) Business Days after the date of filing.

**Insolvency Regulation** means Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, recast.

**Insolvent** means, in relation to a person or legal entity, that Insolvency applies to such person or entity.

**Institutional Investor** has the meaning given to such term in section 7.1 (*Compliance with article 5 of the Securitisation Regulation*) of this Prospectus.

**Insurance Distribution Directive** means Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution.

**Interest Amount** has the meaning given to such term in Condition 4.6 (*Determination of Interest Amount*).

**Interest Determination Agent** means Elavon, acting in its capacity as interest determination agent.

**Interest Determination Date** means the day that is (two) 2 Business Days (or, if Euribor is produced in accordance with the revised hybrid methodology, such other number of Business Days as is then market practice for the fixing of Euribor) preceding the first day of each Interest Period.

**Interest Period** means the period from and including a Payment Date up to but excluding the immediately succeeding Payment Date, except for the first Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Payment Date falling in July 2021.

**Interest Shortfall Ledger** means the ledger with such name referred to in section 6.4.3 (*Other ledgers*) of this Prospectus.

**Intertrust Administrative** means Intertrust Administrative Services B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and registered with the Trade Register under number 33210270.

**Intertrust Management** means Intertrust Management B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and registered with the Trade Register under number 33226415.

**Investment Company Act** means the United States Investment Company Act of 1940.

**Investor Report** means the monthly report prepared by the Issuer Administrator on behalf of the Issuer in accordance with the terms and conditions of the Issuer Administration Agreement and made available to, among others, the Noteholders.

**ISDA** means the International Swaps and Derivatives Association, Inc.

**Issuer** means Silver Arrow Athlon NL 2021-1, acting in its capacity as issuer.

**Issuer Accounts** means the Transaction Account, the General Reserve Account and the Swap Collateral Account, collectively.

**Issuer Accounts Pledge Agreement** means the transaction account pledge agreement to be entered into by and between the Issuer, the Security Trustee and the Account Bank on the Signing Date.

**Issuer Administration Agreement** means the issuer administration agreement entered into by and between the Issuer, the Issuer Administrator and the Security Trustee on the Signing Date.

**Issuer Administrator** means Intertrust Administrative, acting in its capacity as issuer administrator.

**Issuer Administrator Termination Event** means the occurrence of any of the following events:

(a) a default is made by the Issuer Administrator in the performance or observance of any of its other covenants and obligations under the Issuer Administration Agreement, which (except where such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned shall be required) continues unremedied for a period of fifteen (15) Business Days after the date of the written notice from the Issuer to the Issuer Administrator requiring the same to be remedied;

(b) an Insolvency Event relating to the Issuer Administrator; or

(c) it becomes unlawful under Dutch law for the Issuer Administrator to perform any material part of the Administration Services.

**Issuer Advance** means any advance made available by the Issuer to the Seller under the Issuer Facility Agreement in respect of a Leased Vehicle, or, after the granting thereof, the principal amount outstanding from time to time of such advance.

**Issuer Director** means Intertrust Management, acting in its capacity as issuer director.

**Issuer Event of Default** has the meaning given to such term in Condition 9 (*Issuer Events of Default*).

**Issuer Facility** means the loan facility made available under the Issuer Facility Agreement.

**Issuer Facility Agreement** means the facility agreement dated the Signing Date by and between Athlon (as borrower), the Issuer (as lender) and the Security Trustee.

**Issuer Facility Final Maturity Date** means the Final Maturity Date.

**Issuer Facility Provider** means Silver Arrow Athlon NL 2021-1, acting in its capacity as issuer facility provider.

**Issuer Increase Advance** means, any advance made or to be made available under the Issuer Facility in respect of a Purchase Instalment Increase Amount.

**Issuer Management Agreement** means the issuer management agreement between the Issuer, the Issuer Director and the Security Trustee dated the Signing Date.

**Issuer Rights** has the meaning given to such term in the Issuer Rights Pledge Agreement.

**Issuer Rights Pledge Agreement** means the issuer rights pledge agreement entered into by and between the Issuer, the Security Trustee, Athlon (in its capacity as Seller, Servicer, Call Option Buyer, RV Guarantor, Subordinated Lender and borrower under the Issuer Facility Agreement), the Swap Counterparty and the Back-Up Servicer Facilitator on the Signing Date.

**Issuer Vehicles Pledge Agreement** means the issuer vehicles pledge agreement entered into by and between the Issuer and the Security Trustee on the Signing Date.

**Joint Lead Managers** means ING and BofA Securities.

**KID** means Key Information Document.

**LCR** means liquidity coverage ratio.

**LCR Delegated Regulation** means Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions.

**Lease Agreement** means in respect of a Purchased Vehicle, the operational lease agreement (*huurovereenkomst*) entered into between Athlon and the relevant Lessee (including under or pursuant to any master agreement and the relevant schedules thereto) under which Lease Receivables are generated as specified in the annex to the relevant Combined Transfer Deed.

**Lease Agreement Early Termination** means the termination of a Lease Agreement that takes place before the relevant Lease Maturity Date.

**Lease Agreement Early Termination Amount** means, following a Lease Agreement Early Termination, the amount payable by the relevant Lessee pursuant to the relevant Lease Agreement as a result of the early termination of such Lease Agreement.

**Lease Agreement Recalculation** means the recalculation of the Estimated Residual Value of a Purchased Vehicle and the associated Lease Receivables to be performed by the Servicer from time to time in accordance with the Servicing Agreement in respect of the relevant Lease Agreement.

**Lease Collections** means with respect to any Lease Receivable, any amounts collected from a Lessee pursuant to the relevant Lease Agreement, for the avoidance of doubt, including any Lease Principal Collections, Lease Interest Collections, Lease Servicing Collections, Lease Management Fee Collections, Lease Incidental Collections, Lease VAT Collections and Lease Agreement Early Termination Amounts if applicable and any other amounts collected with respect to a Lease Receivable, relating to a Collection Period.

**Lease Early Termination Date** means any date on which a Lease Agreement Early Termination occurs.

**Lease Incidental Collection** means any amount actually collected under or in respect of any Lease Incidental Receivable.

**Lease Incidental Debt** means in respect of any Purchased Vehicle (i) any debt owed to a Lessee if following the occurrence of a Lease Termination Date the Repurchase Option is not exercised pursuant to (a) the year-end calculation amounts calculated in accordance with the relevant Lease Agreement in respect of which the "*open calculation concept"* applies and/or (b) any end of contract settlement (*nacalculatie*), (ii) any Lease Recalculation Debt and (iii) any other incidental debt arising out of the relevant Lease Agreement and payable in accordance with the relevant Lease Agreement.

**Lease Incidental Receivable** means in respect of any Purchased Vehicle any Lease Receivable with respect to the relevant Lessee during a Collection Period in excess of the Lease Interest Component, Lease Principal Component, Lease Servicing Component, Lease

VAT Component, Lease Management Fee Component and Lease Agreement Early Termination Amount payable by the relevant Lessee in such Collection Period, including, without limitation, any Lease Recalculation Receivable.

**Lease Incidental Shortfall** means on any Payment Date the amount (if any) by which the sum of all Lease Incidental Debts in respect of the immediately preceding Collection Period exceeds the sum of all Lease Incidental Receivables actually received in respect of such Collection Period.

**Lease Incidental Surplus** means on any Payment Date, the amount (if any) by which the sum of all Lease Incidental Receivables actually received in respect of the immediately preceding Collection Period exceeds the sum of all Lease Incidental Debts payable in respect of such Collection Period.

**Lease Incidental Surplus Reserve Ledger** means the ledger with such name referred to in section 6.4.2 (*Transaction Account Ledgers*) of this Prospectus.

**Lease Instalment** means the sum of (a) the Lease Principal Component, (b) the Lease Interest Component, (c) the Lease Servicing Component, (d) the Lease VAT Component, (e) the Lease Management Fee Component, and (f) where applicable, the Lease Agreement Early Termination Amount, due under a Lease Agreement.

**Lease Interest Collections** means the sum of all Lease Interest Components actually received during the relevant Collection Period.

**Lease Interest Component** means the interest component included in any Lease Receivables periodically payable by a Lessee and calculated in accordance with the relevant Lease Agreement.

**Lease Management Fee Collections** means the sum of all Lease Management Fee Components actually received during the relevant Collection Period.

**Lease Management Fee Component** means the management fee component included in any Lease Receivables periodically payable by a Lessee and calculated in accordance with the relevant Lease Agreement.

**Lease Maturity Date** means in respect of a Lease Agreement, the termination date as agreed upon by and between the Originator (as lessor) and the Lessee upon the entering into the Lease Agreement and as amended from time to time in accordance with the Credit and Collection Policy.

**Lease Principal Collections** means the sum of all Lease Principal Components actually received during the relevant Collection Period.

**Lease Principal Component** means the principal component included in any Lease Receivables periodically payable by a Lessee and calculated in accordance with the relevant Lease Agreement.

**Lease Recalculation Debt** means the amount, if any, that becomes due and payable by the Seller to the relevant Lessee as a result of a Lease Agreement Recalculation.

**Lease Recalculation Receivable** means the amount, if any, that becomes due and payable by the relevant Lessee to the Seller as a result of a Lease Agreement Recalculation.

**Lease Receivables** means any present or future rights and claims (*vorderingen op naam*) in respect of the relevant Lessee under the relevant Lease Agreement, including any Lease Instalment, any maintenance charge or related fees and expenses due and payable by the Lessee under the terms of the Lease Agreement and any accessory rights (*afhankelijke rechten*), ancillary rights (*nevenrechten*), connected rights (*kwalitatieve rechten*) and any other rights relating thereto.

**Lease Receivables Pledge Agreement** means the lease receivables pledge agreement entered into by and between the Issuer and the Security Trustee on the Signing Date.

**Lease Services** has the meaning given to such term in the Servicing Agreement.

**Lease Servicing Collections** means the sum of all Lease Servicing Components actually received during the relevant Collection Period.

**Lease Servicing Component** means the servicing component included in any Lease Receivables periodically payable by a Lessee and calculated in accordance with the relevant Lease Agreement.

**Lease Termination Date** means a Lease Maturity Date or a Lease Early Termination Date.

**Lease VAT Collections** means the sum of all Lease VAT Components actually received during the relevant Collection Period.

**Lease VAT Component** means the VAT component included in any Lease Receivables periodically payable by a Lessee, which is equal to x/(1+x) of such Lease Receivables, where x equals the rate of VAT (expressed in decimals which is zero in the case of a zero-rated or exempt supply) applicable to the supply made by Athlon to which such Lease Receivables are related.

**Leased Assets** means the Leased Vehicles purported to be sold by the Seller to the Issuer pursuant to the Master Hire Purchase Agreement and the associated Lease Agreements and Lease Receivables, collectively.

**Leased Vehicle** means any Vehicle which is subject to an operational lease agreement (*huurovereenkomst*) originated between Athlon and a Lessee.

**Lessee** means each entity, corporation or person acting in its profession or trade (*handelend in de uitoefening van beroep of bedrijf*) that is a lessee under a Lease Agreement.

**Lessor** means Athlon, acting in its capacity as lessor in relation to Lease Agreements entered into with Lessees, and following payment of the Final Purchase Instalment, the Issuer until the relevant Purchased Vehicle is sold to a buyer (which includes the Call Option Buyer).

**Level 2B HQLA** has the meaning given to such term in section 7.7 (*Rules concerning liquidity management*) of this Prospectus.

**Liquidity Coverage Ratio** means a ratio of a credit institution's buffer of 'liquid assets' to its 'net liquidity outflows' over a 30 calendar day stress period.

**Luxembourg** means the Grand Duchy of Luxembourg.

**Local Business Day** has the meaning given to such term in Condition 5.5 (*Local Business Day*).

**LTROs** has the meaning given to such term in section 7.16 (*ECB Purchase Programme and the pandemic emergency purchase programme*) of this Prospectus.

**Maintenance Costs** means the amounts paid to third party garages and service providers (including any VAT thereon) for the provision of maintenance services in relation to the Purchased Vehicles including any costs relating to an amendment of the vehicle registration (*kentekenbewijzen*) of the Purchased Vehicles and any insurance costs.

**Maintenance Reserve Advance** has the meaning given to such term in section 6.3 (*Subordinated Loan Agreement*) of this Prospectus.

**Maintenance Reserve Ledger** means the ledger with such name referred to in section 6.4.2 (*Transaction Account Ledgers*) of this Prospectus.

**Management Agreement** means any of (i) the Issuer Management Agreement, (ii) the Shareholder Management Agreement and (iii) the Security Trustee Management Agreement.

**Managers** means the Joint Lead Managers and the Co-Managers.

**Master Definitions and Common Terms Agreement** means the master definitions and common terms agreement entered into by and between, among others, the Seller, the Issuer and the Security Trustee dated the Signing Date.

**Master Hire Purchase Agreement** means the master hire purchase agreement entered into by and between the Issuer, the Seller and the Security Trustee on the Signing Date.

**Material Adverse Effect** means as the context requires:

(a) a material adverse effect on the validity or enforceability of any of the Transaction Documents;

(b) in respect of a Transaction Party, a material adverse effect on:

  (i) the business, operations, assets property, condition (financial or otherwise) or prospects of such Transaction Party; or

  (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or

  (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents; or

(c) in the context of the Purchased Vehicles or the associated Lease Receivables, a material adverse effect on the interest of the Issuer or the Security Trustee in the Purchased Vehicles, or on the ability of the Security Trustee to enforce the Security.

**Matured Lease** means a Lease Agreement which has expired on its Lease Maturity Date.

**Member States** means any state that forms part of the European Union.

**MiFID II** means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended.

**Moody's** means Moody's France SAS.

**Most Senior Class Outstanding** means the Class A Notes while they remain outstanding and thereafter the Class B Notes while they remain outstanding.

**Net RV Guarantee Payments** means the higher of (i) zero and (ii) the sum of the aggregate RV Excess Amounts and the aggregate Lease Agreement Early Termination Amounts (to the extent received by it) due by the Issuer to the RV Guarantor *minus* the aggregate RV Shortfall Amounts due by the RV Guarantor to the Issuer under the RV Guarantee Agreement.

**Net RV Guarantee Receipts** means the higher of (i) zero and (ii) the aggregate RV Shortfall Amounts due by the RV Guarantor to the Issuer *minus* the sum of the aggregate RV Excess Amounts and the aggregate Lease Agreement Early Termination Amounts (to the extent received by it) due by the Issuer to the RV Guarantor under the RV Guarantee Agreement.

**Net Swap Payments** means the higher of (i) zero and (ii) the amounts due by the Issuer to the Swap Counterparty *minus* the amounts due by the Swap Counterparty to the Issuer under the Swap Agreement, other than any Subordinated Swap Amount.

**Net Swap Receipts** means the higher of (i) zero and (ii) the amounts due by the Swap Counterparty to the Issuer *minus* the amounts due by the Issuer to the Swap Counterparty under the Swap Agreement.

**Non-Public Lender** means (i) until the competent authority publishes its interpretation of the term "public" (as referred to in article 4.1(1) of the CRR), an entity that is or qualifies as a professional market party (*professionele marktpartij*) as defined in the applicable law of the Netherlands, or (ii) following publication by the competent authority of its interpretation of the term "public" (as referred to in article 4.1(1) of the CRR), such person which is not considered to be part of the public.

**Normal Amortisation Period Priority of Payments** means the priority of payments set out as such in section 6.7 (*Priority of Payments*) of this Prospectus.

**Noteholder** means a holder of a Note.

**Noteholder Base Rate Consent Event** has the meaning given to such term in Condition 4.5 (*Alternative Base Rate*).

**Note Principal Redemption Amount** has the meaning given to such term in Condition 6.3 (*Mandatory redemption in part*).

**Notes** means any of the Class A Notes and the Class B Notes.

**Notes Acceleration Notice** means the notice delivered by the Security Trustee to the Issuer pursuant to Condition 9 (*Issuer Events of Default*) following the occurrence of an Issuer Event of Default.

**Notes Interest Rate** means the rate of interest applicable from time to time to a Class of Notes as determined in accordance with Condition 4 (Interest).

**NPEs** has the meaning given to such term in section 7.9 (*COVID-19 Banking Package*) of this Prospectus.

**Official List** means the official list of the Luxembourg Stock Exchange.

**Option Exercise Price** means the option exercise price which will be equal to (A) in case of a Matured Lease, the Estimated Residual Value and (B) in case of a Lease Agreement Early Termination, an amount equal to the sum of:

(i) the Present Value of all remaining scheduled Lease Interest Components and Lease Principal Components that would have become due and payable under the relevant associated Lease Agreement after the Lease Early Termination Date in the event such Lease Agreement would not have been subject to a Lease Agreement Early Termination; and

(ii) the Present Value of the Estimated Residual Value of the relevant Purchased Vehicle,

each as calculated in respect of the relevant Lease Agreement as of the relevant Cut-Off Date.

**Ordinary Expenses** means any fees, costs and expenses due and payable and not otherwise paid to (i) each Director under the Management Agreements, (ii) any Agent under the Paying Agency Agreement, (iii) the Servicer and the Back-Up Servicer Facilitator under the Servicing Agreement (other than the Senior Servicer Fee), (iv) the Account Bank under the Account Agreement (including, but without limitation, any negative interest due and payable by the Issuer in respect of any Issuer Account to the Account Bank in accordance with the Account Agreement), (v) the Reporting Entity under the Transparency Reporting Agreement, (vi) the Issuer Administrator under the Issuer Administration Agreement, (vii) the Swap Counterparty under the Swap Agreement, (viii) the Managers under the Subscription Agreement, (ix) the Rating Agencies to the extent relating to ongoing services, (x) the Data Trustee under any Data Trustee Agreement, (xi) any expenses relating to the listing and the accounting registry of the Notes, (xii) any other fees and expenses payable pursuant to the Transaction Documents and (xiii) any expenses or amounts due and payable (but not yet paid) to third parties under obligations incurred in the Issuer's business (other than under the relevant Transaction Documents), including any Maintenance Costs and any claims for damages under or in connection with the Lease Agreements.

**Originator** means Athlon, including any of its legal predecessors, acting in its capacity as originator of any Lease Agreement.

**OTC** means over-the-counter.

**Panel Bank** means an admitted participant in Euribor hybrid methodology based on quotation and transaction retrieval of input on setting the Euribor rate administered by EMMI in Brussels.

**Parallel Debt** means the corresponding payment covenant in favour of the Security Trustee as referred to in section 3.4 (*Trust Deed*) of this Prospectus.

**Paying Agency Agreement** means the paying agency agreement entered into by and between the Issuer, the Agents and the Security Trustee on the Signing Date.

**Paying Agent** means Elavon, acting in its capacity as paying agent.

**Payment Date** means the 26th day of each calendar month, or, if such day is not a Business Day, the immediately succeeding Business Day, unless such Business Day falls in the immediately succeeding calendar month in which event the Business Day immediately preceding such 26th day is the relevant Business Day.

**PCP** means personal contract purchase.

**PEPP** has the meaning given to such term in section 7.16 (*ECB Purchase Programme and the pandemic emergency purchase programme*) of this Prospectus.

**Permanent Global Note** means a permanent global note to be issued in respect of a Class of Notes pursuant to schedule 4 (*Form of Permanent Global Note*) to the Trust Deed.

**Personal Data** means any personal data subject to Applicable Data Protection Laws.

**Pledge Agreements** means the Issuer Vehicles Pledge Agreement, the Seller Vehicles Pledge Agreement, the Issuer Rights Pledge Agreement, the Issuer Accounts Pledge Agreement, the Lease Receivables Pledge Agreement or any Supplementary Pledge Agreement.

**Pledge Notification Event** means a pledge notification event specified in the Lease Receivables Pledge Agreement.

**Portfolio** means the Initial Portfolio and each Additional Portfolio collectively, excluding any Purchased Vehicles which are retransferred, transferred or otherwise disposed of by or on behalf of the Issuer or the Hire Purchase Contract of which is terminated.

**Present Value** means the present value of the relevant cashflows calculated at the relevant Discount Rate.

**Presentation Date** has the meaning given to such term in Condition 5 (*Payment*).

**Principal Amount Outstanding** means on any Calculation Date the principal amount of a Note (rounded, if necessary, to the nearest EUR 0.01, with EUR 0.005 being rounded upwards) upon issue less the aggregate amount of all principal payments in respect of such Note which has become due and payable by the Issuer and which has been paid to the relevant Noteholder since the Closing Date.

**PRIIP** means packaged retail and insurance-based investment.

**PRIIPs Delegated Regulation** means Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents.

**PRIIPs Regulation** means Regulation (EU) No 1286/2014 of the European Parliament and the Council of 26 November 2014 on Key Information Documents for packaged retail and insurance-based investment products (PRIIPs).

**Principal Obligations** has the meaning given to such term in section 8.1 (*Trust Deed*) of this Prospectus.

**Priority of Payments** means the Revolving Period Priority of Payments, the Normal Amortisation Period Priority of Payments or the Accelerated Amortisation Period Priority of Payments.

**Prospectus** means this prospectus dated 14 June 2021 relating to the issue of the Notes.

**Prospectus Law** means the Luxembourg law of 16 July 2019 relating to prospectuses for securities.

**Prospectus Regulation** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

**Purchase Cut-Off Date** means in respect of (i) the Initial Portfolio and each Initial Leased Vehicle, the Initial Cut-Off Date and (ii) any Additional Portfolio and each Additional Leased Vehicle, the relevant Additional Cut-Off Date.

**Purchase Date** means the Initial Purchase Date or any Additional Purchase Date.

**Purchase Instalment Decrease Amount** means in respect of a Payment Date following a Calculation Date on which it is determined in accordance with the relevant provision of the Master Hire Purchase Agreement that any Purchase Instalment in relation to a Purchased Vehicle will be amended on the first following Payment Date, an amount equal to the amount by which the sum of the Present Value of each relevant scheduled Purchase Instalment remaining after such Payment Date as if no such amendment had occurred exceeds the sum of the Present Value of each relevant scheduled Purchase Instalment as amended remaining after such Payment Date.

**Purchase Instalment Increase Amount** means in respect of a Payment Date following a Calculation Date on which it is determined in accordance with the relevant provision of the Master Hire Purchase Agreement that any Purchase Instalment in relation to a Purchased Vehicle will be amended on the first following Payment Date, an amount equal to the amount by which the sum of the Present Value of each relevant scheduled Purchase Instalment remaining after such Payment Date as if no such amendment had occurred falls short of the sum of the Present Value of each relevant scheduled Purchase Instalment as amended remaining after such Payment Date.

**Purchase Instalments** means in respect of a Purchased Vehicle the instalments in which the Purchase Price in respect of the relevant Purchased Vehicle is to be paid pursuant to the relevant Hire Purchase Contract.

**Purchase Price** means in respect of a Purchased Vehicle, the purchase price agreed upon (and payable in instalments) pursuant to a Hire Purchase Contract, each as amended and/or discounted from time to time in accordance with the Master Hire Purchase Agreement.

**Purchased Vehicle** means a Leased Vehicle purchased by the Issuer from the Seller pursuant to a Hire Purchase Contract, to the extent not retransferred, transferred or otherwise disposed of by or on behalf of the Issuer, including following a termination of the relevant Hire Purchase Contract as contemplated by the Master Hire Purchase Agreement or to the Call Option Buyer following the exercise of the Repurchase Option.

**Qualified Investors** means a qualified investor within the meaning of article 2(e) of the Prospectus Regulation.

**RA** means the competent resolution authority under the BRRD Implementation Act, the SRM Regulation and the BRRD respectively.

**Rating Agency** means, at any time, a rating agency which has assigned a then current rating to the Notes outstanding and is established in the European Union and registered in accordance with the CRA Regulation or, if such rating agency is not established in the European Union, it is either certified in accordance with the CRA Regulation or the rating ascribed to the Notes is

endorsed by a rating agency established in the European Union and registered pursuant to the CRA Regulation, which may include DBRS or Moody's (collectively the **Rating Agencies**).

**Rating Agency Confirmation** means, with respect to a matter which requires Rating Agency Confirmation under the Transaction Documents and which has been notified to each Rating Agency with a request to provide a confirmation, receipt by the Security Trustee, in form and substance satisfactory to the Security Trustee, of:

(a) a confirmation from each Rating Agency that its then current ratings of the Class A Notes will not be adversely affected by or withdrawn as a result of the relevant matter (a **confirmation**);

(b) if no confirmation is forthcoming from any Rating Agency, a written indication, by whatever means of communication, from such Rating Agency that it does not have any (or any further) comments in respect of the relevant matter (an **indication**); or

(c) if no confirmation and no indication is forthcoming from any Rating Agency and such Rating Agency has not communicated that the then current ratings of the Class A Notes will be adversely affected by or withdrawn as a result of the relevant matter or that it has comments in respect of the relevant matter:

(i) a written communication, by whatever means, from such Rating Agency that it has completed its review of the relevant matter and that in the circumstances (x) it does not consider a confirmation required or (y) it is not in line with its policies to provide a confirmation; or

(ii) if such Rating Agency has not communicated that it requires more time or information to analyse the relevant matter, evidence that 30 days have passed since such Rating Agency was notified of the relevant matter and that reasonable efforts were made to obtain a confirmation or an indication from such Rating Agency.

**Records** means in respect of the Seller and the Servicer, the Lease Agreements and all files, microfiches, correspondence, notes of dealing and other documents, books, books of account, registers, records and other information and all computer tapes and discs relating to the Purchased Vehicles and the Lease Agreements from which the Lease Receivables are generated and relating to the Lessees in respect thereof.

**Reference Banks** has the meaning given to such term in Condition 4.4 (*Euribor*).

**REFIT** means the Regulatory Fitness and Performance Programme of the European Commission.

**Regular Purchase Instalments** means all Purchase Instalments other than the Final Purchase Instalment.

**Regulated Market** means the Luxembourg Stock Exchange's regulated market.

**Regulation S** means Regulation S under the Securities Act.

**Regulatory Technical Standards** means (i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation and entered into force in the European Union and (ii) the transitional regulatory technical standards applicable

pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

**Relevant Date** has the meaning given to such term in Condition 8 (*Prescription*).

**Relevant Recipients** means the Issuer, the holders of a securitisation position in the Transaction, including the Noteholders, the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, the potential investors (as determined under the Securitisation Regulation).

**Replenishment Amount** means on any Payment Date during the Revolving Period an amount equal to the higher of:

(a) zero; and

(b) the lower of:

(i) the Theoretical Principal Amount; and

(ii) the Available Distribution Amounts remaining after the payment of the items (a) up to and including (i) of the Revolving Period Priority of Payments on such Payment Date.

**Replenishment Criteria** means the replenishment criteria as set forth in section 8.3 (*Master Hire Purchase Agreement*).

**Replenishment Ledger** means the ledger with such name maintained in respect of the Transaction Account.

**Reporting Date** means the 4th Business Day succeeding the relevant Payment Date.

**Reporting Entity** means Athlon in its capacity as reporting entity.

**Repurchase Option** means the right of the Call Option Buyer in respect of each Collection Period to exercise a repurchase option in respect of any Purchased Vehicle in respect of which a Lease Termination Date occurred in such Collection Period.

**Required Commingling Reserve Amount** means, at any Calculation Date, an amount equal to:

(a) as long as (i) no Reserves Trigger Event has occurred or (ii) following the occurrence of a Reserves Trigger Event no such Reserves Trigger Event is continuing and (iii) no Insolvency Event in respect of Athlon has occurred: zero;

(b) if a Reserves Trigger Event has occurred and is continuing and the Issuer has been informed by the Servicer that each Lessee and each buyer of the relevant Purchased Vehicles have been instructed to pay the relevant Lease Receivables and/or purchase price of the relevant Purchased Vehicles excluding VAT), as the case may be, to the Transaction Account or any other account in accordance with the Transaction Documents and a substitute servicer has been appointed: zero;

(c) if a Reserves Trigger Event has occurred and is continuing and the Issuer has not been informed by the Servicer that each Lessee and each buyer of the relevant Purchased Vehicles has been instructed to pay the relevant Lease Receivables and/or purchase price of the relevant Purchased Vehicles (excluding VAT), as the case may be, to the

Transaction Account or any other account in accordance with the Transaction Documents and / or no substitute servicer has been appointed:

(i) an amount equal to the higher of zero and the sum of (x) and (y) minus (z) whereby:

(x) 100 per cent. of the monthly Lease Instalments to be received in the next month by the Issuer which is set forth in the current Investor Report;

(y) 100 per cent. of the Vehicle Realisation Proceeds expected to be received in the next month by the Issuer which is set forth in the current Investor Report; and

(z) the Commingling Reserve Reduction Amount,

*less*:

(ii) any amounts previously withdrawn from the Commingling Reserve Ledger and used as Available Distribution Amounts (other than any amount withdrawn from the Commingling Reserve Ledger to repay the Commingling Reserve Advance); or

(d) following the Payment Date on which any and all amounts of interest and principal in respect of the Class A Notes have been or will be redeemed in full: zero.

**Required Credit Ratings** means:

(a) with respect to DBRS, (a) a rating of 'A (high)' (long-term critical obligations rating) by DBRS, or (b) if DBRS has not assigned a critical obligations rating to such party, a rating of 'A' (long-term issuer default rating) by DBRS, or (c) if DBRS has not assigned a credit rating to such party, a DBRS Equivalent Rating of 'A' (long-term issuer default rating), or such other rating(s) than as set forth under (i) and (ii) as may be agreed by the relevant parties from time to time as would maintain the then current ratings of the Class A Notes; and

(b) with respect to Moody's:

(i) in respect to the Account Bank, a bank deposit rating of such entity of at least Prime-1 by Moody's; and

(ii) in respect of the Swap Counterparty, a counterparty risk assessment rating of such entity at least A3 by Moody's;

(iii) or such other rating derived from a revised methodology for assessing certain counterparties in structured finance transactions as published by Moody's from time to time.

**Required General Reserve Amount** means an amount equal to:

(a) on the Closing Date: EUR 2,500,000;

(b) thereafter on any Payment Date, provided that the sum of the Principal Amount Outstanding of the Class A Notes, as calculated per the immediately preceding Payment Date, or the Closing Date as the case may be, is not zero, an amount equal to the higher of:

(i) EUR 2,000,000; and

(ii) 0.50 per cent. of the Principal Amount Outstanding of the Class A Notes, as calculated per the immediately preceding Payment Date, or the Closing Date as the case may be; and

(c) on any Payment Date following the Payment Date on which any and all amounts of interest and principal in respect of the Class A Notes have been or will be redeemed in full: zero.

**Required Maintenance Reserve Amount** means at any Calculation Date an amount equal to:

(a) as long as (i) no Reserves Trigger Event has occurred or (ii) following the occurrence of a Reserves Trigger Event no such Reserves Trigger Event is continuing and (iii) no Insolvency Event in respect of Athlon has occurred: zero;

(b) if a Reserves Trigger Event has occurred and is continuing: the higher of (i) 1.5 per cent. of the Aggregate Discounted Balance on such date and (ii) 1 per cent. of the Aggregate Discounted Balance on the Closing Date;

(c) following the Payment Date on which any and all amounts of interest and principal in respect of the Class A Notes have been redeemed in full: zero.

**Required Principal Redemption Amount** means on any Payment Date after termination or expiry of the Revolving Period and prior to the service of a Notes Acceleration Notice an amount equal to the higher of:

(a) zero; and
(b) the lower of:
  (i) the Theoretical Principal Amount; and
  (ii) the Available Distribution Amounts remaining after the payment of items (a) up to and including (i) of the Normal Amortisation Period Priority of Payments.

**Required Reserve Amount** means in respect of (i) the General Reserve Account, the Required General Reserve Amount, (ii) the Commingling Reserve Ledger, the Required Commingling Reserve Amount and (ii) the Maintenance Reserve Ledger, the Required Maintenance Reserve Amount.

**Required Subordinated Increase Amount** means on any Payment Date on which the Subordinated Lender will be obliged to grant a Subordinated Increase Advance to the Issuer, an amount equal to the amount by which the Available Distribution Amounts falls short to pay the required Issuer Increase Advances pursuant to the Issuer Facility Agreement on such Payment Date.

**Reserve Advance** means any of the Maintenance Reserve Advance, any Further Maintenance Reserve Advance, the Commingling Reserve Advance and any Further Commingling Reserve Advance.

**Reserve Ledger** means the Commingling Reserve Ledger or the Maintenance Reserve Ledger.

**Reserves Trigger Event** means the occurrence of any of the following events:

(d) Daimler ceases to own, directly or indirectly, at least 50.1 per cent. of the share capital of Athlon in its capacity as Seller and Servicer; or

(e) the long-term unsecured, unsubordinated and unguaranteed debt obligations of Daimler are assigned a rating lower than BBB(low) by DBRS; or

(f) the long-term unsecured, unsubordinated and unguaranteed debt obligations of Daimler are assigned a rating lower than Baa2 (or its replacement) by Moody's.

**Revolving Period** means the period commencing on (and including) the Closing Date and ending on (and including) the date on which a Revolving Period Termination Event occurs.

**Revolving Period Priority of Payments** means the priority of payments set out as such in section 6.7 (*Priority of Payments*) of this Prospectus**.**

**Revolving Period Termination Event** means the earlier of (i) (and including) the Payment Date falling in July 2022 and (ii) the occurrence of any of the following events:

(a) a Seller Event of Default;

(b) the Default Ratio exceeds 3 per cent. on any Payment Date (after the application of the Available Distribution Amounts in accordance with the Revolving Period Priority of Payments on such Payment Date);

(c) the Delinquency Ratio exceeds 0.4 per cent. on any Payment Date (after the application of the Available Distribution Amounts in accordance with the Revolving Period Priority of Payments on such Payment Date);

(d) the amount recorded to the credit of the Replenishment Ledger after the application of the Available Distribution Amounts in accordance with the Revolving Period Priority of Payments on the two (2) consecutive Payment Dates exceeds 10 per cent. of the Aggregate Discounted Balance on the Closing Date;

(e) the Aggregate Discounted Balance *plus* the amount standing to the credit of the Replenishment Ledger *plus* the amount standing to the credit of the General Reserve Account is on any Payment Date lower than the sum of (i) the Principal Amount Outstanding of the Class A Notes and Class B Notes and (ii) the principal amount outstanding of the Subordinated Increase Advances (if any);

(f) a Servicer Termination Event;

(g) the RV Guarantor defaults in its payment obligation in respect of any Net RV Guarantee Receipts;

(h) an Event of Default or Termination Event (each as defined in the Swap Agreement);

(i) any regulatory and/or tax issues occur which prevent the Issuer from purchasing the Leased Vehicles together with the associated Lease Receivables or makes it more onerous to purchase any of the Leased Vehicles;

(j) the Subordinated Lender fails to fulfil its obligations under the Subordinated Loan Agreement; or

(k) the service of a Notes Acceleration Notice by the Security Trustee.

**Risk Retention U.S. Persons** means "U.S. Persons" as defined in the U.S. Risk Retention Rules.

**RTS** has the meaning given to such term in section 7 (Regulatory and industry compliance).

**RTS Homogeneity** means the Commission Delegated Regulation (EU) of 28.5.2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation.

**RV Excess Amount** means, in respect of the relevant Purchased Vehicle, an amount equal to the higher of:

(A) zero; and

(B) the amount of:

(i) the Vehicle Realisation Proceeds of such Purchased Vehicle, *minus*

(ii) (a) in case of a Matured Lease, the Estimated Residual Value of such Purchased Vehicle or (b) in case of a Lease Agreement Early Termination, the sum of (x) the Present Value of all remaining scheduled Lease Interest Components and Lease Principal Components that would have become due and payable under the Lease Agreement associated with such Purchased Vehicle after the Lease Early Termination Date in the event such Lease Agreement would not have been subject to a Lease Agreement Early Termination, and (y) the Present Value of the Estimated Residual Value of such Purchased Vehicle as calculated as of the relevant Cut-Off Date.

**RV Guarantee Agreement** means the residual value guarantee agreement entered into by and between the Issuer, the RV Guarantor and the Security Trustee on the Signing Date.

**RV Guarantor** means Athlon, acting in its capacity as rv guarantor.

**RV Shortfall Amount** means, in respect of the relevant Purchased Vehicle, an amount equal to the higher of:

(A) zero; and

(B) the amount of:

(i) (a) in case of a Matured Lease, the Estimated Residual Value or (b) in case of a Lease Agreement Early Termination, the sum of (x) the Present Value of all remaining scheduled Lease Interest Components and Lease Principal Components that would have become due and payable under the Lease Agreement associated with such Purchased Vehicle after the Lease Early Termination Date in the event such Lease Agreement would not have been subject to a Lease Agreement Early Termination, and (y) the Present Value of the Estimated Residual Value of such Purchased Vehicle as calculated as of the relevant Cut-Off Date, *minus*

(ii) the Vehicle Realisation Proceeds of such Purchased Vehicle.

**S&P** means S&P Global Ratings Europe Limited.

**SEB** means Skandinaviska Enskilda Banken AB (publ), with its registered office at Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden.

**Secured Assets** means the assets of the Issuer which are the subject to any Security.

**Secured Creditors** means any of the Security Trustee (in its own capacity and on behalf of the Noteholders), the Directors, the Servicer, the Back-Up Servicer Facilitator, the Back-Up Servicer (if appointed), the Issuer Administrator, the Paying Agent, the Interest Determination Agent, the Account Bank, the Swap Counterparty, the Noteholders, the Seller, the Call Option Buyer, the RV Guarantor, the Data Trustee, the Reporting Entity and the Subordinated Lender.

**Secured Obligations** means (i) any and all existing and future indebtedness and liabilities owed by the Issuer to the Security Trustee in connection with the Trust Deed, including the Parallel Debt and any of the other Transaction Documents, and (ii) if and to the extent that at the time of the creation of the relevant right of pledge, or at any time thereafter, such right of pledge cannot validly secure the Parallel Debt, the Principle Obligation itself owed to the Security Trustee.

**Securities Act** means the United States Securities Act of 1933 (as amended) and the rules and regulations promulgated thereunder.

**Securitisation Regulation** means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulation (EC) No 1060/2009 and (EU) No 648/2012.

**Security Documents** means any of the Trust Deed and the Pledge Agreements.

**Security Trustee** means Stichting Security Trustee Silver Arrow Athlon NL 2021-1.

**Security Trustee Director** means ATK, acting in its capacity as security trustee director.

**Security Trustee Management Agreement** means the security trustee management agreement between the Security Trustee, the Security Trustee Director and the Issuer dated the Signing Date.

**Seller** means Athlon in its capacity as seller.

**Seller Clean-Up Call** means the option to terminate all Hire Purchase Contracts and repay all Issuer Advances on any Payment Date on which (i) the Aggregate Discounted Balance is less than 10 per cent. of the Aggregate Discounted Balance as of the Initial Cut-Off Date or (ii) the Class A Notes including any interest accrued but unpaid are redeemed in full, provided that the Issuer has the necessary funds to pay all principal and interest due in respect of the Class A Notes on the relevant Payment Date and to discharge all other amounts ranking higher and required to be paid by it on the relevant Payment Date.

**Seller Event of Default** means the occurrence of any of the following events:

(a) the Seller is Insolvent;

(b) the Seller fails to make any payment or deposit required by the terms of the Transaction Documents within five (5) Business Days of the date such payment or deposit is required to be made;

(c) the Seller fails to perform any of its material obligations under the Master Hire Purchase Agreement, the Issuer Facility Agreement and/or the Servicing Agreement (other than a payment or deposit required), and such breach, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Security Trustee; or

(d) any representation or warranty in the Master Hire Purchase Agreement, the Issuer Facility Agreement and/or the Servicing Agreement or in any report provided by the Seller is materially false or incorrect, and such inaccuracy, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Security Trustee and has a Material Adverse Effect in relation to the Issuer.

**Seller Vehicles Pledge Agreement** means the seller vehicles pledge agreement entered into by and between the Seller, the Issuer and the Security Trustee on the Signing Date.

**Senior Servicer Fee** means a fee to be paid by the Issuer to the Servicer in the amount equal to the Lease VAT Collections, the Lease Servicing Collections, the Lease Management Fee Collections and any Lease Incidental Collections, to the extent received by the Issuer.

**Servicer** means Athlon, acting in its capacity as servicer under the Servicing Agreement or any Back-Up Servicer.

**Servicer Fee** means the fee as agreed in the Servicing Agreement the Servicer will receive in consideration of its duties following the occurrence of a Seller Event of Default until the appointment of Athlon as Servicer being terminated.

**Servicer Monthly Report** means the monthly report prepared by the Servicer in accordance with the terms and conditions of the Servicing Agreement and made available to, among others, the Issuer Administrator.

**Servicer Termination Event** means the occurrence of any of the following events:

(a) the Seller or the Servicer is Insolvent;

(b) the Seller or the Servicer fails to make any payment or deposit required by the terms of the Transaction Documents within five (5) Business Days of the date such payment or deposit is required to be made;

(c) the Seller or the Servicer fails to perform any of its material obligations under the Master Hire Purchase Agreement, the Issuer Facility Agreement and/or the Servicing Agreement (other than a payment or deposit required), and such breach, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Security Trustee; or

(d) any representation or warranty in the Master Hire Purchase Agreement, the Issuer Facility Agreement and/or the Servicing Agreement or in any report provided by the Seller or the Servicer is materially false or incorrect, and such inaccuracy, if capable of remedy,

is not remedied within twenty (20) Business Days of written notice from the Issuer or the Security Trustee and has a Material Adverse Effect in relation to the Issuer.

**Seller Warranties** means the Asset Warranties and the Corporate Warranties.

**Services** has the meaning given to such term in the Servicing Agreement.

**Servicing Agreement** means the servicing agreement entered into by and between the Servicer, the Issuer, the Security Trustee, the Back-Up Servicer Facilitator and the Data Trustee on the Signing Date.

**SFI** means structured finance instrument within the meaning of Commission Delegated Regulation (EU) 2015/3 of 30 September 2014.

**Shareholder** means Stichting Holding Silver Arrow Athlon NL 2021-1.

**Shareholder Director** means Intertrust Management, acting in its capacity as shareholder director.

**Shareholder Management Agreement** means the shareholder management agreement between the Shareholder, the Shareholder Director and the Security Trustee dated the Signing Date.

**Signing Date** means 14 June 2021 or such later date as may be agreed between the Issuer and the Managers.

**Silver Arrow Athlon NL 2021-1** means Silver Arrow Athlon NL 2021-1 B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and registered with the Trade Register under number 81937865.

**Solvency II Regulation** means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance.

**SR Repository** means, following registration of any securitisation repository under article 10 of the Securitisation Regulation, any such securitisation repository that the Issuer appoints in relation to the Notes.

**SR Website** means the website of European Datawarehouse at https://editor.eurodw.eu/, being a website which conforms with the requirements set out in article 7(2) of the Securitisation Regulation.

**SRM Regulation** means Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 and the rules and regulation related thereto.

**SRMR2** means Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms as further described in section 7 (*Regulatory and industry compliance*).

**SSPE** means securitisation special purpose entity within the meaning of article 2(2) of the Securitisation Regulation.

**Standstill Period** has the meaning given to such term in section 1.5.1 (*Legal, regulatory and macro-economic risks relating to the Notes*) of this Prospectus.

**Stichting Holding Silver Arrow Athlon NL 2021-1** means Stichting Holding Silver Arrow Athlon NL 2021-1, a foundation (*stichting*) established under Dutch law, having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and registered in the Trade Register under number 81933347.

**Stichting Security Trustee Silver Arrow Athlon NL 2021-1** means Stichting Security Trustee Silver Arrow Athlon NL 2021-1, a foundation (*stichting*) established under Dutch law, having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and registered in the Trade Register under number 81933851.

**STS Notification** has the meaning given to such term in section 1.5.1 (*Legal, regulatory and macro-economic risks relating to the Notes*) of this Prospectus.

**STS Requirements** has the meaning given to such term in section 7.4 (*Compliance with STS Requirements*) of this Prospectus.

**STS securitisation** means a simple, transparent and standardised securitisation established and structured in accordance with the requirements of the Securitisation Regulation.

**STS Transparency Requirements** has the meaning given to such term in section 3.5 (*Compliance with the Securitisation Regulation*) of this Prospectus.

**STS Verification Agent** means SVI.

**Subordinated Increase Advance** means any advance made available by the Subordinated Lender to the Issuer if on any Payment Date, the Available Distribution Amounts as calculated on the immediately preceding Calculation Date is insufficient for the Issuer to make any Issuer Increase Advance subject to and in accordance with the relevant Priority of Payments.

**Subordinated Lender** means Athlon in its capacity as subordinated lender.

**Subordinated Loan Advance** has the meaning given to such term in section 6.3 (*Subordinated Loan Agreement*) of this Prospectus.

**Subordinated Loan Agreement** means the subordinated loan agreement entered into by and between the Issuer, Athlon and the Security Trustee on the Signing Date.

**Subordinated Swap Amount** means any termination payment (including a Settlement Amount (as defined in the Swap Agreement)) due and payable as a result of the occurrence of (i) an Event of Default (as defined in the Swap Agreement), where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or (ii) an Additional Termination Event (as defined in the Swap Agreement) relating to the credit rating of a Relevant Entity.

**Subscription Agreement** means the subscription agreement entered into by and between, *inter alios*, the Issuer and the Managers on the Signing Date.

**Suitable Entity** means an entity which (i) is located in the Netherlands, (ii) is authorised (if required) and experienced in the field of business it is required to operate as Back-Up Servicer and (iii) is capable of performing the Back-Up Servicer Role of the Back-Up Servicer.

**Supplementary Pledge Agreement** means in respect of the Issuer Vehicles Pledge Agreement, any supplementary issuer vehicles pledge agreement, in respect of the Seller Vehicles Pledge Agreement, any supplementary seller vehicles pledge agreement and in respect of the Lease Receivables Pledge Agreement, any supplementary lease receivables pledge agreement, each forming part of a Combined Transfer Deed in the form of schedule 3 (*Combined Transfer Deed*) to the Master Hire Purchase Agreement.

**SVI** means STS Verification International GmbH.

**Swap Agreement** means the interest rate swap agreement consisting of an ISDA master agreement, a schedule, a credit support annex and the confirmation to be entered into by and between the Issuer and the Swap Counterparty on or about the Signing Date.

**Swap Collateral Account** means the bank account of the Issuer designated as such in the Account Agreement.

**Swap Counterparty** means SEB, acting in its capacity as swap counterparty.

**Swap Early Termination Event** has the meaning given to such term in section 8.5 (*Swap Agreement*) of this Prospectus.

**Swap Excess Amount** has the meaning given to such term in section 6.4.2 (*Transaction Account Ledgers*) of this Prospectus.

**Swap Fixed Rate** means -0.5076 per cent.

**Swap Floating Rate** means a rate equal to one-month Euribor.

**Swap Replacement Ledger** means the ledger with such name referred to section 6.4.2 (*Transaction Account Ledgers*) of this Prospectus.

**Swap Replacement Excluded Amounts** has the meaning given to such term in section 6.4.2 (*Transaction Account Ledgers*) of this Prospectus.

**TARGET 2 Settlement Day** means a day on which the TARGET 2 System is open.

**TARGET 2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System or any successor thereto.

**Taxes** has the meaning given to such term in Condition 7 (*Taxation*).

**TEFRA D Rules** has the meaning given to such term in section 21.2 (*Selling restrictions*) of this Prospectus.

**Temporary Global Note** means a temporary global note in respect of a Class of Notes.

**Theoretical Principal Amount** means an amount equal to the Principal Amount Outstanding of the Notes as calculated on the Calculation Date immediately preceding the relevant Payment Date *minus* the Aggregate Discounted Balance as calculated at the Cut-Off Date immediately preceding the relevant Payment Date.

**TLAC** means Total Loss Absorbing Capacity.

**TLTRO-III** has the meaning given to such term in section 7.16 (*ECB Purchase Programme and the pandemic emergency purchase programme*) of this Prospectus.

**Trade Register** means the trade register of the Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) in the Netherlands.

**Transaction** means the securitisation transaction as described in this Prospectus.

**Transaction Account** means the bank account of the Issuer designated as such in the Account Agreement.

**Transaction Account Ledgers** means the ledgers in respect of the amounts credited to the Transaction Account comprising the Collection Ledger, the Replenishment Ledger, the Commingling Reserve Ledger, the Maintenance Reserve Ledger, the Lease Incidental Surplus Ledger and the Swap Replacement Ledger, each as further described under section 6 (*Credit structure*) of this Prospectus.

**Transaction Documents** means (i) the Paying Agency Agreement, (ii) the Trust Deed, (iii) the Master Hire Purchase Agreement, (iv) the Servicing Agreement, (v) each Data Trustee Agreement, (vi) the Issuer Administration Agreement, (vii) the Seller Vehicles Pledge Agreement, (viii) the Issuer Vehicles Pledge Agreement, (ix) the Lease Receivables Pledge Agreement, (x) the Issuer Rights Pledge Agreement, (xi) the Issuer Accounts Pledge Agreement, (xii) the Notes, (xiii) the Swap Agreement, (xiv) the Management Agreements, (xv) the Master Definitions and Common Terms Agreement, (xvi) the Subordinated Loan Agreement, (xvii) the Issuer Facility Agreement, (xviii) the RV Guarantee Agreement, (xix) the Class B Notes Purchase Agreement, (xx) the Account Agreement, (xxi) the Transparency Reporting Agreement, (xxii) the Combined Transfer Deed and any further documents relating to the transaction envisaged in the above mentioned documents.

**Transaction Party** means any person who is a party to a Transaction Document and **Transaction Parties** means some or all of them.

**Transparency Data Tape** means certain information required by and in accordance with article 7(1)(a) of the Securitisation Regulation in the form of the final disclosure templates adopted by the European Commission in the delegated regulations (EU) 2020/1224 and (EU) 2020/1225, and as it is applicable to the Issuer, the Seller and the Lease Receivables.

**Transparency Investor Report** means a report in the form of the final disclosure templates adopted by the European Commission in the delegated regulations (EU) 2020/1224 and (EU) 2020/1225, and as it is applicable to the Issuer, the Seller and the Lease Receivables.

**Transparency Reporting Agreement** means the transparency reporting agreement by and between the Reporting Entity, the Issuer and the Security Trustee dated the Signing Date.

**Transparency Requirements** has the meaning given to such term in section 3.5 (*Compliance with the Securitisation Regulation*) of this Prospectus.

**Trust Deed** means the trust deed entered into by and between the Issuer, the Seller, the Security Trustee and the Shareholder on the Signing Date.

**UCITS** means undertakings for the collective investment in transferrable securities.

**UCITS Directive** means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to

undertakings for collective investment in transferable securities (UCITS) as lastly amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions.

**UK** means the United Kingdom.

**UK Securitisation Regulation** has the meaning given to such term in section 1.5.1 (*Legal, regulatory and macro-economic risks relating to the Notes*) of this Prospectus.

**UniCredit** means UniCredit Bank AG, with its registered office at Am Eisbach 3, 80538 Munich, Germany.

**Uncured Losses** has the meaning given to such term in section 6.4.3 (*Other ledgers*) of this Prospectus.

**US** means the United States of America.

**U.S. Risk Retention Rules** means Regulation RR (17 C.F.R. Part 246) implementing the credit risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

**Variable Success Fee** means the variable success fee payable to the Seller and calculated in accordance with the Master Hire Purchase Agreement consisting of any excess of cash remaining from the Available Distribution Amounts after payment of items (a) up to and including item (p) of the Revolving Period Priority of Payments, the items (a) up to and including (q) of the Normal Amortisation Period Priority of Payments and the items (a) up to and including (o) of the Accelerated Amortisation Period Priority of Payments as applicable.

**Vehicle** means any passenger vehicle (*personenauto*), van (*bestelauto*) or commercial vehicle (*commercieel voertuig*).

**Vehicle Realisation Proceeds** means the sum of (i) any and all proceeds resulting from the realisation (e.g. a sale or other disposal, including a repurchase of a Purchased Vehicle by the Seller (in case of the exercise of the Repurchase Option by the Call Option Buyer) of any Purchased Vehicle by (or on behalf of) the Issuer (or the Security Trustee where applicable) *less* any realisation costs incurred in connection with such realisation (including, where relevant, any fees payable to the Servicer) and (ii) any compensation payments by insurance companies received in respect of a Purchased Vehicle and (iii) any other proceeds, if any, resulting from such Purchased Vehicle.

**VNA** means the Association of Dutch Car Lease Companies (*Vereniging van Nederlandse Autoleasemaatschappijen*).

**Volcker Rule** has the meaning given to such term in section 1.5.1 (*Legal, regulatory and macro-economic risks relating to the Notes*) of this Prospectus.

**Wft** means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and its subordinate and implementing decrees and regulations as amended from time to time.

**Written Resolution** has the meaning given to such term in Condition 11 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal Director*).

**REGISTERED OFFICE**

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**ISSUER ADMINISTRATOR**
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**LEGAL ADVISOR**

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*To the Arranger and the Joint Lead Managers*

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**TAX ADVISOR**

*To the Seller and the Issuer*

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**INTEREST DETERMINATION AGENT / PAYING AGENT / ACCOUNT BANK**

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*To the Seller*

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**COMMON SAFEKEEPER**

*In respect of the Class A Notes*

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*In respect of the Class B Notes*

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**STS VERIFICATION AGENT**

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