



## BAVARIAN SKY FRENCH AUTO LEASES 5

(articles L. 214-167 to L. 214-175-8, articles L. 214-180 to L. 214-186 and articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code)

**€500,000,000.00 Class A Floating Rate Notes due August 2032, issue price: 100%**

**€68,900,000.00 Class B Fixed Rate Notes due August 2032, issue price: 100%**

**€74,400,000.00 Class C Fixed Rate Notes due August 2032, issue price: 100%**

**IQ EQ Management**  
Management Company

**BNP Paribas (acting through its Securities  
Services business)**  
Custodian

Bavarian Sky French Auto Leases 5 is a French *fonds commun de titrisation* (the "**FCT**") established by IQ EQ Management (the "**Management Company**") on 17 July 2025. BNP Paribas (acting through its Securities Services business) has been appointed as custodian (the "**Custodian**"). The FCT is governed by the provisions articles L. 214-167 to L. 214-175-8, articles L. 214-180 to L. 214-186 and articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code, the relevant provisions of the AMF General Regulations and by the regulations dated 17 July 2025 (the "**Issuer Regulations**"). The purpose of the FCT is to be exposed to credit risks by acquiring auto receivables from the BMW Group (as defined below) and issuing debt securities. The Notes (as defined below) will be funding the securitisation transaction ("**Transaction**") carried out by the FCT (the "**Issuer**"), as described further herein. All documents relating to the Transaction, as more specifically described herein, are referred to as the "**Transaction Documents**".

In this Offering Circular, a reference to the Issuer means Bavarian Sky French Auto Leases 5.

The Class A Notes, the Class B Notes and the Class C Notes (each such class, a "**Class**", and all Classes collectively, the "**Notes**") of the Issuer are backed by a portfolio of auto lease receivables (excluding any portion relating to VAT, insurance premiums, service indemnities, early termination indemnities or maintenance and service repair contract amounts) originated by BMW Finance S.N.C. (the "**Seller**"), together with the related vehicle buy back or sale receivables (the "**Purchased Receivables**"), together with the related security and other ancillary rights (the "**Ancillary Rights**"). Although all Classes will share in the same assets, upon the occurrence of an Enforcement Event, the Class A Notes will rank senior to the Class B Notes and the Class B Notes will rank senior to the Class C Notes. See "TERMS AND CONDITIONS OF THE NOTES — Condition 7 (*Post-Enforcement Priority of Payments*)". The Issuer will apply the net proceeds from the issue of the Notes to purchase on the Issue Date (as defined below) the Purchased Receivables, together with the Ancillary Rights. Certain characteristics of the Purchased Receivables and the Ancillary Rights are described in "ELIGIBILITY CRITERIA" and in "PURCHASED RECEIVABLES CHARACTERISTICS AND HISTORICAL DATA". The Issuer also will issue two (2) asset-backed units in respect of the FCT (in the denomination of €150 each) (the "**Units**"), which will be subscribed by BMW Finance S.N.C.

This Offering Circular has been approved by the Luxembourg financial regulator (*Commission de Surveillance du Secteur Financier*) (the "**CSSF**") in its capacity as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CSSF only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency requirements imposed by the Prospectus Regulation and the Luxembourg law dated 16 July 2019 on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*), as amended (the "**Prospectus Law 2019**"). Such approval should neither be considered as an endorsement of the Issuer that is the subject of this Offering Circular nor of the quality of the Notes that are the subject of this Offering Circular. In accordance with article 6(4) of the Prospectus Law 2019, by approving this Offering Circular in accordance with article 20 of Regulation (EU) 2017/1129, the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the Issuer. Application has also been made to the Luxembourg Stock Exchange (*Bourse de Luxembourg*) (the "**Luxembourg Stock Exchange**") for the Notes to be listed on the official list of the Luxembourg Stock Exchange on 21 July 2025 (the "**Issue Date**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market (segment for

professional investors). The Luxembourg Stock Exchange's regulated market is a regulated market for the purpose of Directive 2014/65/EU on markets in financial instruments. This Offering Circular constitutes a prospectus for the purpose of article 6(3) of the Prospectus Regulation. This Offering Circular will be published in electronic form on the website of the Luxembourg Stock Exchange (<https://www.bourse.lu>). The CSSF has not reviewed nor approved any information relating to the two (2) Units. Once this Offering Circular has been approved the Issuer will publish this Offering Circular on the website of (<https://www.iqeq.com>).

Unless stated otherwise, the content of any websites referenced in this Offering Circular does not form part of this Offering Circular. For the avoidance of doubt, documents incorporated by reference, however, form part of this Offering Circular.

**This Offering Circular will be valid until the end of the date falling twelve (12) months after the approval of this Offering Circular, which is on 17 July 2026. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Offering Circular which may affect the assessment of the Notes, the Issuer will prepare and publish a supplement to this Offering Circular without undue delay in accordance with article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Offering Circular will cease to apply once the Notes have been admitted to trading on the regulated market (segment for professional investors) of the Luxembourg Stock Exchange or at the latest upon expiry of the validity period of this Offering Circular set out above.**

BNP Paribas S.A., Crédit Agricole Corporate and Investment Bank and Société Générale S.A. (the "**Joint Lead Managers**") will subscribe and will procure the subscription of the Notes on the Issue Date and will offer the Notes, from time to time, in negotiated transactions or otherwise, at varying prices to be determined at the time of sale.

**For a discussion of certain significant factors affecting investments in the Notes, see "RISK FACTORS". Investors should make their own assessment as to the suitability of investing in the Notes.**

For reference to the definitions of capitalised terms appearing in this Offering Circular, see "MASTER DEFINITIONS SCHEDULE". Any information on any website referred to in this Offering Circular is for information purposes only and does not form part of this Offering Circular and has not been scrutinised or approved by the CSSF with the exception of links to the electronic addresses where information incorporated by reference is available.

**Joint Bookrunners  
and Joint Lead Managers**

BNP Paribas S.A.

Crédit Agricole Corporate and  
Investment Bank

Société Générale S.A.

**Arranger**

BMW Finance S.N.C.

The date of this Offering Circular is 17 July 2025

## The Notes

<u>Class</u>	<u>Class Outstanding Notes Balance as of Issue Date</u>	<u>Interest Rate</u>	<u>Issue Price</u>	<u>Expected Ratings</u>	<u>Legal Final Maturity Date</u>	<u>ISIN Code</u>	<u>Common Code</u>
A	€500,000,000.00	1-month- EURIBOR + 0.60% <i>per annum</i> and if such rate is below zero, the Interest Rate will be zero	100%	AAA (sf) by DBRS and Aaa (sf) by Moody's	August 2032	FR00140 10F03	3098942 19
B	€68,900,000.00	1.00% <i>per annum</i>	100%	AA (low) (sf) by DBRS and A1 (sf) by Moody's	August 2032	FR00140 10F11	3103624 92
C	€74,400,000.00	1.50% <i>per annum</i>	100%	Not rated	August 2032	FR00140 10EZ2	3098948 71

The Class A Notes are currently not Eurosystem eligible. However, other than for the Issuer owning the Aggregate Discounted Contractual Residual Value, the Class A Notes are intended to be held in a manner which would allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the Clearing Systems as common safekeeper for the Class A Notes and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of (i) the Eurosystem eligibility criteria, including to permit the Issuer to hold the Aggregate Discounted Contractual Residual Value and (ii) the reporting requirements related to the loan level data for asset-backed securities, as published by the European Central Bank and/or the European Securities and Markets Authority (the "ESMA") from time to time. Any potential investor in the Class A Notes should make their own conclusions and seek their own advice with respect to whether or not the Class A Notes could constitute Eurosystem eligible collateral at any point in time during the life of the Class A Notes. Neither the Issuer, the Joint Lead Managers nor the Arranger gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral.

This Transaction is intended to comply with the criteria of 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 Regulations (EC) No 1060/2009 and (EU) No 648/2012 (the "**Securitisation Regulation**") as set out in articles 19 to 22 of the Securitisation Regulation and to be recognised as a simple, transparent and standardised securitisation (the "**STS Requirements**"). The ESMA will be informed about the compliance of this Transaction with the STS Requirements by a notification on or about the Issue Date.

Neither the Issuer, the Joint Lead Managers, the Seller, the Servicer nor the Arranger gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes or the Class B Notes that this Transaction or the Notes will, either upon the Issue Date, or at any or all times during their life, be compliant and thereafter remain compliant with the requirements of articles 19 to 22 of the Securitisation Regulation. In addition, no assurance can be given on how competent authorities will interpret and apply the STS Requirements, any international or national regulatory guidance may be subject to change and, therefore, what is or will be required to demonstrate compliance with the STS Requirements to national regulators remains unclear.

### Benchmark Regulation

Interest amounts payable under the Class A Notes are calculated by reference to EURIBOR, which is provided by the European Money Markets Institute, Brussels, Belgium (the "**Administrator**"). The Administrator appears on

the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of 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 (the "**Benchmark Regulation**") as it has been authorised as benchmark administrator for EURIBOR on 2 July 2019. The Administrator also appears on the register of administrators established and maintained by the UK Financial Conduct Authority under the Benchmark Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (as amended the "**UK Benchmark Regulation**") and has been authorised as benchmark administrator for EURIBOR pursuant to article 30 of the UK Benchmark Regulation.

### **Rating of the Class A Notes and the Class B Notes**

The Class A Notes and the Class B Notes are expected, on the Issue Date, to be rated by DBRS Ratings GmbH, ("**DBRS**") and Moody's France SAS ("**Moody's**", together with DBRS, the "**Rating Agencies**"). It is a condition to the issue of the Class A Notes and the Class B Notes that such Classes of Notes are assigned the ratings indicated in the above table.

Each of DBRS and Moody's is established in the European Union and DBRS and Moody's have been registered as at the date of this Offering Circular in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**"), as amended by Regulation (EU) 513/2011 and by Regulation (EU) 462/2013 (the "**CRA III Regulation**"). Reference is made to the list of registered or certified credit rating agencies as last updated on 10 July 2024 published by the ESMA under <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.

In accordance with the CRA III Regulation as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**EUWA**") and as amended by the Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (the "**UK CRA Regulation**"), the credit ratings assigned to the Class A Notes and the Class B Notes by DBRS and Moody's will be endorsed by DBRS Ratings Limited and Moody's Investors Service Limited, as applicable, being rating agencies which are registered with the UK Financial Conduct Authority. UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the UK and registered or certified under the UK CRA Regulation.

### **Risk Retention**

In compliance with article 6, paragraph (3)(d) of the Securitisation Regulation, the Seller has undertaken to retain at least 5% of the nominal amount of the "securitised exposures" (i.e. the Purchased Receivables) by (a) retaining, on an ongoing basis until the earlier of the redemption of the Class A Notes and the Class B Notes in full and the Legal Final Maturity Date, the Class C Notes (the "**Retained Class C Notes**") and (b) retaining, on an ongoing basis until the earlier of the redemption of the Notes in full and the Legal Final Maturity Date (i) in its capacity as Subordinated Lender, a first loss tranche constituted by the claim for repayment of a subordinated loan (the "**Subordinated Loan**") and (ii) in its capacity as Unitholder, the units (the "**Units**", and together with the Retained Class C Notes and the Subordinated Loan, the "**Retained Interest**"), provided in each case of (a) and (b) that the Seller will not be in breach of such undertaking if the Seller fails to so comply due to events, actions or circumstances beyond the Seller's control.

The Seller, as the sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5% of the credit risk of the Notes for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. 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.

For details please see "RISK RETENTION".

### **Disclosure Requirements under Securitisation Regulation**

Article 7 of the Securitisation Regulation requires, *inter alia*, that prospective investors have readily available access to information on the underlying exposures, the underlying documentation that is essential for the understanding of the transaction, quarterly investor reports containing, *inter alia*, all materially relevant data on

the credit quality and performance of the individual underlying exposures and data on the cash flows generated by the underlying exposures and by the Liabilities of the securitisation. For that purpose, materially relevant data shall be determined pursuant to article 7 of the Securitisation Regulation as at the date of this Transaction and, where appropriate, due to the nature of this Transaction thereafter.

For the purposes of article 7(2) of the Securitisation Regulation, the Seller is designated as the reporting entity (the "**Reporting Entity**") to make available to the Noteholders and potential investors in the Notes, and competent authorities, the documents, reports and information necessary to fulfil the relevant reporting obligations under article 7(1) of the Securitisation Regulation. The Reporting Entity shall make the information for the Transaction available by means of SecRep B.V. in its function as a securitisation repository registered in accordance with article 10 of the Securitisation Regulation, on the website of the SecRep B.V. (being, as at the Signing Date, <https://www.secrep.eu>). The Seller has agreed, pursuant to the Lease Receivables Purchase Agreement, to act as the Reporting Entity for this Transaction. Under the Lease Receivables Purchase Agreement and the Incorporated Terms Memorandum, the Seller covenants to provide the information requirements pursuant to article 7(2) of the Securitisation Regulation (for the avoidance of doubt, including but not limited to any inside information relating to the securitisation that the originator, sponsor or the special purpose entity is obliged to make public in accordance with the Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse as referred to in article 7(1)(f) of the Securitisation Regulation or any information relating to a significant event as referred to article 7(1)(g) of the Securitisation Regulation), subject always to any requirement of law applicable to it, provided that (i) the Seller is only required to do so to the extent that the disclosure requirements under article 7 of the Securitisation Regulation remain in effect and (ii) the Seller will not be in breach of such undertaking if the Seller fails to so comply due to events, actions or circumstances beyond the Seller's control. The Seller will also provide such further information as requested by the Noteholders for the purposes of compliance of such Noteholder with the requirements under the Securitisation Regulation and the implementation into the relevant national law, subject to applicable law and availability. Any failure by Seller to fulfil such obligations may cause this Transaction to be non-compliant with the Securitisation Regulation.

Prior to the pricing of the Notes, the Seller will make available (i) the information required pursuant to article 7 of the Securitisation Regulation, (ii) the information required pursuant to article 22(1) of the Securitisation Regulation set out under "RISK RETENTION" of this Offering Circular and (iii) a liability cash flow model as referred to in article 22(3) of the Securitisation Regulation to prospective investors upon their request.

Each prospective investor and Noteholder is required independently to assess and determine the sufficiency of the information referred to in the preceding paragraphs for the purposes of complying with the Securitisation Regulation, in particular with article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant. Neither the Issuer, the Seller, the Servicer, the Arranger, any Joint Lead Manager nor any other party to the Transaction Documents gives any representation or assurance that such information is sufficient in all circumstances for such purposes. In addition, if and to the extent the Securitisation Regulation is relevant to any prospective investor and Noteholder, such investor and Noteholder should ensure that it complies with the Securitisation Regulation in its relevant jurisdiction. Prospective Noteholders who are uncertain as to the requirements which apply to them in any relevant jurisdiction should seek guidance from the competent regulator.

The Seller accepts responsibility for the information set out in this section "DISCLOSURE REQUIREMENTS UNDER THE SECURITISATION REGULATION".

### **STS Notification**

Pursuant to article 27(1) of Securitisation Regulation, the Seller intends to notify ESMA that the Transaction will meet the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Notification**"). Where the Transaction is classified STS, the STS Notification would then be available for download on the website of ESMA. On 3 September 2020 the Commission Delegated Regulation (EU) 2020/1226 of 12 November 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council and laying down regulatory technical standards specifying the information to be provided in accordance with the STS notification requirements was published, specifying the information that the originator, sponsor and SSPE are required to provide in order to comply with their STS notification requirements. ESMA is obliged to maintain on its website a list of all securitisations which the originators and sponsors have notified as meeting the STS Requirements in accordance with article 27(5) of the Securitisation Regulation. For this purpose, ESMA has set up a register at [https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_stsre](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre).

## **UK Securitisation Framework**

The Notes are not intended to be issued in compliance with the UK Securitisation Framework and accordingly, potential purchasers contemplating an investment in the Notes should consult with their advisers as to whether the Transaction complies with the requirements of the UK Securitisation Framework.

## **Distribution of the Notes and this Offering Circular**

### ***EU PRIIPs Regulation / No Offer to EEA Retail Investors***

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of MiFID II or the relevant implementing national laws; or (ii) a customer within the meaning of Directive 2016/97/EU (as amended the "**Insurance Distribution Directive**" or "**IDD**") or the relevant implementing national laws where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by 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.

### ***UK PRIIPs Regulation / No Offer 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 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 domestic law by virtue of the EUWA, (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, restated or supplemented ("**FSMA**") and any rules or regulations made under the FSMA to implement the IDD 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 domestic 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 domestic law by virtue of the EUWA (as amended, the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic 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.

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

Solely for the purposes of each of the Joint Lead Managers' (each a "**Manufacturer**" and together the "**Manufacturers**") product approval process, the target market assessment in respect of the Notes has led to the conclusion that (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II and any relevant implementing national laws 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 (being a distributor) should take into consideration the Manufacturers' target market assessment; however, a distributor subject to MiFID II or the relevant implementing national laws 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.

Neither the delivery of this Offering Circular nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Offering Circular is correct as of any time subsequent to the date hereof, or, as the case may be, subsequent to the date on which this Offering Circular has been most recently amended by virtue of a supplement, or (ii) that there has been no adverse change in the financial situation of the Issuer or with respect to the Seller since the date of this Offering Circular (or, as the case may be, subsequent to the date on which this Offering Circular has been most recently amended by virtue of a supplement) or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Offering Circular 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.

No action has been taken by the Management Company, the Custodian or the Joint Lead Managers that would permit a public offering of the Notes, or possession or distribution of this Offering Circular 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 Offering Circular (nor any part hereof) nor any information memorandum, 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, and the Management Company and the Joint Lead Managers have represented that all offers and sales by them have been made and will be made on such terms.

This Offering Circular may be distributed and its contents disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Offering Circular, the prospective investors agree to these restrictions. The distribution of this Offering Circular (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 Offering Circular (or any part thereof) may come are required by the Management Company, the Custodian and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

This Offering Circular may only be used for the purposes for which it has been published. This Offering Circular 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. This Offering Circular 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.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered in "offshore transactions", and/or sold only outside the United States in accordance with Regulation S under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act of 1933, as amended.

For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Offering Circular (or of any part thereof), see "SUBSCRIPTION AND SALE".

### **Responsibility for the contents of this Offering Circular**

The Management Company, in its capacity as founder of the FCT accepts full responsibility for the information contained in this Offering Circular except that:

- (i) only the Seller and the Servicer are responsible for the information in this Offering Circular relating to the Purchased Receivables, the Ancillary Rights, the disclosure of servicing related risk factors, risk factors relating to the Purchased Receivables, the information regarding the retention by the Seller for the life of the Transaction of a material net economic interest of not less than 5% in the Transaction, the information contained in "EXPECTED MATURITY AND AVERAGE LIFE OF THE CLASS A NOTES AND THE CLASS B NOTES AND ASSUMPTIONS", "PURCHASED RECEIVABLES CHARACTERISTICS AND HISTORICAL DATA", "CREDIT AND COLLECTION POLICY" AND "THE SELLER, SERVICER AND PLEDGOR";
- (ii) only the Swap Counterparty is responsible for the information in this Offering Circular contained in "THE SWAP COUNTERPARTY";
- (iii) only the Data Custody Agent is responsible for the information in this Offering Circular contained in "THE DATA CUSTODY AGENT";
- (iv) only the Account Bank is responsible for the information in this Offering Circular contained in "THE ACCOUNT BANK"; and

- (v) only the Paying Agent and the Registrar are responsible for the information in this Offering Circular contained in "THE PAYING AGENT AND THE REGISTRAR"; and
- (vi) only the Calculation Agent and Interest Determination Agent are responsible for the information in this Offering Circular contained in "THE CALCULATION AGENT AND THE INTEREST DETERMINATION AGENT",

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

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

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

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

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

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

No Person has been authorised to give any information or to make any representations, other than those contained in this Offering Circular, in connection with the issue, offering, subscription or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the FCT, the Management Company, the Custodian, the Seller, the Servicer (if different from the Seller) and the Data Custody Agent (all as defined below) or by the financial institutions shown on the cover page (the "**Arranger**", the "**Joint Bookrunners**" and the "**Joint Lead Managers**") or by any other Person referred to herein.

The language of this Offering Circular 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. References in this Offering Circular to any EU regulation will be deemed also to refer to any successor or replacement legislation made in the United Kingdom in relation to such EU regulation as it will apply in the United Kingdom.

**Prospective investors of the Notes should conduct such independent investigation and analysis as they deem appropriate to evaluate the merits and risks of an investment in the Notes. If you are in doubt about the contents of this Offering Circular, you should consult your stockbroker, bank manager, legal adviser, accountant or other financial adviser. None of the Joint Lead Managers or the Arranger makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Issuer in connection with the Notes and accept**

**any responsibility or liability therefore. None of the Joint Lead Managers or the Arranger undertakes to review the financial condition or affairs of the FCT, nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Lead Managers or the Arranger.**

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## RISK FACTORS

The Management Company, in its capacity as founder of the FCT, believes that the factors referred to in this part of this Offering Circular may affect its ability to fulfil its obligations under the Notes. The risk factors which are material for the purpose of taking an informed investment decision with respect to the Notes are categorised as either (i) risks relating to the Issuer, (ii) risks relating to the Notes, (iii) risks relating to the Purchased Receivables, (iv) risks relating to the Transaction Parties and (v) tax risks.

The Notes will be solely contractual obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any of the Seller, the Servicer (if different), any substitute Servicer, the Management Company, the Custodian, the Swap Counterparty, the Data Custody Agent, the Interest Determination Agent, the Alternative Base Rate Determination Agent, the Paying Agent, the Registrar, the Calculation Agent, the Joint Lead Managers, the Arranger, the Account Bank, the Listing Agent or any of their respective Affiliates or any other party (other than the Issuer) to the Transaction Documents or any other third Person or entity other than the Issuer. Furthermore, no Person other than the Issuer will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

In addition, certain factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Management Company, in its capacity as founder of the FCT, believes that the risks described herein are the principal risks which are specific to the situation of the Issuer and/or the Notes and which are material for taking investment decisions by the potential Noteholders and are up to date as of the date of this Offering Circular. The Management Company, in its capacity as founder of the FCT, does not represent that the statements below regarding the risk of holding any Notes are exhaustive. Additional risks and uncertainties not presently known to the Issuer or that the Management Company currently believes to be immaterial could also have a material impact on the Issuer's financial strength in relation to this Transaction.

More than one risk factor can affect simultaneously the Issuer's ability to fulfil its obligations under the Notes. The extent of the effect of a combination of risk factors is uncertain and cannot be accurately predicted.

### I. Risks relating to the Issuer

#### *Limited resources of the Issuer*

The Issuer is a French *fonds commun de titrisation*. The FCT is governed by the provisions of articles L. 214-167 to L. 214-175-8, articles L. 214-180 to L. 214-186 and articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code) of the French Monetary and Financial Code, the relevant provisions of the AMF General Regulations and by the Issuer Regulations. The Issuer has no business operations other than the issue of the Notes and the Units, the purchase and financing of the Purchased Receivables secured by the Ancillary Rights, and the entry into related Transaction Documents. Therefore, the ability of the Issuer to meet its obligations under the Notes is conditional and will depend, *inter alia*, upon receipt of:

- (a) the amount standing to the credit of the Cash Reserve Ledger as of each Cut-Off Date, to be used to cover any shortfalls in the amounts payable (i) under items (a) through (g), or (ii) under items (a) through (o) upon the earlier of (1) the Legal Final Maturity Date, (2) the date on which the Available Distribution Amount suffices to reduce the Class B Outstanding Notes Balance to zero or (3) the date on which the then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value is reduced to zero, in each case, in accordance with the Pre-Enforcement Priority of Payments;
- (b) any Collections received by the Servicer during the Monthly Period ending on such Cut-Off Date;
- (c) any Swap Net Cashflow payable by the Swap Counterparty to the Issuer on the Payment Date immediately following the relevant Cut-Off Date;

- (d) any tax payment made by the Seller and/or Servicer to the Issuer in accordance with the Lease Receivables Purchase Agreement and/or the Servicing Agreement during such Monthly Period;
- (e) any interest earned on the amount credited to the Issuer Account (other than on the amount allocated to the Commingling Reserve Ledger and the Performance Reserve Ledger) during such Monthly Period;
- (f) the amount standing to the credit of the Performance Reserve Ledger upon (i) the occurrence and continuation of a Performance Reserve Trigger Event and (ii) the occurrence and continuation (as set out in clause 13 (*Termination*) of the Servicing Agreement) of a Servicer Termination Event as of such Cut-Off Date, to the extent necessary to guarantee any unpaid Seller Performance Indemnity Payment due and payable by the Seller in connection with its undertakings under clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement and by the Servicer in accordance with clause 5.1 (*Administration and realisation of the Leased Vehicles*) of the Servicing Agreement. In no circumstances shall the Performance Reserve provide a guarantee for the performance of the obligations of any Obligor;
- (g) without duplication, (i) any applicable Seller Performance Indemnity Payment and/or (ii) any applicable Residual Value Indemnification Amount received by the Issuer from the Seller during the Monthly Period of such Cut-Off Date;
- (h) the amount standing to the credit of the Commingling Reserve Ledger upon the occurrence and continuance of a Servicer Termination Event as of such Cut-Off Date, to the extent necessary to cover any Servicer Shortfall caused on the part of BMW Finance S.N.C. as Servicer;
- (i) upon the termination of the Swap Agreement and in respect of the relevant Interest Determination Date (to the extent not used by the Issuer for the entry into a replacement swap agreement), any swap termination payment received by the Issuer from the outgoing Swap Counterparty (including by debit of the Counterparty Downgrade Collateral Account) or upon the entry by the Issuer into a replacement swap agreement, and, in respect of the relevant Interest Determination Date, any Replacement Swap Premium received previously by the Issuer from the replacement Swap Counterparty; and
- (j) any other amounts (other than covered by item (a) through (i) above (if any)) paid to the Issuer by any other party to any Transaction Document up to (and including) the Reporting Date immediately following such Cut-Off Date, unless otherwise specified, which according to such Transaction Document is to be allocated to the Available Distribution Amount.

Other than the foregoing, the Issuer will have no funds available to meet its obligations under the Notes. If no sufficient funds are available to the Issuer, there is a risk that the Noteholders will ultimately not receive the full Principal Amount of the Notes and/or interest thereon.

It should be noted that VAT, insurance premiums, service indemnities, early termination indemnities and maintenance and service repair contract amounts owed by the relevant Lessee are not being assigned to the Issuer and accordingly the Issuer will have no right whatsoever on amounts collected in respect of any such amounts.

Any cash or securities balance credited to the Counterparty Downgrade Collateral Account will not form part of the Available Distribution Amount.

## **II. Risks relating to the Notes**

### *Liability under the Notes*

The Notes will be contractual obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any of the Seller, the Servicer (if different), the Management Company, the Custodian, the Swap Counterparty, the Data Custody Agent, the Account Bank, the Interest Determination Agent, the Alternative Base Rate Determination Agent, the Paying Agent, the Calculation Agent, the Joint Lead Managers, the Arranger, the Listing Agent or any of their respective Affiliates or any Affiliate of the Issuer or any other party to the Transaction Documents or any other third Person or entity other than the Issuer. Furthermore, no Person other than the FCT will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

All payment obligations of the Issuer under the Notes constitute exclusively obligations to pay out the Available Distribution Amount or, as relevant, the available funds in accordance with the applicable Priority of Payments. If, following enforcement of the Issuer's rights under the Transaction Documents and any Ancillary Rights, the available funds prove ultimately insufficient, after payment of all claims ranking in priority to amounts due under the Notes, to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, any shortfall arising will be extinguished and the Noteholders will neither have any further claim against the Issuer in respect of any such amounts nor have recourse to any other Person for the loss sustained. The enforcement of the Issuer's rights under the Transaction Documents and any Ancillary Rights by the Management Company is the only remedy available to the Noteholders for the purpose of recovering amounts payable in respect of the Notes. Such assets and the available funds will be deemed to be "ultimately insufficient" at such time as no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claim of the Noteholders, and neither assets nor proceeds will be so available thereafter. If the proceeds are not sufficient to satisfy all the obligations of the Issuer, there is a risk that the Noteholders will ultimately not receive the full Principal Amount of their Notes and/or interest thereon.

#### *Credit enhancement*

Losses in respect of the Purchased Receivables may result in losses for the Noteholders.

The risk to the Class A Noteholders that they will not receive the amount due to them under the Class A Notes as stated on the cover page of this Offering Circular is mitigated to a certain extent by (i) the Excess Spread, (ii) the subordination of the Class C Notes and the Class B Notes to the Class A Notes and (iii) the subordination of the Subordinated Loan to the Notes.

There is no assurance that the credit enhancement provided for under the Transaction will be sufficient to cover losses in respect of the Purchased Receivables and that the Class A Noteholders will receive for each Class A Note the Note Principal Amount plus interest as set forth in the Conditions.

The risk to the Class B Noteholders that they will not receive the amount due to them under the Class B Notes as stated on the cover page of this Offering Circular is mitigated to a certain extent by (i) the Excess Spread, (ii) the subordination of the Class C Notes to the Class B Notes and (iii) the subordination of the Subordinated Loan to the Notes.

There is no assurance that the credit enhancement provided for under the Transaction will be sufficient to cover losses in respect of the Purchased Receivables and that the Class B Noteholders will receive for each Class B Note the Note Principal Amount plus interest as set forth in the Conditions.

The risk to the Class C Noteholders that they will not receive the amount due to them under the Class C Notes as stated on the cover page of this Offering Circular is mitigated to a certain extent by (i) the Excess Spread and (ii) the subordination of the Subordinated Loan to the Notes.

There is no assurance that the credit enhancement provided for under the Transaction will be sufficient to cover losses in respect of the Purchased Receivables and that the Class C Noteholders will receive for each Class C Note the Note Principal Amount plus interest as set forth in the Conditions.

#### *Early redemption of the Notes and effect on yield*

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

Following any Payment Date on which the sum of the then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value is less than 10% of the sum of the Aggregate Discounted Lease Balance and the Aggregate Discounted Contractual Residual Value as at the first Cut-Off Date, the Seller may, subject to certain conditions, repurchase all outstanding Purchased Receivables together with any Ancillary Rights, at the then current value of such Purchased Receivables plus any interest accrued thereon. See "TERMS AND CONDITIONS OF THE NOTES — Condition 6.3 (*Clean-up call*)". Such clean-up call may adversely affect the yield on each Class of Notes.

#### *Potential Reform of EURIBOR Determinations*

Financial market reference rates and their calculation and determination procedures have come under close public scrutiny in recent years. Starting in 2009, authorities in jurisdictions such as the European Union, the United States, Japan and others investigated cases of alleged misconduct around the rate setting of LIBOR, EURIBOR and other reference rates finally resulting, *inter alia*, in the Benchmark Regulation which applies from 1 January 2018.

The interest on the Class A Notes is based on EURIBOR. EURIBOR is a benchmark within the meaning of the Benchmark Regulation. EURIBOR is administered by European Money Markets Institute ("EMMI") which is registered in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") as of the date of this Offering Circular. Should the EMMI become de-registered from ESMA's register of administrators and benchmarks, there is a risk that the use of EURIBOR might be banned in accordance with the Benchmark Regulation.

The Benchmark Regulation applies to "contributors", "administrators" and "users of" benchmarks (such as EURIBOR and LIBOR) in the EU, and, among other things, (i) requires benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) ban the use of benchmarks of unauthorised administrators.

As part of the initiatives to reform reference rate setting referred to above, there has also been discussion in the regulatory and supervisory communities about the discontinuation of certain financial market reference rates. For example, all Euro, Swiss Franc, Japanese Yen and US LIBOR settings ceased to be available or representative from 30 June 2023 at the latest. Also, with effect from 3 December 2018, the EMMI discontinued the publication of the two-week, two-month and nine-month EURIBOR tenors. Although thus far there has been no specific indication from the EMMI that the one-month EURIBOR tenor may also be phased out or discontinued during the life of the Notes, this cannot be ruled out as possibility in the current regulatory climate.

The EMMI performs a review of the hybrid methodology for EURIBOR on an annual basis and has indicated its intention to explore potential methods of centralising the calculation of certain contributions to that hybrid methodology. Changes in the manner of administration of benchmarks (such as EURIBOR) may result in such benchmarks performing differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. The potential elimination of a benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions (including by way of determination of an Alternative Base Rate), early redemption, discretionary valuation of the Interest Determination Agent or the Alternative Base Rate Determination Agent, delisting or result in other consequences in respect of any Notes linked to such benchmark (including but not limited to the Class A Notes whose interest rates are linked to EURIBOR). Any such consequence could have a material adverse effect on the ability of the Issuer to meet its obligations under the Notes and/or on the value of and return on any such Notes.

#### *Interest Rate Risk*

A holder of the floating rate Class A Notes is particularly exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of the Class A Notes in advance.

The Purchase Price for each Purchased Receivable is determined on the basis of the Discount Rate which is used to calculate the net present value of the Purchased Receivables. However, payments of interest on the Class A Notes are calculated on the basis of EURIBOR provided that if EURIBOR plus the margin for the Class A Notes is less than zero, the interest shall be deemed to be zero. To ensure that the Issuer will not be exposed to interest rate risks, the Issuer and the Swap Counterparty have entered into the Swap Agreement under which the Issuer will owe payments by reference to a fixed rate and the Swap Counterparty will owe payments by reference to EURIBOR, in each case calculated with respect to the Swap Notional Amount which is equal to the Class A Outstanding Notes Balance on the immediately preceding Payment Date. Payments under the Swap Agreement will be made on a net basis.

During periods in which floating rate interest amounts payable by the Swap Counterparty under the Swap Agreement are greater than the fixed rate interest amounts payable by the Issuer under such Swap Agreement, the Issuer will be more dependent on receiving net payments from the Swap Counterparty in order to make interest payments on the Class A Notes. Consequently, a default by the Swap Counterparty on its obligations under the

Swap Agreement may lead to the Issuer not having sufficient funds to meet its obligations to pay interest on the Class A Notes.

In addition, the floating leg of the Swap Agreement payable by the Swap Counterparty corresponds to the one-month EURIBOR and does not provide for a floor. For any period that one-month EURIBOR is a negative rate, the Issuer will instead be required to pay to the Swap Counterparty for such period (subject to the netting provided for by the Swap Agreement) an amount equal to the absolute value of such negative rate applied to the Swap Notional Amount. Although the structure provides some protection via credit enhancement, Noteholders will be exposed if the one-month EURIBOR turns deeply negative resulting in significant amounts becoming payable to the Swap Counterparty and thereby reducing amounts available for payment to the Noteholders.

#### *Resolutions of Noteholders; Noteholders Representative*

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

Notwithstanding the rights of the Class A Noteholder Representative, the Class B Noteholder Representative and the Class C Noteholder Representative (each as defined in the Conditions) and the powers of the general meeting of the Class A Noteholders, the general meeting of the Class B Noteholders and the general meeting of the Class C Noteholders, only the Management Company may enforce the rights of the Issuer against third parties.

#### *Conflicting interest amongst Classes of Notes and with Units*

In accordance with and subject to the Priority of Payments, (i) the Class A Notes are senior to the Class B Notes, the Class C Notes and the Units, (ii) the Class B Notes are senior to the Class C Notes and the Units and (iii) the Class C Notes are senior to the Units.

Notwithstanding the above, any proposed modification affecting more than one Class of Notes and requiring a decision of the relevant Noteholders' Meetings (as defined in the Conditions) will only take effect if each of such Noteholders' Meeting has agreed to such proposed modification. Furthermore, as the Management Company must act in the interests of all Noteholders and the Unitholders, the agreement of the Unitholders would also be required if such modification affects the interest of the Unitholders.

The Issuer Regulations provide that the Management Company is to have regard to the interests of the Noteholders and Unitholders in accordance with article 319-3 of the AMF General Regulations. There may be circumstances, however, where the interests of one Class of the Noteholders and the interests of the Unitholders conflict with the interests of another Class or Classes of the Noteholders and the interests of the Unitholders.

In general, the Management Company will give priority to the interests of the holders of the most senior Class of Notes such that:

- (i) the Management Company is to have regard only to the interests of the Class A Noteholders in the event of a conflict between the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and/or the Unitholders; and
- (ii) if there are no Class A Notes outstanding, the Management Company is to have regard only to the interests of the Class B Noteholders in the event of a conflict between the interests of the Class B Noteholders, the Class C Noteholders and/or the Unitholders, and
- (iii) if there are no Class B Notes outstanding, the Management Company is to have regard only to the interests of the Class C Noteholders in the event of a conflict between the interests of the Class C Noteholders and the Unitholders,

provided always that, pursuant to the Conditions of each Class of the Notes, no representative of Noteholders of any Class may interfere in the management of the affairs of the Issuer.

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

The Management Company, acting in the name and on behalf of the Issuer, may agree, without the consent of the Noteholders, to (a) any modification of any of the provisions of the Transaction Documents which is made in order for the Issuer to comply with (i) the 2021 Ordinance or (ii) the Securitisation Regulation if it is advised by a third party authorised under article 28 of the Securitisation Regulation in respect of compliance with the STS Requirements or a reputable international law firm that such modifications are required for the Transaction to comply with the Securitisation Regulation including the STS Requirements and in any regulatory technical standards authorised under the Securitisation Regulation, or to comply with the 2021 Ordinance, or is required pursuant to mandatory law, to the extent such modification does not impact the financial characteristics of any Class of Notes or otherwise adversely affect the Noteholders, is of a formal, minor or technical nature or is made to correct a manifest error 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 is in the opinion of the Management Company, acting in the name and on behalf of the Issuer, not materially prejudicial to the interests of the Noteholders provided that, in respect of (b) only, the Rating Agencies have received prior notice of any amendment and that such amendment shall not result, in the reasonable opinion of the Management Company, in the placement on "negative outlook" or as the case may be on "rating watch negative" or on "review for possible downgrade", or the downgrading or the withdrawal of any of the ratings of the Notes or that such amendment limits such downgrading or avoids such withdrawal.

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

Each rating assigned to the Class A Notes and the Class B Notes by any Rating Agency takes into consideration the structural, legal, tax and Issuer-related aspects associated with the Class A Notes and the Class B Notes, the credit quality of the Purchased Receivables and the Ancillary Rights, the extent to which the Obligors' payments under the Purchased Receivables are adequate to make the payments required under the Class A Notes and the Class B Notes as well as other relevant features of the structure, including, *inter alia*, the credit situation of the Swap Counterparty, the Account Bank, the Seller and the Servicer (if different). Each Rating Agency's rating reflects only the view of that Rating Agency. Each rating of the Class A Notes and the Class B Notes by the Rating Agencies addresses the likelihood of full and timely payment of interest on, and ultimate repayment of principal of, the Class A Notes and the Class B Notes.

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

There is no assurance that the ratings of the Class A Notes and the Class B Notes will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to the Class A Notes and the Class B Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason (including, without limitation, any subsequent change of the rating methodologies and/or criteria applied by the relevant Rating Agency), no Person or entity is obliged to provide any additional support or credit enhancement to the Class A Notes or the Class B Notes.

Any downgrade of the Class A Notes or the Class B Notes may reduce the value and secondary market marketability of the Class A Notes or the Class B Notes.

#### *CRA III Regulation*

CRA III Regulation amending the CRA Regulation requires that an issuer or related third party (which term includes sponsors and originators) which intends to solicit a credit rating of a structured finance instrument will appoint at least two credit rating agencies to provide ratings independently of each other and should consider appointing at least one rating agency having not more than a 10% total market share (as measured in accordance with article 8 d (3) of the CRA Regulation (as amended by CRA III Regulation)) (a small credit rating agency), provided that a small credit rating agency is capable of rating the relevant issuance or entity. Where the issuer or a related third party does not appoint at least one credit rating agency with no more than 10% market share, the decision must be documented. The Seller considered the appointment of several credit rating agencies, including

one having a less than 10% total market share (based on information provided by ESMA) and concluded that the most appropriate credit rating agencies to rate the Class A Notes and the Class B Notes are DBRS and Moody's, each of which is established in the EEA and is registered under the CRA and is listed in the latest update of the list of registered credit rating agencies dated 10 July 2024 published on the website of the ESMA. As there is no guidance on the requirements for any such documentation there remains some uncertainty whether the documentation efforts will be considered sufficient for these purposes and what the consequences of any non-compliance may be for the Issuer, and hence, the investors in the Notes.

The CRA III Regulation forms part of domestic law of the United Kingdom by virtue of the European Union (withdrawal) Act 2018, as amended (the "**EUWA**") and as amended by the Credit Rating Agencies (Amendment, etc) (EU Exit) Regulations 2019 (the "**UK CRA Regulation**"). UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the UK and registered or certified under the UK CRA Regulation. In accordance with the UK CRA Regulation, the credit ratings assigned to the Notes by (i) DBRS will be endorsed by DBRS Ratings Limited and (ii) Moody's will be endorsed by Moody's Investors Service Limited, as applicable, being rating agencies which are registered with the UK Financial Conduct Authority.

#### *No Rights after Legal Final Maturity Date*

No Noteholder will have any rights under any Note after the Legal Final Maturity Date and, accordingly, may fall short with any claims vis-à-vis the Issuer after such date if at such date not all payment obligations by the Issuer under the Notes had been fulfilled.

#### *EMIR/EMIR REFIT and MiFID II/MiFIR*

Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (known as EMIR) including a number of regulatory technical standards and implementing technical standards in relation thereto introduce certain requirements in respect of OTC derivative contracts. Such requirements include, amongst other things, the mandatory clearing through a CCP (the "**Clearing Obligation**"), the reporting of OTC derivative contracts to a registered or recognised trade repository (the "**Reporting Obligation**") and certain risk mitigation requirements in relation to derivative contracts which are not centrally cleared in relation to timely confirmation, portfolio reconciliation and compression, dispute resolution and the Margining Obligation. Non-compliance with certain obligations under EMIR may qualify as an administrative offence and lead to fines being imposed on the Issuer with the effect that the Noteholders may ultimately bear the risk that, due to a lack of sufficient funds available to the Issuer, they will ultimately not receive the full principal amount of the Notes and/or interest thereon.

EMIR has further been amended by, *inter alia*, Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 648/2012 as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories ("**EMIR REFIT**") and Regulation (EU) 2024/2987 of the European Parliament and of the Council of 27 November 2024 as regards measures to mitigate excessive exposures to third-country central counterparties ("**EMIR 3**"). For the avoidance of doubt, any reference to EMIR is to the version as amended. The full scope of EMIR 3 remains subject to consultation by ESMA.

The Clearing Obligation applies to financial counterparties ("**FCs**") and non-financial counterparties ("**NFCs**") which have positions in OTC derivative contracts exceeding specified "clearing thresholds" in the relevant asset class. Such OTC derivative contracts also need to be of a class of derivative which has been designated by ESMA as being subject to the Clearing Obligation. On the basis of the relevant technical standards, it is expected that the Issuer will be treated as an NFC for the purposes of EMIR and that the Issuer's calculation of its positions in OTC derivative contracts against the clearing thresholds and the swap transactions to be entered into by it on the Issue Date will not exceed the relevant "clearing threshold", particularly given that mere hedging transactions are not accounted for in calculating the positions, however, this cannot be entirely excluded. In addition, even though the Issuer enters into the Swap Agreement or a replacement swap as an NFC and solely to reduce risks directly relating to its commercial activity or treasury financing activity, the relevant clearing threshold could be exceeded on a consolidated basis pursuant to article 10(3) EMIR to the extent that the Issuer forms part of the BMW Group. Thus, as of the date hereof, it cannot be entirely excluded that the Issuer will be subject to the Clearing Obligation in the future in respect of any swap replacing the Swap Agreement. However, with regard to the Securitisation Regulation, there is an amendment to EMIR providing

for an exemption from the Clearing Obligation if the relevant derivative contract is concluded by a securitisation special purpose entity in connection with an STS-securitisation and provided that counterparty credit risk is adequately mitigated in accordance with article 2 Commission Delegated Regulation (EU) 2020/447. The transaction is intended to be STS-compliant and complies with the prerequisites of article 2 Commission Delegated Regulation (EU) 2020/447, as (i) the Swap Counterparty ranks at least *pari passu* with the holders of the most senior securitisation note, provided that counterparty is neither the defaulting nor the Affected Party (as defined in the Swap Agreement) and (ii) the Class A Notes are subject to a level of credit enhancement of more than 2% of the outstanding Notes. However, as there is no final suitable guidance in this regard, there remains some uncertainty if the exemption referring to the "securitisation special purpose entity" could also be considered to refer to the company as such. If the reference were to be understood to refer to the vehicle as such, the Issuer may be subject to the Clearing Obligation. Thus, as of the date hereof, it cannot be entirely excluded that the Issuer will be subject to the Clearing Obligation in the future in respect of any swap replacing the Swap Agreement. If the Swap Agreement were subject to the Clearing Obligation but not cleared, such swap transaction could be subject to the Margining Obligation. However, the conditions set out in article 1 of Commission Delegated Regulation (EU) 2020/448 are fulfilled as (i) the Swap Counterparty ranks at least *pari passu* with the holders of the most senior securitisation note, provided that counterparty is neither the defaulting nor the Affected Party (as defined in the Swap Agreement); (ii) the Class A Notes are subject to a level of credit enhancement of more than 2% of the outstanding Notes and (iii) the netting set does not include OTC derivative contracts unrelated to the securitisation. If any of such conditions were not fulfilled, the Issuer would be required under EMIR to post collateral. Non-compliance with either the Clearing Obligation or the Margining Obligation may qualify as an administrative offence and lead to fines being imposed on the Issuer with the effect that the Noteholders may ultimately bear the risk that, due to a lack of sufficient funds available to the Issuer, they will ultimately not receive the full principal amount of the Notes and/or interest thereon. Furthermore, if the Issuer were to become subject to the Clearing Obligation, it could also become subject to the active account requirement ("AAR") introduced by EMIR 3 if its trading levels in in-scope transactions exceeded specified thresholds. In-scope transactions are among others euro-denominated interest rate derivatives and euro-denominated short-term interest rate derivatives. In such case, the Issuer would be required to establish an appropriate account with an EU CCP and clear a certain number of in-scope transactions through that account annually. Given the Issuer is not expected to become subject to the Clearing Obligation, it is also not expected to become subject to the AAR, however this cannot be entirely excluded.

The Reporting Obligation applies to all types of counterparties and covers the entry into, modification or termination of cleared and non-cleared derivative contracts which were entered into on or after 12 February 2014. The deadline for reporting derivatives is one (1) business day after the derivative contract was entered into, amended or terminated with the details of such derivative contracts required to be reported to a trade repository. It will therefore apply to the Swap Agreement and any replacement swap agreement. Pursuant to EMIR REFIT from 18 June 2020 onwards the FC should, as a rule, be solely responsible, and legally liable, for reporting on behalf of both itself and NFCs that are not subject to the Clearing Obligation with regard to OTC derivative contracts entered into by those counterparties, as well as for ensuring the correctness of the details reported. Non-compliance may qualify as an administrative offence and lead to fines being imposed on the Issuer to the effect that the Noteholders may ultimately bear the risk that, due to a lack of sufficient funds available to the Issuer, they will ultimately not receive the full principal amount of the Notes and/or interest thereon.

The EU regulatory framework and legal regime relating to derivatives is set not only by EMIR but also by the recast version of the MiFID II as supplemented MiFIR. MiFID II and MiFIR provide for regulations which require transactions in OTC derivatives to be traded on organised markets MiFIR is supplemented by technical standards and delegated acts implementing such technical standards, such as the delegated Regulation (EU) 2017/2417 of 17 November 2017 supplementing MiFIR with regard to regulatory technical standards on the trading obligation for certain derivatives which, *inter alia*, determine which standardised derivatives will have to be traded on exchanges and electronic platforms. For the scope of transactions in OTC derivatives subject to the trading obligation (the "**Trading Obligation**"), it is article 28 paragraph 1 and article 32 MiFIR referring to the definition of FCs and to NFCs that meet certain conditions of EMIR.

In addition, given that the application of some of the EMIR provisions and given that additional technical standards or amendments to the existing EMIR provisions may come into effect, prospective investors should be aware that the relevant Transaction Documents may need to be amended during the course of the Transaction, without the consent of any Noteholder, to ensure that the terms thereof and the parties' obligations thereunder are in compliance with EMIR and/or the then subsisting EMIR technical standards.

Although application has been made to admit the Notes to trading on the regulated market (segment for professional investors) of the Luxembourg Stock Exchange and to list the Notes on the official list of the Luxembourg Stock Exchange, the liquidity of a secondary market for the Notes is limited. There can be no assurance that there will be bids and offers and that a liquid secondary market for the Notes will develop or that a market will develop for all Classes of 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 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 this may continue to apply also with a view to various regulatory requirements for investors in the Notes (e.g. CRD Regime). Consequently, any sale of Notes by Noteholders in any secondary market transaction may be at a discount to the original purchase price of such Notes. Accordingly, investors should be prepared to remain invested in the Notes until the Legal Final Maturity Date.

#### *Eurosystem eligibility*

According to Guideline (EU) 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy framework of the European Central Bank (as amended), asset-backed securities comprising receivables with residual value were excluded from the eligibility criteria of asset-backed securities and as a result thereof, the Class A 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. However, the Class A Notes are intended to be held in a manner which would allow for Eurosystem eligibility should the Class A Notes become eligible in the future. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper for the Class A Notes under the new global note ("NGN") structure and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (the "**Eurosystem eligible collateral**") at any or all times during their life. Such recognition will depend upon the Eurosystem eligibility criteria permitting the Issuer to hold the Aggregate Discounted Contractual Residual Value and the satisfaction of the other European eligibility criteria.

Neither the Issuer, the Joint Lead Managers nor the Arranger gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Class A Notes should make their own conclusions and seek their own advice with respect to whether or not the Class A Notes could constitute Eurosystem eligible collateral at any point of time during the life of the Class A Notes. If the Class A Notes are not Eurosystem eligible, this may lead to less capital being available in the secondary market or the general lack of or excess demand for the Class A Notes. A Noteholder therefore bears the risk that the market price of the Class A Notes falls as a result of the general development of the market such that the Noteholder may bear a loss in respect of its initial investment if such Noteholder decides to sell the Class A Notes in the secondary market.

#### *Adverse macroeconomic and geopolitical developments*

Recent changes in U.S. trade policy, including the imposition of tariffs on a number of key trade partners, including France and the EU, have had, and may continue to have, an adverse impact on global financial stability and are likely to reduce growth and increase volatility in inflation. The imposition of these tariffs, as well as the suspension of the *de minimis* trade exemption in the U.S, are also likely to cause significant disruption to global supply chains.

The ongoing geopolitical developments, including the war in Ukraine, the uncertainties in the Middle East and the internationally imposed sanctions against Russia, may result in an adverse impact on global economic, financial, political, social or government conditions which may result or already resulted in (including but not limited to) limited access to workplaces and supplies, and limited availability of key personnel, higher inflation, higher interest rates, higher cost of living, declining access to credit, lower or stagnating wages, increasing unemployment, changes in government regulatory, fiscal or tax policies, including changes in applicable tax rates and the modification of existing or adoption of new tax legislation, sanctions regimes, removal of subsidies, reduced public spending, increases in fuel prices, weakness in energy markets (including electricity cuts) or a loss of consumer confidence. On 11 July 2023, ESMA issued a statement on sustainability disclosure in prospectuses. In this context it should be noted that, on 28 October 2022, the European Parliament and Council reached an agreement ensuring all new cars and vans registered in Europe will be zero-emission by 2035. Also, as an intermediary step to reach the zero-emission goal, Regulation (EU) 2023/851 setting stricter CO2 emission

performance standards for new cars and vans entered into force in May 2023. All these measures may result in lower proceeds in case of a sale or realisation of the Leased Vehicles, or may already have an adverse impact on the residual values of Leased Vehicles with combustion engines. Such conditions may have an adverse impact on both the operational business of the Seller and the financial performance of the Purchased Receivables in the future and therefore, the Noteholders may suffer a risk of a reduction or non-receipt of principal and/or interest due to them in respect of their Notes.

### **III. Risks relating to the Purchased Receivables**

#### *Non-existence of Purchased Receivables*

The Issuer retains the right to bring indemnification claims against, and is entitled to demand payment of Deemed Collections from, the Seller, but from no other Person, if Purchased Receivables do not exist or cease to exist in accordance with the Lease Receivables Purchase Agreement.

If a Lease Agreement relating to a Purchased Receivable proves not to have been legally valid on the Issue Date, the Seller will, pursuant to the Lease Receivables Purchase Agreement, pay to the Issuer the Deemed Collections in respect of such Purchased Receivable, in an amount equal to the then Discounted Lease Balance of the relevant Lease Receivables together with the then Discounted Contractual Residual Value in respect of the related Lease Agreement (including where only a portion of such Purchased Receivable is affected), provided that no Deemed Collection shall be payable in respect of Eligible Receivables if the Obligor fails to make due payments solely as a result of its lack of funds or insolvency. To this extent, the Issuer is subject to the credit risk of the Seller and payments under the Notes may be affected if the Seller is unable to fulfil its obligations vis-à-vis the Issuer.

#### *Credit risk of the Obligors; Sale of the Leased Vehicles*

If the Seller does not receive the full amounts due from the Obligors in respect of the Purchased Receivables, the Noteholders are at risk to receive less than the full Principal Amount of their Notes and interest payable thereon. Consequently, the Noteholders are exposed to the credit risk of the Obligors. Neither the Seller, the Management Company nor the Custodian guarantees or warrants the full and timely payment by the Obligors of any sums payable under the Purchased Receivables. The ability of any Lessee to make timely payments of amounts due under the relevant Lease Agreement or, as the case may be, the ability of any BMW Dealers to make timely payments of amounts due under the relevant Dealer Vehicle Buy Back Agreement will mainly depend on his or her assets and liabilities as well as his or her ability to generate sufficient income to make the required payments. The Obligors' ability to generate income may be adversely affected by a large number of factors.

There is no assurance that the then current value of the Purchased Receivables will at any time be equal to or greater than the Principal Amount outstanding of the Notes.

The rate of recovery upon an Obligor default may itself be influenced by various economic, tax, legal and other factors such as changes in the value of the Leased Vehicles or the level of interest rates from time to time. There might be various risks involved in the sales of used vehicles which could significantly influence the amount of proceeds generated from the sale, *e.g.* high damages and mileages, less popular configuration (engine, colour etc.), oversized special equipment, huge numbers of homogeneous types of vehicles in short time intervals, manufacturer recall campaigns due to technical defects of vehicles, general price volatility in the used vehicles market, seasonal impact or a change in law affecting the value of a Leased Vehicle (such as local driving bans for diesel vehicles).

No assurances can be given that the respective values of the Leased Vehicles to which the portfolio relates have not depreciated or will not depreciate at a rate greater than the rate which they were expected to do so on the date of origination of the Receivables. If this has happened or happens in the future, or if the used car market in France experiences a downturn whether in respect of particular vehicle brands or vehicles more generally (for example, due to an increasingly negative sentiment around diesel vehicles and a movement away from diesel engines), or if there is a general deterioration of the economic conditions in France or any parts thereof, including as a result of widespread health crises, then any such scenario could have an adverse effect on the ability of Lessees to repay amounts under the relevant Lease Agreement and/or the likely amount to be recovered upon a forced sale of the Leased Vehicles upon default by Lessees, the exercise of a voluntary termination by the Lessee under a Lease Agreement or the exercise by the Lessee of its option to return the Leased Vehicle pursuant to a Lease Agreement in lieu of making a purchase price. This in turn could have an adverse effect on the Issuer's ability to make payments under the Notes.

In addition, certain geographical regions in France may from time to time experience weaker regional economic conditions and car markets than other regions in France, and consequently could experience higher rates of loss and default on Lease Agreements generally.

#### *Lease Agreements and Repayment of the Notes*

Under the Lease Agreements, the Lessee has the option to either (a) purchase the Leased Vehicle giving rise to the Lessee Vehicle Buy Back Receivable or (b) exercise its contractual right to return the Leased Vehicle (subject always to any charges if the Leased Vehicle is not in good repair and condition (allowing for fair wear and tear) or in respect of excess mileage). Following the exercise of a Lessee's right to return the Leased Vehicle and recovery of the Leased Vehicle by the Seller, the Seller is under an obligation pursuant to the Lease Receivables Purchase Agreement to sell the Leased Vehicle to a BMW Dealer in accordance with a Dealer Vehicle Buy Back Agreement giving rise to a Dealer Vehicle Buy Back Receivable or to any third party giving rise to a Vehicle Sale Receivable, and to remit the proceeds of such sale to the Issuer.

A decision of the Lessee whether to purchase the Leased Vehicle or return it may be dependent in part on the size of the purchase price and the price that the Leased Vehicle is likely to obtain when sold. If the purchase price is greater than the market value of the Leased Vehicle, the Lessee may be more likely to return the Leased Vehicle as it discharges any further obligations the Lessee may have under the Lease Agreement (subject always to the potential charges described above).

Without prejudice to its obligations to pay any Residual Value Indemnification Amount but without duplication thereof, in the event that of the termination of a Lease Agreement, and the return of the Leased Vehicle to the Seller, as described above, if the Seller breaches its obligations with regard to the sale of the Leased Vehicle, this will give rise to a Seller Performance Indemnity Payment payable by the Seller to the Issuer, as described in "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Lease Receivables Purchase Agreement– Obligations of the Seller relating to the sale of Leased Vehicles".

Furthermore, and without prejudice to its obligation under clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement but without duplication of any Seller Performance Indemnity Payment, on and following the occurrence of a Residual Value Indemnification Trigger, the Seller shall, on the Cut-Off Date immediately following the date on which the Servicer has determined in accordance with the Credit and Collection Policy that any Purchased Receivable has become a Residual Value Indemnified Receivable, indemnify the Issuer in respect of the amount by which the aggregate Recoveries received by the Servicer in respect of all Residual Value Indemnified Receivables in the relevant Residual Value Calculation Period is less than the Aggregate Residual Value Indemnified Receivables Balance of such Residual Value Indemnified Receivables by paying the Issuer an amount equal to the Residual Value Indemnification Amount, as described in "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Lease Receivables Purchase Agreement– Obligations of the Seller relating to the sale of Leased Vehicles".

There can be no assurance, however, that the Seller will honour or have the financial resources to honour its obligations to indemnify the Issuer in these circumstances or that the Servicer, on behalf of the Issuer, will otherwise be able to sell the related Leased Vehicle such that the proceeds remitted to the Issuer from the sale of Leased Vehicle returned by a Lessee will be sufficient to cover the amounts corresponding to the Lessee Vehicle Buy Back Receivable, the Dealer Vehicle Buy Back Receivable or, as the case may be, the Vehicle Sale Receivable, although limited protection will be available from the Performance Reserve, as described in as described in "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Lease Receivables Purchase Agreement– Obligations of the Seller relating to the sale of Leased Vehicles" and "– Performance Reserve". This may result in the Issuer receiving less in respect of the related Purchased Receivable than it would have expected, which could impact on the ability of the Issuer to make payments on the Notes. For further information on the calculation of residual value exposure and the risks associated with this calculation, please see the section entitled "CREDIT STRUCTURE AND FLOW OF FUNDS – Collection arrangements" below.

These factors could have an adverse effect on the Issuer's ability to make payments on the Notes and on the yield to maturity of the Notes.

#### *Banking secrecy and data protection*

Under the French banking secrecy rules, a bank may not disclose information regarding its customer without the prior consent of such customer. In addition, each of French law no. 78-17 of 6 January 1978 relating to the protection of personal data (*loi relative à l'informatique, aux fichiers et aux libertés individuelles*) and the GDPR applies, pursuant to which a transfer of a customer's personal data is permitted, *inter alia*, if, in the absence of a consent by the data subject, processing is necessary for the purposes of the legitimate interests pursued by the data controller or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject which require protection of personal data.

In order to protect the interests and rights of the Obligors, the assignment of the Purchased Receivables has been structured in compliance with article L. 511-33 of the French Monetary and Financial Code regarding the sale of customer receivables in connection with asset backed securities transactions by credit institutions and the corresponding publications by Banque de France in respect thereof. This includes the implementation of a data agency structure and the obligation to generally encrypt Obligor related personal data.

Pursuant to the Lease Receivables Purchase Agreement, the Seller has agreed to deliver to the Management Company on the Issue Date, Portfolio Information containing the encrypted Portfolio Information which is readable only together with the Portfolio Decryption Key. The Seller has also agreed to deliver the Portfolio Decryption Key to the Data Custody Agent.

Under the Data Custody Agreement, the Data Custody Agent will safeguard the Portfolio Decryption Key and may provide the Portfolio Decryption Key to any substitute Servicer or the Management Company only upon the occurrence of certain events.

There is no jurisprudence or publication from a court or other competent authority available confirming the traditional view on the manner and procedures for an assignment of receivables to be in compliance with, or the consequences of a violation of, the GDPR as implemented in France on the protection of natural persons with regard to the processing of personal data. Therefore, at this point there remains some uncertainty to predict the potential impact on the Transaction. If the Issuer was considered to be in breach of the GDPR as implemented in France, it could be fined and in case of such fines being substantial, this could have an impact on the ability of the Issuer to make payments on the Notes ultimately leading to a risk of the Noteholders to incur a loss.

#### *French consumer legislation and rules relating to electronic signature*

The provisions of the French Consumer Code apply to all Purchased Receivables arising under Lease Agreements qualifying as consumer loan contracts (i.e. financings of between €200 and €75,000 granted to individuals, whether free of interest or with interest, to be reimbursed in instalments of a duration exceeding one (1) month, to the exclusion of loans dedicated to finance the acquisition of real estate or mortgage loans). Pursuant to article L. 312-2 of the French Consumer Code, Lease Agreements are considered as consumer credits and thereby subject to the corresponding provisions of the French Consumer Code. Hence the Lease Agreements qualify as consumer credit contracts which are linked to the sales contract relating to the acquisition of the relevant Leased Vehicles.

The French Consumer Code, *inter alia*, (i) obliges lenders or lessors under consumer law contracts to provide certain information to borrowers or lessees that are consumers and to grant time to the consumer before the entry into of a credit transaction is definitive and (ii) sets out detailed formal rules with regard to the contents of the credit contract.

These rules were significantly amended following a reform of consumer credit in France in 2010 (Law No. 2010-737 of 1 July 2010), implementing a 2008 European Directive enhancing transparency and consumer rights in the field of consumer credit. Some of these provisions are subject to interpretation. As the consumer credit reform only entered into force on 1 May 2011, there is currently little case law (i) giving indications on how these particular rules should be interpreted, (ii) what should be done in practice to comply with these rules and (iii) how sanctions would apply. The Seller has taken into account those new rules and their subsequent amendment for drafting its standard form of Lease Agreements in use since 1 May 2011, according to its best interpretation of these rules. However, such construction of these rules remains subject to any competent court's construction. There is also limited case law relating to electronic signature.

In addition, certain provisions of the French Civil Code apply to the conditions of validity of the electronic signature, which is relevant in the context of some of the Lease Agreements. These rules were also more recently amended following the transposition in France of Directive (EU) 2023/2225 of 18 October 2023 on credit

agreements for consumers (the "CCD II"). CCD II has an extended scope which includes lease agreements with purchase options. Each Member State has until 20 November 2025 to adopt and publish the laws, regulations and administrative provisions necessary to comply with CCD II and such measures shall apply from 20 November 2026. Once transposed into French law and in force this will impose an additional regulatory requirement on the Seller in relation to the Lease Agreements and will require that the templates of such Lease Agreements be revised so as to comply with CCD II. This is a topic which is being monitored closely by the Seller in order to be able to revise its templates in due course.

Infringement of those applicable rules could lead to the full deprivation of all the credit interests (i.e. the credit will be granted free of interest from the date of the initial subscription by the consumer to the day of the judge's ruling and then subject to the legal interest rate, as opposed to the contractual interest rate) or also (in the case of rules relating to electronic signature) to the voiding of the relevant Lease Agreements. However, under the Lease Receivables Purchase Agreement, the Seller will represent and warrant that the Lease Agreements relating to the Purchased Receivables fulfil the relevant formal requirements of applicable French Consumer Credit Legislation. In addition, the Seller will be obliged pursuant to the Lease Receivables Purchase Agreement to indemnify the Issuer in the event that any Lease Agreement was not originated in compliance with applicable French Consumer Credit Legislation and other applicable laws and the Seller does not (or cannot) remedy any such non-compliance.

#### *Unfair contract terms (clauses abusives)*

The provisions of the French Consumer Code on unfair contract terms (*clauses abusives*) may also apply to Lease Agreements. In this context, an unfair contract term (*clause abusive*) is a term that creates a significant imbalance between the rights and obligations of the parties to the detriment of the consumer.

The French Consumer Code sets out a non-exhaustive list of clauses that are presumed to be unfair:

- (a) the "black list" relates to provisions that are always considered as unfair (i.e. the consumer does not have to establish that those provisions are indeed unfair); and
- (b) there is a presumption that provisions included in the "grey list" are unfair, and the burden of proof that such clauses are not unfair falls on the professional.

In addition, the French Unfair Terms Committee (*Commission des clauses abusives*) regularly publishes recommendations listing provisions which, according to such committee, should be regarded as unfair terms. However, French courts are not bound by those recommendations. In any event, whether a provision is to be considered as an unfair term is determined, on a case-by-case basis, by the courts. The assessment of the unfairness of a contractual provision cannot relate to the remuneration of the lessor or the definition of the main purpose of the contract to the extent that such provision is stated in a clear and understandable manner.

If any Lease Agreement contains an unfair contract term (e.g. provisions relating to the method of payment by way of debit of the relevant Lessee's bank account or certain calculations of the indemnity in case of early termination or default of the relevant Lessee), such term will be deemed "unwritten" (*réputée non écrite*) and is accordingly ineffective. The other provisions of such Lease Agreement shall remain valid to the extent such Lease Agreement may operate without the relevant unfair term.

If any unfair term is included in the aforementioned "blacklist", the Seller may also be sanctioned by an administrative fine, an injunction to remove the relevant clauses from its terms and conditions and by publicity measures (by way of publication in newspapers, electronic means or billboard display).

In addition, article 1171 of the French Civil Code, which was introduced by ordinance No. 2016-131 of 10 February 2016, and is a rule of public policy, deems as "unwritten" any clause that is contained in a predefined standard contract (*contrat d'adhésion*) and creates a significant imbalance between the parties' respective rights and obligations (but the evaluation of any such imbalance does not extend to the main contract object itself or the adequacy of the consideration payable relative to the goods or services provided), regardless as to whether the contract is entered into with a consumer or not. Pursuant to article 1110 of the French Civil Code, a *contrat d'adhésion* is one whose general terms and conditions are fixed in advance by one party and not open to negotiation and it cannot be excluded that Lease Agreements might be considered to qualify as such. For the purpose of the assessment of whether a clause creates an imbalance within the meaning of article 1171 of the French Civil Code,

there is no similar list as set out in the French Consumer Code insofar as regards unfair contract terms (*clauses abusives*) and, at the date of this Offering Circular, it remains uncertain how a judge would make such assessment.

These risks are mitigated by the fact that the Eligibility Criteria require that each Lease Agreement was entered into in accordance with the applicable provisions of the French Consumer Code and all other applicable legal and regulatory provisions (which include the rules relating to electronic signature).

Failure to comply with such Eligibility Criteria with respect to a Lease Agreement will constitute a breach of the representation made and warranty given by the Seller and will result in the rescission of the corresponding Series of Receivables arising therefrom which have been transferred to the Issuer.

#### *Others*

Furthermore, under the French Consumer Credit Legislation, the Lessees are entitled, in certain circumstances and subject to certain conditions (in particular when facing financial difficulties), to request from the over-indebtedness commission (*commission de surendettement*) and/or competent tribunals and courts a moratorium, rescheduling and/or reduction of the debt (including a reduction in the applicable interest rate) or, in certain cases the outright cancellation of all of their debts.

The opening of such *procédure de surendettement* triggers a stay in proceedings up to a year, which prevents the termination of the relevant Lease Agreement and the repossession of the relevant Leased Vehicle.

The application of the above measures in favour of certain Lessees would lead to a reduction in the amount to be collected by the Issuer under the Purchased Receivables and could result in the Noteholders suffering from a risk of principal loss and/or a reduction on the yield thereunder.

#### **Timing of enforcement of Purchased Receivables**

Following a default under a Lease Agreement, the repossession of the related Leased Vehicle may not be immediate, potentially resulting in a significant delay in the recovery of amounts owed under the relevant Purchased Receivable. Action to recover outstanding amounts may not be pursued if to do so would be uneconomic.

In certain circumstances in the case of an individual Lessee, a moratorium granted by a consumer over-indebtedness committee (*commission départementale de surendettement*) (or grant by a court of a delay for payment) may prevent or delay enforcement.

The compliance of the Lessees with their obligations under the Lease Agreements relating to the Purchased Receivables is not insured or guaranteed by any of the Issuer, the Seller, the Servicer (if different), any substitute Servicer, the Management Company, the Custodian, the Swap Counterparty, the Data Custody Agent, the Interest Determination Agent, the Alternative Base Rate Determination Agent, the Paying Agent, the Registrar, the Calculation Agent, the Joint Lead Managers, the Arranger, the Account Bank, the Listing Agent or any of their respective Affiliates or any other party to the Transaction Documents or any other third Person or entity.

The timing of enforcement may also be affected in case of insolvency of the Seller, the Servicer or other third parties involved in the Transaction.

#### **Article 1343-5 of the French Civil Code**

Pursuant to the provisions of article 1343-5 of the French Civil Code, debtors have a right to request the competent court to postpone (*reporter*) or extend (*échelonner*) for a period of two (2) years, the payment of sums owed by them. Following such a request, the court may, by special and justified decision (*decision spéciale et motivée*), order that the sums corresponding to the postponed instalments bear interest at a reduced rate which cannot be a rate below the then applicable legal interest rate (*taux légal*) or that the payments will first be applied to reimburse the principal. If this occurs, the Noteholders are likely to suffer a delay in the repayment of the principal of the Notes and the Issuer may not be in a position to pay, in whole or in part, the accrued interest in respect of the Notes if a substantial part of the Purchased Receivables is subject to a decision of this kind.

This risk is mitigated by the provision of liquidity from alternative sources (including the Cash Reserve Ledger). However, no assurance can be made as to the sufficiency of such liquidity support features, or that such features will protect the holders of the Notes from all risk of delayed payments.

#### *Termination of Lease Agreements*

A business Lessee as opposed to a consumer Lessee may terminate a Financial Lease Agreement at any time and any Lessee may terminate an Operational Lease Agreement upon three (3) months' notice although, if such Lessee does terminate the relevant Lease Agreement, it will be required to pay an indemnity which should act as a deterrent. In the event of a prepayment, the Issuer would receive Lease Instalments on such Lease Agreements for a shorter period of time than initially anticipated. Although the indemnity should act as a deterrent, there is no guarantee that it will be enough to compensate for lower than expected vehicle sale proceeds. In the event of such an early termination, the Seller would be obliged to pay Deemed Collections to the Issuer. Noteholders may nevertheless suffer losses if the Seller is unable to make payments of such Deemed Collections to the Issuer.

#### *Continuation of the Lease Agreements – Compliance with undertakings*

As a general matter of French law, in the context of Insolvency Proceedings, the administrator is allowed to request the judge to declare the termination of contracts to which the insolvent entity is a party "*if such termination is necessary for the safekeeping of that entity and if such does not excessively affect the interest of the counterparty*", pursuant to article L. 622-13-IV of the French Commercial Code, both criteria being subject to the appreciation of the judge.

However, article L. 214-169 of the French Monetary and Financial Code provides a specific rule for the benefit of the Issuer as far as certain types of executory contracts are concerned, as follows: "*where the receivable assigned to the securitisation vehicle results from a lease agreement with or without an option to buy (contrat de location avec ou sans option d'achat) or a lease agreement with an option to buy (crédit-bail), neither the opening of insolvency proceedings as referred to in Book VI of the French Commercial Code or of equivalent proceedings pursuant to a foreign law against the lessor (loueur or crédit-bailleur) [...], nor the sale or transfer of the movable or immovable assets which are the subject of the agreement can prevent (ne peuvent remettre en cause) the continuation of the leasing contract*".

Based on article L. 214-169, the mere opening of an Insolvency Proceeding against the Seller cannot prevent the continuation of the Lease Agreements where the corresponding Lease Receivables have been sold to the Issuer.

There is, however, no case law as to the relevance and interpretation of article L. 214-169. However, there are arguments which support the view that such specific provision should be interpreted as preventing the administrator from requesting the termination of the contracts pursuant to article L. 622-13, IV of the French Commercial Code, based on the following:

- (a) article L. 214-169 of the French Monetary and Financial Code is more specific in nature as it expressly refers to the continuation of the leasing agreements. Because of that specific nature, it should be construed as overruling the more general principle set out in said article L. 622-13, IV; and
- (b) the purpose of that specific provision is to make leasing securitisations through FCTs more straightforward, by tackling one of the major questions surrounding that kind of transaction, being the continuation of the underlying lease contracts, and because it is more specific, it should be construed as overruling the more general article L. 622-13, IV. In this respect, the above interpretation is the only way to give some sense and importance to that specific provision.

It should be noted that article L. 214-169 of the French Monetary and Financial Code does not prevent a Lessee from requiring the administrator to decide whether or not it wishes to continue or terminate its Lease Agreement pursuant to article L. 622-13, III, 1° of the French Commercial Code, and, should the Lessee do so, its Lease Agreement would be terminated if the administrator does not answer the Lessee within a one-month period, which period can be increased by up to two (2) months if the bankruptcy judge (*juge commissaire*) so requests.

Economic incentives have been used in this Transaction, for the purpose of encouraging the administrator to continue the relevant Lease Agreements in such case and to keep on complying with the undertakings of the Seller (for more details on these incentives, see "— Performance Reserve" below). In practice, a Lessee would not necessarily nor automatically avail itself of taking this available course of action. Regardless of the analysis set

out above, the Lessee's behaviour would depend on a number of factors, such as, for instance, whether he/she is aware of the possibility offered by French law in this respect, whether termination of its Lease Agreement makes economic sense for him/her (depending in particular on the amount of the purchase option price as compared to the market value of the relevant Leased Vehicle at that time) or how easy it is for the Lessee to find a replacement vehicle. Whether maintenance and other services contracts keep on being performed or not after the opening of an Insolvency Proceeding against the Seller could also influence the Lessee's behaviour in this respect. In addition, the procedure would be conducted by each Lessee acting individually depending on its own position and it therefore appears as a granular risk.

#### *Transfer of the Leased Vehicles*

The outcome of the Insolvency Proceedings opened against the Seller may consist of the transfer of the Leased Vehicles to a third party either through a sale plan (*plan de cession*) of the leasing activity of the Seller (including the ownership of the Leased Vehicles) to that third party or through the piecemeal sale of the Leased Vehicles in the context of compulsory liquidation (*procédure de liquidation judiciaire*).

Lease contracts falling into the category of *crédits-baux* as defined by the French Monetary and Financial Code are deemed automatically transferred with the asset being subject to such lease contracts, simply by virtue of the application of the provisions of article L. 313-8 of the French Monetary and Financial Code which provides that "in the event of a disposal of assets leased under a leasing (*crédit-bail*) transaction, and throughout the term of the lease, the transferee is bound by the same obligations as the transferor who remains guarantor thereof".

There is no equivalent legal provision in relation to operating lease contracts of the type of the Lease Agreements. However, article L. 214-169 of the French Monetary and Financial Code provides for a specific rule for the benefit of the Issuer as far as certain types of executory contracts are concerned, as follows: "*where the receivable assigned to the securitisation vehicle results from a lease agreement with or without an option to buy (contrat de location avec ou sans option d'achat) or a lease agreement with an option to buy (crédit-bail), [...], nor the sale or transfer of the movable or immovable assets which are the subject of the agreement can prevent (ne peuvent remettre en cause) the continuation of the leasing contract*".

However, it is not possible to foresee from a legal point of view all the consequences of the potential sale of the Leased Vehicles owned by the Seller to a third party in the context of Insolvency Proceedings opened against the Seller. Therefore, under the terms of the Lease Vehicle Pledge and pursuant to article 2333 *et seq.* of the French Civil Code, the Seller, as Pledgor, has granted to the Issuer, as Beneficiary, in its own name (*en son nom propre*) for the benefit of (*au profit de*) the Issuer, a pledge without dispossession (*gage sans dépossession*) over all of the Leased Vehicles. The Lease Vehicle Pledge will secure any and all present and future payment obligations of the Seller *vis-à-vis* the Issuer under the Secured Obligations. The Lease Vehicle Pledge should be a deterrent to an administrator from selling the Leased Vehicles to a third party and, in the event of a sale, generally help protecting the Issuer's rights over the sale proceeds of the Leased Vehicles.

#### *Performance Reserve*

For the purpose of addressing those risks and, in particular, to encourage (i) the administrator (*administrateur judiciaire*) or the liquidator (*liquidateur judiciaire*) of the Seller, to comply with the Lease Agreements, in accordance with the provisions thereof, to perform in accordance with the Credit and Collection Policy of the Seller and to comply with the provisions of the Transaction Documents, to sell the corresponding Leased Vehicles and to remit the corresponding proceeds to the FCT and, more generally, to comply with the provisions of the Transaction Documents and (ii) any third party purchasing the lease activity of the Seller in the context of Insolvency Proceedings to take on certain of the obligations of the Seller under the Transaction Documents, the Transaction benefits from the Performance Reserve upon the occurrence of a Performance Reserve Trigger Event.

The amount, timing and conditions of release of such Performance Reserve to the Seller are structured to incentivise the administrator, the liquidator or, as the case may be, any third party purchaser to perform the obligations described above although there can be no assurance that it will do so.

#### *Future receivables*

Some of the Purchased Receivables will be future receivables at the time of execution of the corresponding Assignment Document and will not arise unless the Seller takes the necessary action to give rise to such Purchased Receivables; for instance, a Vehicle Sale Receivable will not arise if the Seller does not take the necessary action

to sell the relevant Leased Vehicle recovered from the relevant Lessee. For such reason, pursuant to the Lease Receivables Purchase Agreement, the Seller has undertaken, to the fullest extent possible, to always act in a manner and take the decisions that will lead to the effective arising of the Purchased Receivables which are future receivables at the Issue Date. See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Lease Receivables Purchase Agreement".

#### *Impact of insolvency on the Lease Vehicle Pledge*

The Lease Vehicle Pledge is created pursuant to, and governed by the general regime regarding pledges over tangible movable assets, which can be without dispossession (*sans dépossession*) as set out in articles 2333 *et seq.* of the French Civil Code, introduced by Ordinance no. 2006-346 dated 23 March 2006 and, as amended, by Ordinance no. 2021-1192 of 15 September 2021 (the "**2021 Ordinance**").

Pursuant to the 2021 Ordinance, article 2338 of the French Civil Code was completed by a new indent providing that pledges entered into in respect of terrestrial motor vehicles and trailers subject to registration (*véhicules terrestres à moteurs ou remorques immatriculés*) are subject to a registration in the "vehicles registration system", except for pledges that are subject to article 2342 of the French Civil Code, which are subject to the common registration provisions applicable to pledges without dispossession. In this respect, the report to the President of the Republic presenting that the 2021 Ordinance indicates that such exception is designed for pledges entered into in respect of vehicle fleets, encompassing numerous vehicles, and which are regularly renewed, for which a registration in the vehicles registration system would not be adapted.

Following to the publication of Decree no. 2021-1887 of 29 December 2021 relating to the registry for security over movable assets and other connected transactions, the new unique registry for security over movable assets entered into force on 1 January 2023. The new format of the registration document to be used with such new registry has been published in the decree (*arrêté*) dated 23 October 2023. Decree no. 2021-1887 of 29 December 2021 was silent on the date of entry into force of the changes mentioned above, insofar as regards the "vehicles registration system". Since then, Decree no. 2023-97 dated 14 February 2023 on the publicity of a pledge entered into in respect of terrestrial motor vehicles and trailers subject to registration, has introduced such "vehicles registration system" and provided for the details of its functioning.

Although the Lease Vehicle Pledge is expressed to be subject to article 2342 of the French Civil Code, and this exception appears to be tailored to pledges of the type contemplated by the Lease Vehicle Pledge, it cannot be excluded, depending on further interpretation materials that could become available after the date hereof, or the positions that "*greffes*" or the administrator of the "vehicles registration system" may take in this respect, that amendments to the Lease Vehicle Pledge could be necessary in order to continue to benefit from, or as the result of, the application of that exception, provided that the Management Company may agree to such amendments without the consent of the Noteholders and provided further that there is no guarantee that the parties to the relevant Transaction Documents will agree on any such amendments and that they can actually be made.

The Lease Vehicle Pledge is granted as security for the due and timely performance of the Secured Obligations, being all present and future payment obligations of the Pledgor, as Seller and Servicer under the Lease Receivables Purchase Agreement and the Servicing Agreement, within the limit of a maximum amount of €643,299,830.96.

#### *Impact of hardening period*

The Lease Vehicle Pledge could be challenged if granted or extended during the hardening period (*période suspecte*), on the basis of article L. 632-1-6° of French Commercial Code, which provides for the automatic nullity of any security interest granted during the hardening period to secure past obligations of a debtor. In such event, the Issuer would no longer be in a position to enforce the Lease Vehicle Pledge following the opening of Insolvency Proceedings against the Seller.

#### *Effect on the Lease Vehicle Pledge in the event of insolvency without a sale plan (plan de cession)*

In the event of safeguard and reorganisation proceedings (*procédure de sauvegarde ou de redressement judiciaire*), pursuant to article L. 622-7 I §2 of the French Commercial Code, the right of lien under the Lease Vehicle Pledge would automatically be unenforceable upon the date of the court decision opening the proceedings, and during the observation period (*période d'observation*) of the proceedings and the period of execution of the safeguard or reorganisation plan (*exécution du plan de sauvegarde ou de redressement*), as applicable, except if the Leased Vehicles are included in a partial sale plan (*cession d'activité*) pursuant to the terms of article L. 626-1 of the

French Commercial Code. Although French law is silent on this point, the main consequences of unenforceability would be as follows:

- (a) the Issuer would have no right to prevent the debtor and/or the insolvency administrator (*administrateur judiciaire*) from disposing the property; and
- (b) any proceeds of the sale would be subject to the payment of privileged creditors.

The administrator may sell the Leased Vehicles during the observation period (*période d'observation*) but it will not have access to the sale proceeds. From a practical standpoint, this effect of the Lease Vehicle Pledge would negate the administrator's incentive to sell the Leased Vehicles during the observation period (*période d'observation*). The sale proceeds would be put in escrow in a deposit account (*compte de dépôt*) held by the *Caisse des Dépôts et Consignations* until the end of the observation period when such amount will be distributed to the creditor. At the end of observation period (the observation period lasting six (6) months with a further six month renewal, but at the request of the public prosecutor only, for a further six (6) months) the amounts standing on this deposit account will be paid to the secured creditors (*pari passu* or given their ranking if there are several secured creditors on the same asset) but after the payment of the employees legal senior privilege (i.e. two (2) month salary and the legal dismissal indemnity), except if such creditor is the subject of a rescheduling of its receivable in a safeguard or continuation plan. When a continuation plan is decided, the payment of the amount is subject to the terms of the continuation plan (which may run up to 10 years) and any rescheduling therein if the creditor is subject to such rescheduling.

However such rescheduling (i) relates to the amounts owed prior to the opening of the Insolvency Proceedings, (ii) imposes a principal yearly payment of at least 5% and (iii) is unlikely to apply to the Issuer. In this respect, during the setting up of the continuation plan, in order to determine the applicable rescheduling, the administrator takes account of the receivables of the financial creditors (such as the lenders), the main suppliers and the other key creditors (such as the Issuer). In practice, the rescheduling relates mainly to financial creditors (such as secured lenders) which usually have a receivable with a long maturity and for which the insolvent entity has to cash out money. In the Issuer's case, the amounts which are likely to be owed to it by the Seller prior to the opening of the Insolvency Proceedings would correspond to one month of Collections. In practice, it is likely that the administrator would not be willing to set up a rescheduling plan in respect of a receivable corresponding to one month of Collections. In addition, the Seller has an incentive fee to sell the vehicles.

However, given that the proceeds of the sale of the Pledged Vehicles would be applied to the satisfaction of privileged creditors and then the Issuer, there would be few incentives for the insolvency administrator of the Seller to dispose of the Pledged Vehicles, unless it is satisfied that the sale price would be greater than the amount owing to the Seller's privileged creditors and the Issuer (so that the Seller may recover part of the sale price), which is unlikely to be the case.

*In the event of the adoption of a sale plan (plan de cession)*

Where, following the observation period (*période d'observation*) of reorganisation proceedings or in liquidation proceedings, the Pledged Vehicles are included in a sale plan (*plan de cession*), as a matter of principle, article L. 642-12 §1 to §3 of the French Commercial Code provides that part of the plan proceeds (discretionarily determined by the insolvency court) must be allocated to the relevant assets for the exercise by the pledgee of its right of priority (*droit de préférence*). These sale proceeds are distributed in accordance with the legal priority of payments. However, §5 of this article provides that such provisions must not impede the exercise by a creditor of its right of lien (*droit de rétention*) over the relevant assets. This provision reflects the position of established case law under which a pledgee benefiting from a "real" right of lien (*droit de rétention réel*) is entitled to receive full payment of its claim before releasing the relevant assets, notwithstanding the priority of payments referred to above. The disposal proceeds must be allocated to each of the beneficiaries of the pledged assets given their priority right.

Although article L. 642-12 §5 of the French Commercial Code has not yet been tested in French courts, there are strong arguments to consider that the principles set by case law on the "real" right of lien (*droit de rétention réel*) before the introduction of such article L. 642-12 §5 and confirmed by this new provision, should apply to a "fictive" right of lien, in particular the right of lien attached to a pledge without dispossession:

- (a) article L. 642-12 §5 itself does not make a distinction between the two types of rights of lien;

- (b) the fictive right of lien would be deprived of any import if one considered that it does not have the same effects as a real right of lien; and
- (c) the report to the President of the French Republic presenting the order which introduced article L. 642-12 §5 in the French Monetary and Financial Code clearly states that this new provision shall extend to the fictive right of lien.

The majority of the legal commentators take the view that a creditor which benefits from a pledge without dispossession (such as the Issuer) would have a right of lien over the pledged vehicles which will allow receipt of the full payment of its claim before releasing the relevant assets in the event that these assets are included in a sale plan (*plan de cession*).

Accordingly, the Leased Vehicles could only be included in a sale plan (*plan de cession*) if they were first "released" by the Issuer, i.e. if the court-official paid to the Issuer the full amount of its claim against the Seller prior to the approval of the sale plan (*plan de cession*). Although the Management Company acting on behalf of the Issuer would not enjoy a formal right to oppose the sale of the Leased Vehicles included in a sale plan (*plan de cession*), the existence of the Lease Vehicle Pledge will act as a strong deterrent, and creates a high legal risk, for any third party to acquire the Leased Vehicles in the context of a sale plan (*plan de cession*) without first reaching an agreement with the Issuer.

#### *In the event of liquidation proceedings (procédure de liquidation)*

Although not clearly stated, article L. 641-3 of the French Commercial Code suggests that in the event of liquidation proceedings, the right of lien of the creditor over property is not affected. The principle of enforceability of the right of lien in liquidation proceedings is strengthened by article L. 642-20-1 §3 of the French Commercial Code which more clearly states that if the liquidator sells outside of a sale plan (*plan de cession*) an asset over which there is a right of lien, the right of lien automatically transfers to the sale price. Although the law is silent on the effects of this provision, a logical consequence is that the creditor with the right of lien should be satisfied before any other creditor. The French Supreme Court recognised this right to the benefit of the creditor within the framework of a pledge governed by the 1953 Decree, in which the creditor was also granted a "fictive" right of lien.

#### *Notice of assignment; defences of the Obligors and set-off rights of the Obligors*

The assignment of the Purchased Receivables and the assignment and transfer of the Ancillary Rights may only be disclosed to the relevant Lessees, the relevant BMW Dealers, any other relevant Obligors and the relevant insurance companies in accordance with the Servicing Agreement or where the Seller otherwise agrees to such disclosure. Until the relevant Lessees and BMW Dealers have been notified of the assignment of the relevant Lease Receivables or, as the case may be, Dealer Vehicle Buy Back Receivables, they may pay with discharging effect to the Seller or enter into any other transaction with regard to such Lease Receivables or, as the case may be, Dealer Vehicle Buy Back Receivables, with the Seller which will have a binding effect on the Issuer. Each Lessee and BMW Dealer may further raise defences (which may include, as applicable, any set-off right) against the Issuer arising from its relationship with the Seller which are existing prior to the notification of the assignment of the relevant Lease Receivable or, as the case may be, Dealer Vehicle Buy Back Receivable, or arise out of mutual claims (*compensation de créances connexes*) between such Lessee, or as the case may be, such BMW Dealer and the Seller which are closely connected with such Lease Receivable or, as the case may be, such Dealer Vehicle Buy Back Receivable.

These risks are mitigated because, as at the Issue Date, the Seller represents and warrants to the Issuer that it is not aware that any Obligor has asserted any lien, right of rescission, counterclaim, set-off, right to contest or defence against the Seller in relation to any Lease Agreement or any Dealer Vehicle Buy Back Agreement. Furthermore, the Seller is required to pay Deemed Collections in the event of the reduction of a Purchased Receivable due to set-off, for example, set-off arising from the failure by the Seller to perform maintenance services. However, in these cases, Noteholders would become exposed to the risk that the Seller may be unable to pay Deemed Collections or perform any other remedy in full. See "RISKS RELATING TO THE PURCHASED RECEIVABLES — Reliance on Eligibility Criteria" above.

For the purpose of notification of the Obligors in respect of the assignment of the Lease Receivables and the Dealer Vehicle Buy Back Receivables, the Management Company or any successor Servicer or substitute Servicer will

require the Portfolio Decryption Key which is in the possession of the Data Custody Agent in order to decrypt the Portfolio Information. Under the Data Custody Agreement, the Management Company is entitled to request delivery of the Portfolio Decryption Key required to decrypt the required information from the Data Custody Agent under certain conditions if a Notification Event has occurred. However, the Management Company, or any successor Servicer might not be able to obtain such data in a timely manner as a result of which the notification of the Lessees and BMW Dealers may be considerably delayed. Until such notification has occurred, the Lessees and BMW Dealers may pay with discharging effect to the Seller or enter into any other transaction with regard to the Lease Receivables or, as the case may be, Dealer Vehicle Buy Back Receivables, which will have a binding effect on the Issuer.

In addition, the identity of certain Obligors may not be known until the corresponding Purchased Receivables, being Vehicle Sale Receivables, arise. Accordingly, it may not be possible to notify these Obligors even if a Notification Event has occurred.

For instance, the potential buyer of a Leased Vehicle retrieved from the Lessee (at the maturity of the relevant Lease Agreement, or if the Lease Agreement is terminated by anticipation for failure of the Lessee to comply with its obligations thereunder), is unknown until the Leased Vehicle is actually sold. See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Lease Receivables Purchase Agreement".

#### *Interconnected agreements and impact of termination of maintenance and servicing agreements*

Although the Lease Agreements do not contain any obligation for the Seller to perform repairs, maintenance or servicing work and no servicing, repair or maintenance contracts are expressly offered under the Lease Agreements by the Seller to the Lessees, servicing, repair and/or maintenance contracts may be separately entered into by the Lessees with third parties. In such circumstances, the Seller may agree to collect the fees due under such contracts on behalf of such third parties.

Article 1186 of the French Civil Code provides that where the conclusion of several agreements is necessary for the purposes of achieving a single transaction (*une même opération*), when one of these agreements disappears (*disparaît*), both (i) the agreements whose performance is made impossible due to this disappearance and (ii) the agreements whose key factor (*condition déterminante*) for entering into such agreements was the performance of the disappeared agreement are void (*caducs*).

The interconnection of agreements is a question of fact. The question of whether maintenance and servicing agreements and Lease Agreements are interconnected would have to be determined by the courts on a case-by-case basis. It is however unclear whether a court would consider these as "interconnected" within the meaning of article 1186 of the French Civil Code. Case law (dating from before the enactment of article 1186 of the French Civil Code) tends to consider multiple elements as part of the legal analysis, including whether the contracts are entered into simultaneously, whether the services contract is absolutely necessary to the use of the leased assets or whether the parties have intended to interconnect the contracts. The Seller has confirmed that, on the date of this Offering Circular, it has not been involved in any litigation, nor been subject to any court decisions, confirming the interconnection of the Lease Agreements with any maintenance and servicing agreements.

If the conclusion of any Lease Agreement and any such servicing, repair and/or maintenance contract is considered by competent courts as interdependent and thus as necessary for the purposes of achieving a single transaction (*une même opération*), within the meaning of article 1186 of the French Civil Code, it cannot be fully ruled out that the relevant Lease Agreement could be considered as void (*caduc*) if such servicing, repair and/or maintenance contract were to be invalid (*disparaît*), which could result in a restitution obligation on the Seller or, if the Lessees have been instructed to pay directly the Issuer following the occurrence of a Servicer Termination Event, the Issuer, in respect of part or all of the amounts paid by the relevant Lessees under the relevant Lease Agreements. The Seller has however undertaken pursuant to the Lease Receivables Purchase Agreement to indemnify the Issuer against any claim made by the Lessees in connection with such Lease Agreements.

#### *Market value of the Purchased Receivables*

There is no assurance that the market value of the Purchased Receivables (including the related Ancillary Rights) will at any time be equal to or greater than the Aggregate Outstanding Notes Balance then outstanding plus the accrued interest thereon. Moreover, in the event of the occurrence of an Issuer Liquidation Event and a sale of the assets of the Issuer by the Management Company, the Management Company and the Custodian and any relevant

parties to the Transaction Documents will be entitled to receive the proceeds of any such sale to the extent of unpaid fees and expenses and other amounts owing to such parties prior to any distributions to the Noteholders subject to the application of the relevant Priority of Payments.

#### *Sale of the Leased Vehicles*

##### *Ability for BMW Dealers to respect their buy back commitments under certain Lease Agreements*

The Dealer Vehicle Buy Back Agreements include a commitment given by a BMW Dealer to repurchase the relevant Leased Vehicle at the end of certain Lease Agreements at the then Contractual Residual Value. A difficult economic environment, particularly in the automotive sector, or difficulties for the "BMW" brands, may result in financial difficulties or bankruptcies amongst such BMW Dealers.

A simultaneous bankruptcy of many BMW Dealers and a reduction in the resale value of the Leased Vehicles could trigger losses for the Issuer and may adversely affect the ability of the Issuer to make any payments of principal and/or interest due to the Noteholders.

##### *Market value of Leased Vehicles*

To the extent that, at the end of a Financial Lease Agreement, the relevant Lessee does not exercise its rights to purchase a Leased Vehicle or the relevant BMW Dealer is in default under its undertaking pursuant to the applicable Dealer Vehicle Buy Back Agreement (if any), the relevant Leased Vehicle would systematically be sold by the Seller to third parties. Currently, almost all Leased Vehicles, if not sold to a Lessee or a BMW Dealer, at the end of the corresponding Lease Agreement or following the default of the corresponding Lessee, are sold by way of auction. No assurance can be given that the market for used vehicles in France will not deteriorate for any reason. Further, no assurance can be given that sale by auction will remain an economically effective and viable method of selling vehicles nor that the relevant auctioneer will obtain the best possible price for such vehicles. In addition, the Seller in its capacity as Servicer currently sub-contracts the collection of Defaulted Lease Receivables to Crédit Agricole Consumer Finance. All fees of auctioneers and of the sub-contractor will be deducted from the sale proceeds payable to the Issuer. Such factors may adversely affect the ability of the Issuer to make any payments of principal and/or interest due to the Noteholders.

##### *Higher residual value risk in the event of BMW Group's bankruptcy*

A bankruptcy of the BMW Group may trigger a deterioration of the resale value of the Leased Vehicles, and a bankruptcy of a certain number of BMW Dealers. In such a case, the Servicer or its successor would have to recover a higher number of Leased Vehicles, which could affect the global resale value of such Leased Vehicles and trigger losses for the Issuer and may adversely affect the ability of the Issuer to make any payments of principal and/or interest due to the Noteholders.

## **IV. Risks relating to the Transaction Parties**

#### *Specific status of the Seller and the Servicer*

BMW Finance S.N.C., being licensed as a financing company (*société de financement*) by the ACPR, is required to comply with specific rules of organisation, reporting requirements and regulatory ratios. In addition, article L. 613-27 of the French Monetary and Financial Code provides that no Insolvency Proceedings may be opened by a court against a financing company without having first obtained the opinion (*avis*) of the ACPR. The latter may also designate a provisional administrator (*administrateur provisoire*) or a liquidator (*liquidateur*) of its own, in addition to the administrator (*administrateur judiciaire*) or, as applicable, the liquidator (*liquidateur judiciaire*) designated by the relevant court as further described in "— Banking resolution".

#### *Banking resolution*

The BRRD and the relevant implementing provisions in the French Monetary and Financial Code currently contains four (4) resolution tools and powers:

- *sale of business*: enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;

- *bridge institution*: enables resolution authorities to transfer all or part of the business of the firm to a "bridge bank" (a public controlled entity holding such business or part of a business with a view to reselling it);
- *asset separation*: enables resolution authorities to transfer impaired or problem assets to an asset management vehicle to allow them to be managed and worked out over time; and
- *bail-in*: gives resolution authorities the power to write-down the claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to equity (the "**general bail-in tool**"), which equity could also be subject to any future cancellation, transfer or dilution by application of the general bail-in tool.

The impact of the BRRD and its implementing provisions on financing companies (or any other entities which are subject to the BRRD) is currently unclear. However potential investors in the Notes should consider the risk that a holder may lose all or a part of its investment, including the principal and any interests, if the general bail-in tool or any similar statutory loss absorption measures are used.

The French Monetary and Financial Code also provides that in exceptional circumstances, where the general bail-in tool is applied, the relevant resolution authority may exclude or partially exclude certain liabilities from the application of the write-down or conversion powers, in particular where: (a) it is not possible to bail-in that liability within a reasonable time; (b) the exclusion is strictly necessary and is proportionate to achieve the continuity of critical functions and core business lines of the institution under resolution; (c) the exclusion is strictly necessary and proportionate to avoid giving rise to widespread contagion, which would severely disrupt the functioning of financial markets, including of financial market infrastructures, in a manner that could cause a serious disturbance to the economy of a Member State of the European Union; or (d) the application of the general bail-in tool to those liabilities would cause a destruction in value such that the losses borne by other creditors would be higher than if those liabilities were excluded from bail-in. Consequently, where the relevant resolution authority decides to exclude or partially exclude a liability or class liabilities which can be used for bail-in, the level of write down or conversion applied to other eligible liabilities when not excluded, may be increased to take account of such exclusions. Subsequently, if the losses that would have been borne by those liabilities have not been passed on fully to other creditors, the French *Fonds de garantie des dépôts et de résolution* (i.e. the Resolution and Deposits Guarantee Fund) or any other equivalent arrangement from a Member State, may make a contribution to the institution under resolution, under certain limits, including the requirement that such contribution does not exceed 5% of the global liabilities of such institution, to (i) cover any losses which have not been absorbed by liabilities which can be used for bail-in and restore the net asset value of the institution under resolution to zero and/or (ii) purchase shares or other instruments of ownership or capital instruments in the institution under resolution, in order to recapitalise the institution. The last step - if there are losses left - would be an extraordinary public financial support through additional financial stabilisation tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework. In accordance with article L613-49 of the of the French Monetary and Financial Code, a resolution procedure (if applicable) can be opened if (a) the ACPR determines that the financial institution is failing or is likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of the relevant credit institution, financing company or investment firm within a reasonable timeframe and (c) a resolution measure is necessary in the public interest and insolvency proceedings governed by Book VI of the French Commercial Code would not permit to achieve the same goals. An institution will be considered as failing or likely to fail when: (a) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (b) its assets are, or are likely in the near future to be, less than its liabilities; (c) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (d) it requires extraordinary public financial support (except in limited circumstances).

The powers currently set out in the BRRD and its implementation in the French Monetary and Financial Code are expected to impact how credit institutions, financing companies and large investment firms are managed as well as, in certain circumstances, the rights of creditors of such credit institutions, financing companies and large investment firms.

Moreover, the SRM Regulation has established a centralised power of resolution entrusted to a Single Resolution Board and to the national resolution authorities. For Member States (including France) participating in the Banking Federation of the European Union, the Single Resolution Mechanism fully harmonises the range of available tools but Member States are authorised to introduce additional tools at national level to deal with crises, as long as they are compatible with the resolution objectives and principles set out in the BRRD. The Single Resolution Board

works in close cooperation with the ACPR, in particular in relation to the elaboration of resolution planning, and assumes full resolution powers since 1 January 2016.

#### *Restructuring and resolution proceedings*

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

#### *Creditworthiness and due performance of Transaction Parties*

The ability of the Issuer to meet its obligations under the Notes depends, in whole or in part, on the performance of each Transaction Party of its duties under the Transaction Documents.

No assurance can be given that the creditworthiness and due performance of the Transaction Parties, in particular the Servicer, the Swap Counterparty, the Paying Agent and the Account Bank, will not deteriorate in the future. This may affect the performance of their respective obligations under the respective Transaction Documents. In particular, it may affect the administration, collection and enforcement of the Purchased Receivables by the Servicer in accordance with the Servicing Agreement. As the Account Bank use the assistance of a Swift correspondent agent in the settlement process, the Noteholders are also exposed to the capability of such Swift correspondent agent to perform such tasks in the future.

If the Transaction Parties are not duly performing their duties under the Transaction Documents, this may lead to losses at the level of the Issuer, which could have an impact on the ability of the Issuer to make payments on the Notes ultimately leading to a risk of the Noteholders to incur a loss.

#### *Risk of late forwarding of payments received by the Servicer, commingling risk and risk of Servicer Shortfalls*

During the life of the Transaction and prior to the occurrence of a Servicer Termination Event and the revocation of the collection mandate of the Servicer, the Seller in its capacity as Servicer is entitled to commingle any Collections from the Purchased Receivables, including proceeds from the realisation of Leased Vehicle, with its own funds during each Monthly Period and will only be required to transfer the Collections to the Operating Ledger of the Issuer Account on each Payment Date. Commingled funds may be used or invested by the Seller at its own risk and discretion and for its own benefit until the relevant Payment Date.

Upon the occurrence of an Insolvency Event with respect to the Seller or the Servicer or a Servicer Termination Event in particular, commingling risks and risks of Servicer Shortfalls may occur. For covering the outlined potential commingling risks and risks of Servicer Shortfalls, the Seller in its capacity as Servicer has undertaken to indemnify the Issuer against any liabilities, costs, claims and expenses resulting from its failure to pay the Issuer any Collections in accordance with the Servicing Agreement, except those penalties and interest surcharges that are due to the negligence (*faute lourde*) or wilful misconduct (*dol*) of the Issuer. Upon the occurrence of a Commingling Reserve Trigger Event and for so long as such event continues, the Servicer shall, within fourteen (14) calendar days, notify the Issuer in writing that it will elect to (i) with effect from the date of such notification, transfer any Collections to the Issuer Account within two (2) Business Days upon receipt of such Collections; or (ii) fund the Commingling Reserve Ledger (not using any Collections) with the Commingling Reserve Required Amount within the Performance Period of the Commingling Reserve Trigger Event taking place and on each Payment Date upon the continuance of the Commingling Reserve Trigger Event. For so long as such Commingling Reserve Trigger Event prevails, the Servicer shall have the right to switch between the above options by written notice to the Issuer. In addition, no assurance can be given that the Commingling Reserve Required Amount will be sufficient to cover commingling risks or risks of Servicer Shortfalls. This may lead to losses at the level of the

Issuer, which could have an impact on the ability of the Issuer to make payments on the Notes ultimately leading to a risk of the Noteholders to incur a loss.

It should be noted that VAT, insurance premiums, service indemnities, early termination indemnities and maintenance and service repair contract amounts owed by the relevant Lessee are not being assigned to the Issuer and accordingly the Issuer will have no right whatsoever on amounts collected in respect of any such amounts.

#### *Replacement of the Servicer*

If the appointment of the Servicer is terminated, the Management Company has the right to appoint a successor Servicer pursuant to the Servicing Agreement. Any substitute Servicer which may replace the Servicer in accordance with the terms of the Servicing Agreement would have to be able to administer the Purchased Receivables and the Ancillary Rights in accordance with the terms of the Servicing Agreement, be duly qualified and licensed to administer finance contracts in France such as the Lease Agreements and may be subject to certain residence and/or regulatory requirements. Further, while the Seller acting as Servicer is not entitled to a Servicing Fee, it should be noted that any substitute Servicer (other than a (direct or indirect) Subsidiary of the Seller or of a parent of the Seller to which the servicing and collection of the Purchased Receivables and the related Ancillary Rights of the Seller is outsourced) will be entitled to a Servicing Fee which ranks senior to the Notes according to the applicable Priority of Payments. Even though the Management Company has agreed that it will facilitate the appointment of a suitable entity with all necessary facilities available to act as successor Servicer and will use reasonable efforts to ensure that such entity enters into a successor servicing agreement, the terms of which are similar to the terms of the Servicing Agreement, with the parties to the Servicing Agreement upon receipt of notice by the Servicer of the occurrence of a Servicer Termination Event, there is no assurance that an appropriate successor Servicer can be found and hired in the required time span as set forth in the Servicing Agreement and that any delay in finding and hiring a successor Servicer would not have a negative impact on the amount and the timing of the Collections and, thus, on the funds available to the Issuer for the payment of interest and/or principal on the Notes.

#### *Replacement of the Management Company, the Custodian, the Account Bank or any Agent*

If the appointment of the Management Company is terminated at the initiative of the Management Company in accordance with the Issuer Regulations and the Custodian Agreement, in such case, replacement costs will be borne by the Management Company.

If the appointment of the Custodian is terminated in accordance with the Issuer Regulations and the Custodian Agreement, the Management Company may appoint a replacement Custodian. Such replacement costs will not be borne by the FCT or the Noteholders.

If the appointment of the Account Bank is terminated by the Issuer due to a rating downgrade of the Account Bank, the Issuer will appoint replacement Account Bank in accordance with the Bank Account Agreement. Such replacement costs will be borne by the Account Bank, subject to a cap calculated in accordance with the Bank Account Agreement. There is no assurance that such replacement costs will not exceed such cap.

If the appointment of an Agent is terminated by the Issuer, the Issuer will appoint a replacement Agent in accordance with the Agency Agreement, and in the case of the Calculation Agent, the Calculation Agency Agreement.

Moreover, no assurance can be given that a successor Management Company, a successor Custodian, a Successor Account Bank, or a successor Agent will be appointed in time and/or on terms similar to the provisions agreed on in the relevant Transaction Document.

Any failure to replace in a timely manner or higher costs associated with the appointment of a successor may have a negative impact on the funds available to the Issuer and, therefore, increase the risk that the Noteholders will ultimately not receive the full principal amount of the Notes and/or interest thereon.

#### *Interest rate hedging*

If the Swap Counterparty defaults in respect of its obligations under the Swap Agreement which results in a termination of the Swap Agreement, the Issuer will be obligated to enter into a replacement arrangement with another Eligible Swap Counterparty or to take other appropriate steps as defined in the Swap Agreement. Any

failure to enter into such a replacement arrangement or to take other appropriate action may result in the Issuer becoming exposed to substantial interest rate risk and a downgrading of the rating of the Class A Notes.

The Swap Counterparty may terminate the Swap Agreement, among other things, if the Issuer becomes insolvent, if the Issuer fails to make a payment under the Swap Agreement when due and such failure is not remedied within three (3) local business days after notice of such failure being given, if performance of the Swap Agreement becomes illegal, or if an Enforcement Event occurs. The Issuer may terminate a Swap Agreement if, among other things, the Swap Counterparty becomes insolvent, the Swap Counterparty fails to make a payment under the Swap Agreement when due and such failure is not remedied within three (3) Business Days after the notice of such failure being given, performance of the Swap Agreement becomes illegal or payments to the Issuer are reduced or payments from the Issuer are increased due to tax for a period of time.

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

In the event that the Swap Agreement is terminated by either party, then, depending on the market value of the swap, a termination payment may be due to the Issuer or to the Swap Counterparty. Any such termination payment could be substantial. In certain circumstances, termination payments required to be made by the Issuer to the Swap Counterparty will rank higher in priority than all payments on the Notes. In such an event, the Available Distribution Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

In the event that the Swap Agreement is terminated by either party or the Swap Counterparty becomes insolvent, the Issuer will endeavour but may not be able to enter into the Swap Agreement with a replacement Swap Counterparty immediately or at a later date. If a replacement Swap Counterparty cannot be contracted, the amount available to pay principal of and interest on the Class A Notes will be reduced if the floating rates-based interest on Class A Notes exceeds the fixed rate-based interest that the Issuer would have been required to pay the Swap Counterparty under the terminated Swap Agreement. In these circumstances, the Available Distribution Amount may be insufficient to make the required payments on the Class A Notes and the holders of Class A Notes may experience delays and/or shortfalls in the interest and principal payments on the Class A Notes.

Moreover, the Noteholders should be aware that the regulatory changes arising from EMIR, MiFID II and MiFIR may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Issuer's ability to engage in transactions in OTC derivatives, including if the Issuer intends to replace the Swap Counterparty and/or enter into a replacement swap. As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Investors should be aware, however, that such risks are material and that the Issuer could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR, technical standards made thereunder, MiFID II and MiFIR, in making any investment decision in respect of the Notes.

The enforceability of a contractual provision which alters the priorities of payments to subordinate the claim of a swap counterparty (to the claims of other creditors of its counterparty) upon the occurrence of an insolvency of or other default by the swap counterparty (a so-called flip clause) has been challenged in the English and U.S. courts.

Given that the Transaction Documents include terms providing for the subordination of certain payments under the Swap Agreement, there may be a risk that any court proceedings in the relevant jurisdiction may adversely affect the Issuer's ability to make payments on the Notes and/or the market value of the Notes and result in negative rating pressure in respect of the Notes. If any rating assigned to any of the Notes is lowered, the market value of such Notes may reduce.

### *Conflicts of interest*

In connection with the Transaction, the Seller will also act as Servicer, Subordinated Lender and Arranger, BNP Paribas will act as Joint Lead Manager and Listing Agent, BNP Paribas (acting through its Securities Services business) will act as Custodian, Paying Agent, Data Custody Agent, Account Bank and Registrar and the Management Company will also act as Interest Determination Agent and Calculation Agent. These Transaction Parties will have only those duties and responsibilities agreed to in the relevant 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 provided in the Transaction Documents to which they are a party. To the best knowledge and belief of the Management Company, these are the sole relevant conflicts of interest of the Transaction Parties. However, all Transaction Parties may enter into other business dealings with each other from which they may derive revenues and profits without any duty to account therefor in connection with this Transaction.

The Servicer may hold or service claims (for third parties) against the Obligors other than the Purchased Receivables.

The wider interests or obligations of the afore-mentioned Transaction Parties may therefore conflict with the interests of the Noteholders.

The Transaction Parties may engage in commercial relations, in particular, hold assets in other securitisation transactions as trustee, be a lender, provide general banking, investment and other financial services to the Obligors, the Seller, the Servicer, the FCT, other parties to this Transaction and other third parties.

In such functions, the afore-mentioned Transaction Parties are not obliged to take into account the interests of the Noteholders. Accordingly, potential conflicts of interest may arise in respect of this Transaction.

### **V. Tax risks**

The following should be read in conjunction with "TAXATION".

#### *BEPS 2.0*

To combat abusive global tax avoidance, the OECD and the G20 have found via the Inclusive Framework a global consensus solution to reform the international corporate tax system via a two-pillar plan agreed in 2021 ("**BEPS 2.0**").

Pillar I seeks to establish new rules for allocating the taxing rights of the profits of large multinational groups. The first objective is to introduce a new tax on a portion of the consolidated pre-tax profit of multinational groups for the benefit of the jurisdictions in which the goods or services are consumed or used (so-called "Amount A") and the second objective is to simplify the application of the arm's length principle to marketing and distribution activities by allocating a minimum profitability amount (so-called "Amount B"). However, Pillar I has not been implemented yet.

Pillar II seeks to establish a minimum tax rate of 15% for large multinational groups with a turnover of more than €750 million. It is based on two sets of rules:

- (i) the first which must be introduced into domestic law, referred to as 'GloBE' (Global Anti-Base Erosion) are the income inclusion rule ('RDIR') and the subsidiary rule on insufficiently taxed profits ('RPII'); and
- (ii) the second set which must be introduced into multilateral treaty is the taxing right (RAI) which is intended to enable the application of a withholding tax on intra-group payments that are not subject to minimum taxation.

Directive (EU) 2022/2523 of 15 December 2022 has adapted and implemented the GloBE rules at European level and article 33 of the Finance Act for 2024 (Act 2023-1322 of 29 December 2023) inserted a new chapter into the French General Tax Code specifically dedicated to the global minimum taxation of large multinational and national groups (article 223 VJ to 223 WZ of the French General Tax Code) to transpose into domestic law the directive as

clarified by the comments and administrative guidance adopted by the OECD/G20 Inclusive Framework. Several adjustments were made by the Finance Act for 2025 (Act 2025-127 of 14 February 2025, article 53).

### *French taxation*

The Issuer is subject to French tax risks:

Payments of principal and interest (and assimilated income) made by the FCT with respect to the Notes will not be subject to the withholding tax provided by article 125 A III of the French General Tax Code unless such payments are made outside of France in a non-cooperative state or territory (*Etat ou territoire non-coopératif*) within the meaning of article 238-0 A of the French General Tax Code (a "**Non-Cooperative State**")<sup>1</sup> other than those mentioned in 2° of 2 bis of article 238-0 A of the French General Tax Code. If such payments under the Notes are made in a Non-Cooperative State other than those mentioned in 2° of 2 bis of article 238-0 A of the French General Tax Code, a 75% withholding tax will be applicable (regardless of the tax residence of the Noteholders and subject to exceptions, certain of which are set out below and to the more favourable provisions of any applicable double tax treaty) by virtue of article 125 A III of the French General Tax Code. The list of Non-Cooperative States is published by a ministerial executive order and is generally updated at least once a year.

Notwithstanding the foregoing, the 75% withholding tax provided by article 125 A III of the French General Tax Code will not apply in respect of a particular issue of Notes solely by reason of the relevant payments being made to Persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the FCT can prove that the principal purpose and effect of such issue of Notes were not that of allowing the payments of interest or assimilated income to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the official guidelines issued by the French tax authorities (under the references BOI-INT-DG-20-50-30-14/06/2022, no. 150) an issue of Notes will benefit from the Exception without the FCT having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (a) offered by means of a public offer within the meaning of article L. 411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State or territory other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities markets authority; or
- (b) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State and the operation of such market is carried out by a market operator or an investment services provider or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (c) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of article L. 561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Application has been made to the Luxembourg Stock Exchange to list the Notes and, subject to the effective listing of each Class of Note, the exemption referred to in paragraph (b) above will apply.

Consequently, under current law, payments of principal and interest (and assimilated income) by the FCT in respect of the Notes will, subject to their effective listing or clearing, be made free from any withholding or deduction for or on account of any tax imposed in France subject as described in "TAXATION — French Taxation". However, there can be no assurance that the law or practice will not change.

Pursuant to article 125 A of the French General Tax Code, subject to certain limited exceptions, interest and assimilated income received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are

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<sup>1</sup> The list of Non-Cooperative States mentioned under article 238-0 A of the French General Tax Code (the "French List") is in principle updated on a yearly basis by way of governmental decree. The French List (as last updated by a decree (*arrêté*) dated 16 February 2024) currently consists of Anguilla, Antigua and Barbuda, Belize, Seychelles, Panama, Vanuatu, the Bahamas, Fiji, Guam, the U.S. Virgin Islands, Palau, Russia, American Samoa, Samoa, the Turks and Caicos Islands, and Trinidad and Tobago. The purpose of the French List is to encompass all the countries listed on the European Union's list of non-cooperative jurisdictions for tax purposes, which was last updated on 18 February 2025 and remains unchanged from the previous version (the "EU List").

currently subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG (*contribution sociale généralisée*), CRDS (*contribution au remboursement de la dette sociale*) and solidarity levy) are also levied by way of withholding tax at the current aggregate rate of 17.2% on interest and assimilated income paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

#### *Luxembourg taxation*

Payments under the Notes will only be made after any mandatory requirements for withholding or deductions on account of tax have been met. The Issuer will not be required to pay additional amounts in respect of any such withholding or other deduction for or on account of any present or future taxes, duties or charges of whatever nature. See "TERMS AND CONDITIONS OF THE NOTES — Condition 10 (*Taxation*)". In such event, subject to certain conditions, the Issuer will be entitled (but will have no obligation) to redeem the Notes in whole but not in part at their then Outstanding Note Balance.

The Issuer has been advised that under Luxembourg tax law currently in effect and with the possible exception of interest paid to Luxembourg resident individual holders of the Notes and certain entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or upon repayment of principal in case of redemption or repurchase of the Notes. See "TAXATION - Luxembourg taxation".

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

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

#### *The Common Reporting Standard*

The Luxembourg law of 18 December 2015 on the Common Reporting Standard implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory exchange of information in the field of taxation, as well as the OECD's multilateral competent authority agreement on automatic exchange of financial account information signed in Berlin on 29 October 2014 may impose certain obligations on the Issuer, such as collecting certain information from the Noteholders which the Issuer would have to submit to the relevant Luxembourg tax authorities subject to automatic exchange of such information with other relevant foreign authorities. Failure by the Issuer to comply with such obligations might result into penalties being imposed on the Issuer, which might have therefore an impact on the returns of the Noteholders.

#### *No gross-up for taxes*

If required by law, any payments under the Notes will only be made after deduction of any applicable withholding taxes and other deductions. The Issuer will not be required to pay additional amounts in respect of any withholding or other deduction for or on account of any present or future taxes or other duties of whatever nature, including pursuant to FATCA. See "TERMS AND CONDITIONS OF THE NOTES — Condition 10 (*Taxation*)". In such event, subject to certain conditions, the Issuer will be entitled (but will have no obligation) to redeem the Notes in whole but not in part at their then Aggregate Outstanding Notes Balance.

**THE MANAGEMENT COMPANY, IN ITS CAPACITY AS FOUNDER OF THE FCT, BELIEVES THAT THE RISKS DESCRIBED HEREIN ARE A LIST OF RISKS WHICH ARE SPECIFIC TO THE SITUATION OF THE MANAGEMENT COMPANY AND/OR THE NOTES AND WHICH ARE MATERIAL FOR TAKING INVESTMENT DECISIONS BY THE POTENTIAL NOTEHOLDERS. ALTHOUGH THE MANAGEMENT COMPANY BELIEVES THAT THE VARIOUS STRUCTURAL ELEMENTS DESCRIBED IN THIS DOCUMENT MITIGATE SOME OF THESE RISKS FOR NOTEHOLDERS, THERE CAN BE NO ASSURANCE THAT THESE MEASURES WILL BE SUFFICIENT TO ENSURE PAYMENT TO NOTEHOLDERS OF INTEREST, PRINCIPAL OR ANY**

**OTHER AMOUNTS ON OR IN CONNECTION WITH THE NOTES ON A TIMELY BASIS OR AT ALL. THE MANAGEMENT COMPANY DOES NOT REPRESENT THAT THE ABOVE RISKS OF HOLDING THE NOTES ARE EXHAUSTIVE. ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE MANAGEMENT COMPANY OR THAT THE MANAGEMENT COMPANY CURRENTLY BELIEVES TO BE IMMATERIAL COULD ALSO HAVE A MATERIAL IMPACT ON THE MANAGEMENT COMPANY'S FINANCIAL STRENGTH IN RELATION TO THIS TRANSACTION.**

## RISK RETENTION

### Risk retention under the Securitisation Regulation

**INVESTORS SHOULD MAKE THEMSELVES AWARE OF THE REQUIREMENTS OF THE SECURITISATION REGULATION AS WELL AS ANY NATIONAL IMPLEMENTATION LEGISLATION, WHERE APPLICABLE TO THEM, IN ADDITION TO ANY OTHER REGULATORY REQUIREMENTS APPLICABLE TO THEM WITH RESPECT TO THEIR INVESTMENT IN THE NOTES.**

Investors should be aware of the EU risk retention and due diligence requirements that apply in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. With regard to institutional investors (i.e. an insurance undertaking, reinsurance undertaking, an institution for occupational retirement provision, an alternative investment fund manager, an undertaking for the collective investment in transferable securities management company, an internally managed undertaking for the collective investment in transferable securities, a credit institution or an investment firm), article 5 of the Securitisation Regulation provides that an institutional investor other than the originator, sponsor or original lender shall, prior to holding an exposure to a securitisation (as defined in article 2 of the Securitisation Regulation), verify that the originator, sponsor or original lender retains on an ongoing basis a material net economic interest of not less than 5% of the securitised exposures, and has a thorough understanding of all structural features of a securitisation transaction and shall carry out a due diligence assessment which enables it to assess the risks involved with the securitisation transaction. The permissible forms of risk retention are set out in article 6, paragraph (3) of the Securitisation Regulation. Failure to comply with one or more of the requirements set out in the Securitisation Regulation may result, *inter alia*, in the imposition of a penal capital charge on the notes acquired by the relevant investor.

With respect to the commitment of the Seller to retain a material net economic interest in the securitisation as contemplated by article 6 of the Securitisation Regulation, the Seller will, in compliance with article 6, paragraph (3)(d) of the Securitisation Regulation retain at least 5% of the nominal amount of the "securitised exposures" (i.e. the Purchased Receivables) by (a) retaining, on an ongoing basis until the earlier of the redemption of the Class A Notes and the Class B Notes in full and the Legal Final Maturity Date, the Class C Notes (the "**Retained Class C Notes**") and (b) retaining, on an ongoing basis until the earlier of the redemption of the Notes in full and the Legal Final Maturity Date (i) in its capacity as Subordinated Lender, a first loss tranche constituted by the claim for repayment of a subordinated loan (the "**Subordinated Loan**") made available by the Subordinated Lender to the Issuer under the Subordinated Loan Agreement and (ii) in its capacity as Unitholder, the units (the "**Units**", and together with the Retained Class C Notes and the Subordinated Loan, the "**Retained Interest**"), provided in each case of (a) and (b) that the Seller will not be in breach of such undertaking if the Seller fails to so comply due to events, actions or circumstances beyond the Seller's control. In such event, the Seller will use commercially reasonable measures to ensure compliance with article 6 of the Securitisation Regulation as soon as possible, taking into account the circumstances.

Pursuant to the Incorporated Terms Memorandum, the Seller undertakes (i) to retain the Retained Class C Notes and not to sell and/or transfer them (whether in full or in part) to any third party until the earlier of the redemption of the Class A Notes and the Class B Notes in full and the Legal Final Maturity Date, (ii), in its capacity as Subordinated Lender, to grant and keep outstanding the Subordinated Loan and not to sell and/or transfer and/or hedge the Subordinated Loan (whether in full or in part) until the earlier of the redemption of the Notes in full and the Legal Final Maturity Date and (iii) in its capacity as Unitholder, to retain the Units and not to sell and/or transfer them (whether in full or in part) to any third party until the earlier of the redemption of the Notes in full and the Legal Final Maturity Date, subject always to any requirement of law applicable to it. The outstanding balance of the retained exposures may be reduced over time by, amongst other things, amortisation, allocation of losses or defaults on the Retained Class C Notes and the Subordinated Loan. The Monthly Investor Reports will also set out a monthly confirmation as to the continued holding of the Retained Interest as confirmed by the Seller.

Article 5 of the Securitisation Regulation also places an obligation on institutional investors, before investing in a securitisation and thereafter, to, *inter alia*, analyse, understand and stress test their securitisation positions, and monitor on an ongoing basis and in a timely manner performance information on the exposures underlying their securitisation positions. After the Issue Date, the Seller or the Servicer will prepare an ESMA investor report on a monthly basis wherein relevant information with regard to the Purchased Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller with a view to

complying with article 5 of the Securitisation Regulation. Each investor that is required to comply with article 5 of the Securitisation Regulation is required to independently assess and determine the sufficiency of the information described in this Offering Circular and which may otherwise be made available to investors for the purposes of its initial and ongoing compliance with article 5 of the Securitisation Regulation. Although the Servicer will produce the ESMA investor reports on a monthly basis and the Issuer may make announcements from time to time in accordance with applicable law or regulation or the terms of the Notes, none of the Issuer, the Joint Lead Managers, the Joint Bookrunners or any of the other Transaction Parties (i) makes any representation that the information described above or elsewhere in this Offering Circular or which may otherwise be made available to such investors or to which such investors are entitled (if any) is sufficient for such purposes, (ii) shall have any liability to any actual or prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated herein to comply with or otherwise satisfy the requirements of article 5 of the Securitisation Regulation or any other applicable legal, regulatory or other requirements; or (iii) shall have any obligation (including, but not limited to, the provision of additional information) to enable compliance by relevant investors with the requirements of article 5 of the Securitisation Regulation or any other applicable legal, regulatory or other requirements. Investors who are affected should therefore be aware that should they determine at any time, whether for their initial investment for reporting under article 7 of the Securitisation Regulation or otherwise, that they have insufficient information in order to comply with their own due diligence obligations under article 5 of the Securitisation Regulation, there is no obligation on the Issuer or any other party (including, for the avoidance of doubt, any Joint Lead Manager or Joint Bookrunner) to provide further information to meet such insufficiency.

According to article 270a of the CRR, incorporated by Regulation (EU) 2017/2401, where an institution (i.e. a credit institution or an investment firm) that is investing in the Notes does not meet the requirements in Chapter 2 of the Securitisation Regulation in any material respect by reason of negligence or omission by such institution, the competent authorities shall impose a proportionate additional risk weight of no less than 250% of the risk weight, capped at 1250%, which shall apply to the relevant securitisation positions, progressively increasing with each subsequent infringement of the due diligence provisions. The calculation of the additional risk weight has been specified in the Commission Implementing Regulation (EU) 602/2014. Noteholders should make themselves aware of the relevant provisions of the CRD Regime and make their own investigation and analysis as to the impact of the CRD Regime on any holding of Notes.

Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with the CRD Regime. It should be noted that there is no certainty that references to the retention obligations of the Seller in this Offering Circular will constitute explicit disclosure (on the part of the Seller) or adequate due diligence (on the part of the Noteholders) for the purposes of articles 6, paragraph (3)(d) and 7 of the Securitisation Regulation, and none of the Issuer, the Seller, the Management Company, the Arranger, the Joint Bookrunners nor the Joint Lead Managers makes any representation that the information described above is sufficient in all circumstances for such purposes.

In addition, if and to the extent the Securitisation Regulation is relevant to any prospective investor and Noteholder, such investor and Noteholder should ensure that it complies with the Securitisation Regulation in its relevant jurisdiction. Prospective Noteholders who are uncertain as to the requirements which apply to them in any relevant jurisdiction should seek guidance from the competent regulator.

### **UK Risk Retention and Transparency Requirements**

Investors should be aware that the Transaction is not structured to comply with the requirements of the UK Securitisation Framework.

In respect of the due diligence requirements under the UK Securitisation Framework, potential investors should note, in particular, that (i) the Seller commits to retain a material net economic interest with respect to this Transaction in compliance with article 6 paragraph (3)(d) of the Securitisation Regulation only and not also in compliance with the UK Securitisation Framework; and (ii) the Seller as the Reporting Entity will make use of the standardised templates developed by ESMA in respect of the transparency requirements set out in article 7 of the Securitisation Regulation for the purposes of this Transaction only and will not make use of the standardised templates adopted by the UK Financial Conduct Authority.

No assurance can be given that the information included in this Offering Circular or provided by the Seller and the Issuer in accordance with the Securitisation Regulation will be sufficient for the purposes of assisting such UK

institutional investors in complying with their due diligence obligations under the UK Securitisation Framework and prospective UK investors are therefore required to independently assess and determine the sufficiency of the information described in this Offering Circular for the purposes of complying with the UK Securitisation Framework, and any corresponding national measures which may be relevant to investors, and no assurance can be given that this is the case. Neither the Issuer, the Seller, the Servicer, the Arranger, the Joint Lead Managers nor any other party to the Transaction Documents gives any representation or assurance that such information described in this Offering Circular is sufficient in all circumstances for such purposes.

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

The U.S. Risk Retention Rules came into effect with respect to all asset classes on 24 December 2016 and require the "sponsor" of a "securitisation transaction" to retain at least 5% of the "credit risk" of "securitised 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 obligation that they generally impose.

The Seller, as the sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5% of the credit risk of the Notes for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such 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% of the dollar value (or equivalent amount in the currency in which the asset-backed securities are issued, as applicable) of all classes of asset-backed securities issued in the securitisation transaction are sold or transferred to U.S. Persons (as defined in the U.S. Risk Retention Rules and referred to in this Offering Circular as Risk Retention U.S. Persons) or for the account or benefit of Risk Retention U.S. Persons; (3) neither the sponsor nor the issuer of the securitisation transaction is 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% of the underlying collateral was acquired from a majority-owned Affiliate or branch of the sponsor or issuer organised and located in the United States.

Prospective investors should note that the definition of U.S. Person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. Person under Regulation S under the Securities Act, and that persons who are not "U.S. Persons" under Regulation S may be U.S. Persons under the U.S. Risk Retention Rules. 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" (and "Risk Retention U.S. Person" in this Offering Circular) means any of the following:

- (a) any natural person resident in 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.

Each holder of a Note or a beneficial interest therein acquired on the Issue Date, by its acquisition of a Note or a beneficial interest in a Note, will be deemed and, in certain circumstances will be required, to represent to the Issuer, the Seller and the Joint Lead Managers 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 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.

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. No assurance can be given as to whether a failure by the sponsor to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) may give rise to regulatory action which may adversely affect the market value of the Notes. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by a sponsor to comply with the U.S. Risk Retention Rules could therefore negatively affect the market value and secondary market liquidity of the Notes.

None of the Issuer, the Seller, the Joint Bookrunners or the Joint Lead Managers or any of their respective Affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Offering Circular comply as a matter of fact with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisers 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.

## INTRODUCTION TO THE STRUCTURE OF THE TRANSACTION

On the Issue Date, the Seller will sell to the Issuer under the Lease Receivables Purchase Agreement, against payment of the Purchase Price (€643,299,830.96):

- (a) all of its right, title and interest in lease instalments (the "**Lease Instalments**") (excluding any portion relating to VAT, insurance premiums, service indemnities, early termination indemnities or maintenance and service repair contract amounts) in respect of a portfolio of auto lease receivables (the "**Lease Receivables**") payable by customers in France (the "**Lessees**");
- (b) all of its right, title and interest in any amount (excluding VAT) payable by a Lessee to the Seller in the event of delay in returning a Leased Vehicle following termination of the related Lease Agreement (the "**Late Return Indemnity Receivable**");
- (c) all of its right, title and interest in any amount (excluding VAT) payable by a Lessee to the Seller in the event that a Leased Vehicle is returned to the Seller at the end of the term of a Lease Agreement relating to either (i) excess mileage or (ii) resolving the relevant Leased Vehicle to the required condition (the "**Returned Vehicle Expense Receivable**");
- (d) all of its right, title and interest in the amount (excluding VAT and related fees and expenses) of the relevant Leased Vehicle payable by any third party to the Seller following the sale or transfer of a Leased Vehicle by the Seller to that third party in accordance with a Vehicle Sale Agreement up to the sum of the then Discounted Lease Balance of the related Lease Receivables and the then Discounted Contractual Residual Value in respect of the related Lease Agreement as of the relevant Cut-Off Date (the "**Vehicle Sale Receivable**");
- (e) all of its right, title and interest in the amount (excluding VAT) payable by a BMW Dealer to the Seller following the sale or transfer of a Leased Vehicle by the Seller to that BMW Dealer in accordance with a Dealer Vehicle Buy Back Agreement (the "**Dealer Vehicle Buy Back Receivable**"); and
- (f) all of its right, title and interest in the amount (excluding VAT) payable by a Lessee to the Seller following the exercise of the purchase option by the Lessee and the sale or transfer of a Leased Vehicle by the Seller to that Lessee in accordance with a Lease Agreement (the "**Lessee Vehicle Buy Back Receivable**"),

each a "**Receivable**" and together, with respect to a specific Lease Agreement, a "**Series of Receivables**" and, when purchased by the Issuer, the "**Purchased Receivables**".

The Purchase Price of a Series of Receivables will be calculated by reference to the Discounted Lease Balance of the related Lease Receivables together with the Discounted Contractual Residual Value in respect of the related Lease Agreement as of the first Cut-Off Date. No separate purchase price is due with respect to the other Receivables comprised in such Series of Receivables.

The Receivables will be sold to the Issuer, together with (a) any rights or guarantees, (b) any rights of the Seller under any insurance policy which has been assigned or delegated to it by a Lessee in accordance with its Lease Agreement and (c) any rights under the terms of a Dealer Vehicle Buy Back Agreement (the "**Ancillary Rights**").

The Receivables will be selected according to the eligibility criteria to be satisfied as of the first Cut-Off Date (the "**Eligibility Criteria**") as set out in "ELIGIBILITY CRITERIA".

The security to be granted to the Issuer consists of a pledge over the Leased Vehicles (the "**Lease Vehicle Pledge**").

The Class A Notes are expected, on the Issue Date, to be rated AAA(sf) by DBRS and Aaa (sf) by Moody's. The Class B Notes are expected, on the Issue Date, to be rated AA (low) (sf) by DBRS and A1 (sf) by Moody's. For the Class C Notes, no rating will be solicited. Each of DBRS and Moody's is established in the European Union and according to the press release from ESMA dated 31 October 2011, each of DBRS and Moody's is 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 513/2011 and by Regulation (EU) No 462/2013. 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 10 July 2024. The assignment of ratings to the Class A Notes and the Class B Notes or an outlook on these ratings is not a

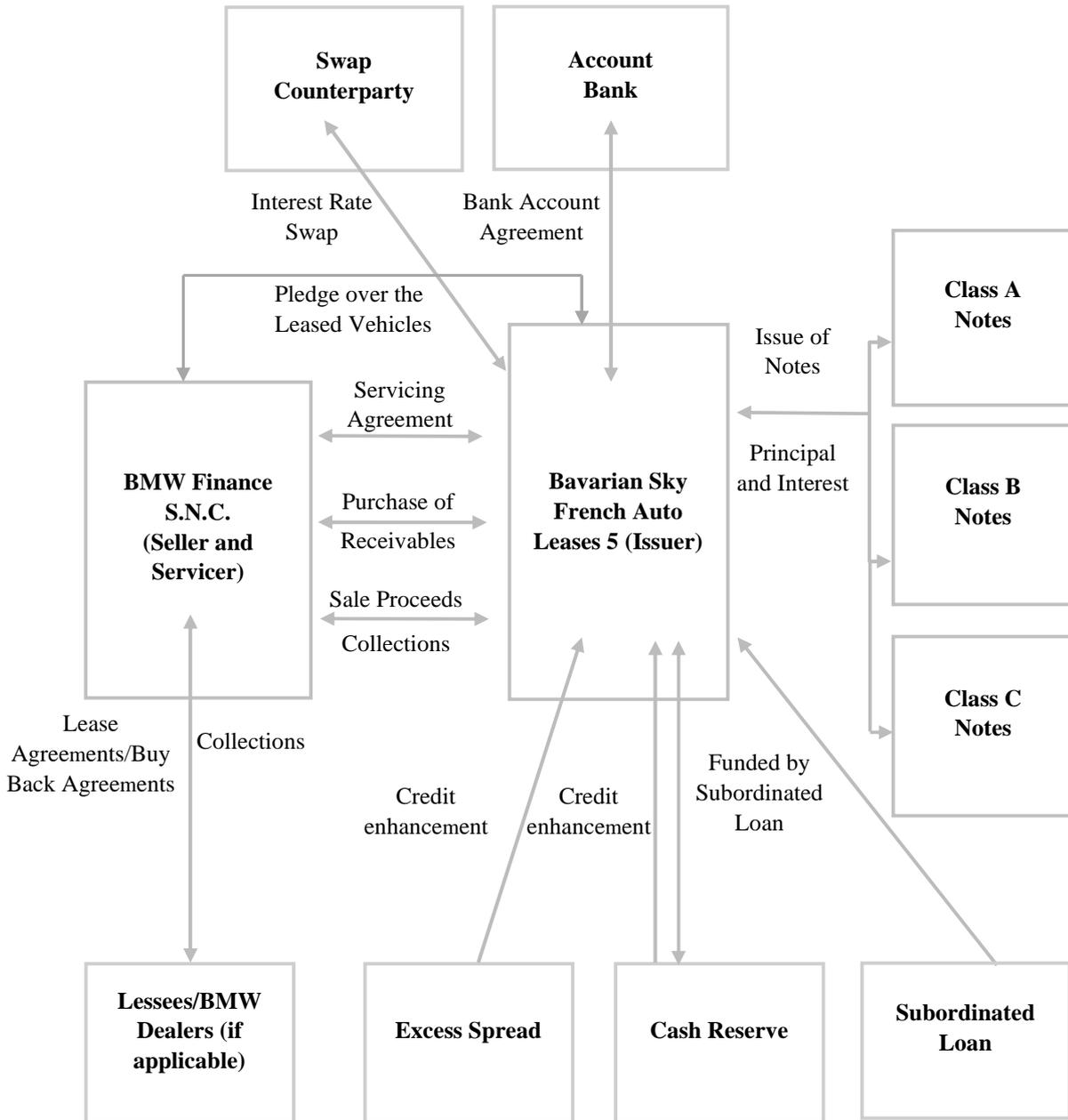
recommendation to invest in the Class A Notes or the Class B Notes and may be revised, suspended or withdrawn at any time.

The Issuer will enter into a Swap Agreement with the Swap Counterparty which will enable the Issuer to exchange a fixed interest rate into EURIBOR. The Swap Counterparty and its successor, as the case may be, must be an Eligible Swap Counterparty.

The Seller in its capacity as Servicer will service, collect and administer the Purchased Receivables and the Ancillary Rights on behalf of the Issuer pursuant to a servicing agreement (the "**Servicing Agreement**") using the same degree of care and diligence as it would use if the Purchased Receivables and the Ancillary Rights were its own property.

## STRUCTURE DIAGRAM

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



## PARTIES TO THE TRANSACTION

<b>Issuer</b>	<p>The FCT, as described below.</p>
<b>FCT</b>	<p>Bavarian Sky French Auto Leases 5 is a French <i>fonds commun de titrisation</i> which will be established on the Signing Date by the Management Company.</p> <p>The sole purpose of the FCT is to be exposed to credit risks by acquiring auto receivables from the BMW Group and issuing debt securities.</p> <p>The FCT is governed by the provisions of articles L. 214-167 to L. 214-175-8, articles L. 214-180 to L. 214-186 and articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code, the relevant provisions of the AMF General Regulations and by its Issuer Regulations.</p> <p>The FCT does not have a legal personality (<i>personnalité morale</i>) but is represented by the Management Company.</p> <p>References in this Offering Circular to the Issuer will be deemed, unless the context otherwise requires, to be to the FCT.</p> <p>See "THE FCT".</p>
<b>Management Company</b>	<p>IQ EQ Management, a French <i>société par actions simplifiée</i>, whose registered office is located at 92 avenue de Wagram, 75017 Paris, France, registered with the Trade and Companies Registry of Paris, France, under number 431 252 121, licensed as a portfolio management company (<i>société de gestion de portefeuille</i>) authorised to manage securitisation vehicles (<i>organismes de titrisation</i>) by the French <i>Autorité des Marchés Financiers</i> (the "AMF") under number GP-02023.</p> <p>References in this Offering Circular to the Management Company will be deemed, unless the context requires otherwise, to be references to the Management Company acting in the name, and on behalf, of the FCT.</p> <p>See "THE MANAGEMENT COMPANY".</p>
<b>Custodian</b>	<p>BNP Paribas, a French <i>société anonyme</i>, whose registered office is located at 16 boulevard des Italiens, 75009, Paris, France, acting through its Securities Services business located at Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France, registered with the Trade and Companies Register of Paris (<i>Registre du Commerce et des Sociétés de Paris</i>) under number 662 042 449, licensed as a credit institution (<i>établissement de crédit</i>) by the ACPR in its capacity as custodian of the assets of the Issuer.</p> <p>See "THE CUSTODIAN".</p>
<b>Seller</b>	<p>BMW Finance S.N.C, a French <i>société en nom collectif</i> with a share capital of €87,000,000, whose registered office is located at 5, rue des Hérons Montigny-le-Bretonneux, 78182 Saint Quentin en Yvelines, France registered with the Trade and Companies Registry of Versailles, France, under number 343 606 448, licensed as a financing company (<i>société de financement</i>) by the ACPR, is a wholly-owned Subsidiary of Bayerische Motoren Werke Aktiengesellschaft ("BMW AG").</p> <p>See "THE SELLER, SERVICER AND PLEDGOR".</p>
<b>Lessee</b>	<p>In respect of a Lease Receivable, a Person (including consumers and, to a limited extent, businesses) to whom the</p>

Seller has leased one or several Leased Vehicles, which are owned by the Seller on the terms of the relevant Lease Agreement.

**Servicer**

BMW Finance S.N.C, unless the engagement of BMW Finance as servicer of the Issuer is terminated upon the occurrence of a Servicer Termination Event in which case the Servicer will mean the successor Servicer (if any).

See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement". See also "THE SELLER, SERVICER AND PLEDGOR".

**Pledgor**

BMW Finance S.N.C.

See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Lease Vehicle Pledge Agreement".

**Swap Counterparty**

Skandinaviska Enskilda Banken AB (publ), a public limited company (*aktiebolag*) incorporated under the laws of Sweden and registered in the Swedish Companies Registration Office (*bolagsverket*) under registration number 502032-9081 and having its registered office at Kungsträdgårdsgatan 8, 106 40 Stockholm, Sweden.

See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Swap Agreement". See also "THE SWAP COUNTERPARTY".

**Joint Lead Managers**

BNP Paribas S.A., a company incorporated in France, whose registered office is at 16, Boulevard des Italiens, 75009 Paris, France, registered with the Trade and Companies Registry of Paris, France, under number 662 042 449., Crédit Agricole Corporate and Investment Bank, a company incorporated in France, whose registered office is located at 12 Place des Etats-Unis CS 70052, 92547 Montrouge Cedex, France, registered with the Trade and Companies Registry of Nanterre, France under number 304 187 701 and Société Générale S.A., a company incorporated in France, whose registered office is at 29 boulevard Haussmann, 75009 Paris, France, registered with the Trade and Companies Registry of Paris, France, under number 552 120 222.

See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subscription Agreement".

**Subordinated Lender**

BMW Finance S.N.C.

See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement".

**Unitholder**

BMW Finance S.N.C.

**Account Bank**

BNP Paribas (acting through its Securities Services business). See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Bank Account Agreement". See also "THE ACCOUNT BANK".

**Data Custody Agent**

BNP Paribas (acting through its Securities Services business). See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Data Custody Agreement". See also "THE DATA CUSTODY AGENT".

**Calculation Agent**

IQ EQ Management.

See "SUMMARY OF THE OTHER PRINCIPAL

TRANSACTION DOCUMENTS — Calculation Agency Agreement". See also "THE CALCULATION AGENT AND THE INTEREST DETERMINATION AGENT".

**Paying Agent and Registrar**

BNP Paribas (acting through its Securities Services business). See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Agency Agreement". See also "THE PAYING AGENT AND REGISTRAR".

**Interest Determination Agent**

IQ EQ Management. See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Agency Agreement". See also "THE CALCULATION AGENT AND THE INTEREST DETERMINATION AGENT".

**Alternative Base Rate Determination Agent**

BMW Finance S.N.C. See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Agency Agreement".

**Listing Agent**

BNP Paribas, Luxembourg branch

**Rating Agencies**

DBRS and Moody's.

## TRANSACTION OVERVIEW

*This section "Transaction Overview" must be read as an introduction to this Offering Circular and any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole. The following Transaction Overview is qualified in its entirety by the remainder of this Offering Circular. In the event of any inconsistency between this Transaction Overview and the information provided elsewhere in this Offering Circular, the latter will prevail.*

### General Description

On the Issue Date, the Seller will sell to the Issuer under the Lease Receivables Purchase Agreement, against payment of the Purchase Price (€643,299,830.96):

- all of its right, title and interest in lease instalments (the "**Lease Instalments**") (excluding any portion relating to VAT, insurance premiums, service indemnities, early termination indemnities or maintenance and service repair contract amounts) in respect of a portfolio of auto lease receivables (the "**Lease Receivables**") payable by customers in France (the "**Lessees**");
- all of its right, title and interest in any amount (excluding VAT) payable by a Lessee to the Seller in the event of delay in returning a Leased Vehicle following termination of the related Lease Agreement (the "**Late Return Indemnity Receivable**");
- all of its right, title and interest in any amount (excluding VAT) payable by a Lessee to the Seller in the event that a Leased Vehicle is returned to the Seller at the end of the term of a Lease Agreement relating to either (a) excess mileage or (b) resolving the relevant Leased Vehicle to the required condition (the "**Returned Vehicle Expense Receivable**");
- all of its right, title and interest in the amount (excluding VAT and related fees and expenses) of the relevant Leased Vehicle payable by any third party to the Seller following the sale or transfer of a Leased Vehicle by the Seller to that third party in accordance with a Vehicle Sale Agreement up to the sum of the then Discounted Lease Balance of the related Lease Receivables and the then Discounted Contractual Residual Value in respect of the related Lease Agreement as of any Cut-Off Date (the "**Vehicle Sale Receivable**");
- all of its right, title and interest in the amount (excluding VAT) payable by a BMW Dealer to the Seller following the sale or transfer of a Leased Vehicle by the Seller to that BMW Dealer in accordance with a Dealer Vehicle Buy Back Agreement (the "**Dealer Vehicle Buy Back Receivable**"); and
- all of its right, title and interest in the amount (excluding VAT) payable by a Lessee to the Seller following the exercise of the purchase option by the Lessee and the sale or transfer of a Leased Vehicle by the Seller to that Lessee in accordance with a Lease Agreement (the "**Lessee Vehicle Buy Back Receivable**"),

each a "**Receivable**" and together, with respect to a specific Lease Agreement, a "**Series of Receivables**" and, when purchased by the Issuer, the "**Purchased Receivables**".

The Receivables will be sold to the Issuer, together with (a) any rights or guarantees, (b) any rights of the Seller under any insurance policy which has been assigned or delegated to it by a Lessee in accordance with its Lease Agreement and (c) any rights under the terms of a Dealer Vehicle Buy Back Agreement (the "**Ancillary Rights**").

The security to be granted to the Issuer consists of a pledge over the Leased Vehicles (the "**Lease Vehicle Pledge**").

Under the terms of the Lease Vehicle Pledge Agreement, BMW Finance as Pledgor will undertake to constitute in favour of the Beneficiary a pledge without dispossession (*gage sans dépossession*) pursuant to articles 2333 *et seq.* of the French Civil Code, over the Leased Vehicles corresponding to the Series of Receivables assigned to the Issuer on the Issue Date, as security for the due and timely performance by the Pledgor of all of its present and future payment obligations, as Seller and Servicer, under the Lease Receivables Purchase Agreement and the Servicing Agreement.

Pursuant to the Issuer Regulations, the assets of the Issuer comprise:

- (a) all Purchased Receivables that the FCT has purchased on the Issue Date under the terms of the Lease Receivables Purchase Agreement;
- (b) any Ancillary Rights attached to the Purchased Receivables;
- (c) any amounts credited to the Issuer Account;
- (d) any Swap Incoming Cashflow and any other amount to be received, as the case may be, from the Swap Counterparty under the Swap Agreement; and
- (e) any other rights transferred or attributed to the FCT under the terms of the Transaction Documents

On the Issue Date, each Class of the Notes will be listed and the Class A Notes and the Class B Notes will carry two (2) ratings from the Rating Agencies. The Class A Notes will be rated AAA (sf) by DBRS, and Aaa (sf) by Moody's. The Class B Notes will be rated AA (low) (sf) by DBRS and A1 (sf) by Moody's. For the Class C Notes, no rating will be solicited.

The Issuer will enter into an interest rate swap with the Swap Counterparty (the "**Swap Agreement**") which will enable the Issuer to exchange a fixed interest rate into EURIBOR. The Swap Counterparty and its successor, as the case may be, must be an Eligible Swap Counterparty.

Under the Servicing Agreement, the Servicer will, on behalf of the Issuer, conduct the servicing of the Purchased Receivables and the Ancillary Rights on the basis of its Credit and Collection Policy and will apply the same degree of care and diligence as it would use if the Purchased Receivables and the Ancillary Rights were its own property.

#### **Purchase Price**

The sum of the Aggregate Discounted Lease Balance and the Aggregate Discounted Contractual Residual Value of the Purchased Receivables as of the first Cut-Off Date (€643,299,830.96).

The Purchase Price of a Series of Receivables will be calculated by reference to the Discounted Lease Balance of the related Lease Receivables together with the Discounted Contractual Residual Value in respect of the related Lease Agreement as of the first Cut-Off Date. No separate purchase price is due with respect to the other Receivables comprised in such Series of Receivables.

<b>Discount Rate</b>	The Discount Rate used to calculate the Discounted Lease Balance and the Discounted Contractual Residual Value at any time is the higher of (i) the nominal interest rate of the relevant Lease Agreement and (ii) 5%.
<b>Cut-Off Date</b>	The Cut-Off Date is the last day of each calendar month, and the Cut-Off Date with respect to each Payment Date or the Issue Date (as the case may be) is the Cut-Off Date immediately preceding such Payment Date or the Issue Date, provided that the first Cut-Off Date is 30 June 2025.
<b>Issue Date</b>	21 July 2025.
<b>The Notes</b>	The Notes are the Class A Notes, the Class B Notes and the Class C Notes.  See "TERMS AND CONDITIONS OF THE NOTES".
<b>Class A Notes</b>	The €500,000,000.00 class A floating rate notes due August 2032, each in the nominal amount of €100,000. The Class A Notes will rank senior to the Class B Notes, to the Class C Notes and to the Subordinated Loan in accordance with the applicable Priority of Payments.
<b>Class B Notes</b>	The €68,900,000.00 class B fixed rate notes due August 2032, each in the nominal amount of €100,000. The Class B Notes will rank senior to the Class C Notes and to the Subordinated Loan in accordance with the applicable Priority of Payments.
<b>Class C Notes</b>	The €74,400,000.00 class C fixed rate notes due August 2032, each in the nominal amount of €100,000. The Class C Notes will rank senior to the Subordinated Loan in accordance with the applicable Priority of Payments. The Seller will purchase and retain the Class C Notes until the earlier of the redemption of the Class A Notes and the Class B Notes in full and the Legal Final Maturity Date as part of the Retained Interest in order to comply with the Securitisation Regulation.
<b>Units</b>	Two (2) Units of €150 each with an aggregate amount of €300 with unlimited duration. The Units are subordinated to the Notes and to the Subordinated Loan. The Seller will purchase and retain the Units until the earlier of the redemption of the Notes in full and the Legal Final Maturity Date as part of the Retained Interest in order to comply with the Securitisation Regulation.
<b>Use of Proceeds</b>	The aggregate net proceeds from the issue of the Notes amounting to €643,300,000 will be used by the Issuer to finance the aggregate Purchase Price for the acquisition from the Seller, on the Issue Date, of the Purchased Receivables together with the Ancillary Rights.
<b>Transferable securities and financial instruments</b>	The Notes and the Units are transferable securities ( <i>valeurs mobilières</i> ) within the meaning of article L. 228-1 of the French Commercial Code and financial instruments ( <i>instruments financiers</i> ) within the meaning of article L. 211-1 of the French Monetary and Financial Code. The Notes are debt instruments ( <i>titres de créances</i> ) within the meaning of L. 213-0-1 of the French Monetary and

Financial Code and bonds (*obligations*) within the meaning of article L. 213-5 of the French Monetary and Financial Code.

**Form and Denomination**

The Notes will be issued by the Issuer in bearer dematerialised form (*dématérialisées*) in denominations of €100,000 each.

**Book entry securities and registration**

The Notes and the Units are issued in book entry form (*inscription en compte*). The Notes will be issued in a denomination of €100,000. The Units will be issued in a denomination of €150. No physical documents of title will be issued in respect of the Notes or the Units.

The Notes will, upon issue, be registered in the books (*inscription en compte*) of Euroclear France which will credit on the Issue Date the accounts of the Euroclear France Account Holders; and "**Euroclear France Account Holder**" will mean any authorised financial intermediary institution customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**"). Title to the Notes passes upon the credit of those Notes to an account of an intermediary affiliated with the Clearing Systems. The transfer of the Notes will become effective in respect of the Issuer and third parties by way of transfer from the transferor's account to the transferee's account following the delivery of a transfer order (*ordre de mouvement*) signed by the transferor or its agent. Any fee in connection with such transfer will be borne by the transferee unless agreed otherwise by the transferor and the transferee.

See "TERM AND CONDITIONS OF THE NOTES — Condition 1 (*Form, Denomination and Title*)".

The Units will not be cleared.

**Status of the Notes**

The Notes are issued pursuant to the terms of a subscription agreement (the "**Subscription Agreement**") dated on or about the Signing Date between the Management Company, the Seller and the Joint Lead Managers. The Class A Notes rank in priority to the Class B Notes and the Class C Notes in accordance with the applicable Priority of Payments. Prior to the occurrence of an Enforcement Event, principal on the Class A Notes, the Class B Notes and the Class C Notes will be redeemed, on each Payment Date, on a sequential basis with the Class A Notes being redeemed prior to the Class B Notes and the Class C Notes and the Class B notes being redeemed prior to the Class C Notes.

See "CREDIT STRUCTURE AND FLOW OF FUNDS — Sequential amortisation".

Subject to the application of the available funds after the delivery of an enforcement notice in accordance with the Post-Enforcement Priority of Payments, the Management Company will have regard (i) as long as any of the Class A Notes are outstanding, only to the interests of the Class A Noteholders and (ii) if no Class A Notes remain outstanding, only to the interests of the Class B Noteholders, (iii) if no Class A Notes and no Class B Notes remain outstanding, only to the interests of the Class C Noteholders and (iv) if no Notes remain outstanding, only to the interests of the Transaction Party ranking highest in the Post-Enforcement Priority of Payments to whom any amounts are owed, as regards the exercise and performance of all powers, authorities, duties and discretions of the Management Company under the Transaction Documents.

The Notes are direct, unsubordinated and limited recourse obligations of the Issuer.

*See "RISK FACTORS — Factors that may affect the Issuer's ability to fulfil its obligations under the Notes — Structural and other credit risks — Liability under the Notes".*

**Payment Date**

In respect of the first Payment Date, 20 August 2025 and thereafter the 20th of each calendar month, provided that if any such day is not a Business Day, the relevant Payment Date will fall on the next following Business Day unless such date would thereby fall into the next calendar month, in which case the Payment Date will be the immediately preceding Business Day. Any reference to a Payment Date relating to a given Monthly Period will be a reference to the Payment Date falling in the calendar month following such Monthly Period.

**Legal Final Maturity Date**

The Payment Date falling in August 2032, being 20 August 2032.

**Prescription Period**

After the Legal Final Maturity Date, any part of the nominal value of the Notes of any Class or of the interest due thereon which remains unpaid will be automatically cancelled, so that no Noteholder, after such date, will have any right to assert a claim in this respect against the FCT, regardless of the amounts which may remain unpaid after the Legal Final Maturity Date.

**Interest on the Notes**

The interest rate applicable to the Notes for each Interest Period will be:

- (a) in the case of the Class A Notes, EURIBOR plus 0.60% *per annum provided that, if EURIBOR plus the margin for the Class A Notes is less than zero, it shall be deemed to be zero*;
- (b) in the case of the Class B Notes, 1.00% *per annum*; and
- (c) in the case of the Class C Notes, 1.50% *per annum*.

Interest payments will be made subject to withholding or deduction tax (if any) required by law (or pursuant to FATCA) or regulation or its interpretation as applicable to the Notes without the Issuer or the Paying Agent being obliged to pay additional amounts as a consequence of any such withholding or deduction.

**Monthly Period**

With respect to the first Monthly Period, the period commencing on (but excluding) the first Cut-Off Date and ending on (and including) 31 July 2025 and with respect to each following Monthly Period the period commencing on a Cut-Off Date (excluded) and ending on the immediately following Cut-Off Date (included).

**Receivables Call Option**

If the Seller notifies the Management Company that a Purchased Receivable is subject to (a) a Seller Performance Indemnity Payment or a Residual Value Indemnification Amount having been received by the Issuer from the Seller and (b) such Purchased Receivable is being written off in accordance with the Seller's Credit and Collection Policy, but prior to the occurrence of an Insolvency Event in respect of the Seller, the Seller may demand the repurchase of any Purchased Receivable, which has become subject to a Seller Performance Indemnity Payment or a Residual Value Indemnification Amount. If the Seller exercises the Receivables Call Option in accordance with the Lease Receivables Purchase Agreement, the Issuer shall be obliged to sell the relevant Purchased Receivable to the Seller.

### **Clean-Up Call Option**

As of any Payment Date on which (a) the sum of the then Aggregate Discounted Lease Balance and the sum of the then Aggregate Discounted Contractual Residual Value is less than 10% of the sum of the Aggregate Discounted Lease Balance and the Aggregate Discounted Contractual Residual Value as at the first Cut-Off Date or (b) if earlier, the Class A Notes have been redeemed in full, the Seller will (provided that on the relevant Payment Date no Enforcement Event has occurred) have the option under the Lease Receivables Purchase Agreement to demand from the Issuer the repurchase of all outstanding Purchased Receivables, together with any Ancillary Rights, on the immediately following Clean-Up Call Settlement Date if the Clean-Up Call Conditions are satisfied.

### **Applicable Priority of Payments**

The Management Company will give instructions to the Account Bank to make payments to the Noteholders and other Transaction Parties on the basis of two (2) different priorities of payments (each a "**Priority of Payments**"):

(i) prior to the occurrence of an Enforcement Event, the Management Company will pay, *inter alia*, taxation and administration expenses, any Swap Net Cashflow payable to the Swap Counterparty and interest and principal on the Notes in accordance with the Pre-Enforcement Priority of Payments.  
See "TERMS AND CONDITIONS OF THE NOTES — Condition 5.6 (*Pre-Enforcement Priority of Payments*)"; and

(ii) subsequent to the occurrence of an Enforcement Event, the Management Company will give instructions to the Account Bank to make all distributions of Available Post-Enforcement Funds (or procure that all such distributions be made) in accordance with the Post-Enforcement Priority of Payments.

See "TERMS AND CONDITIONS OF THE NOTES — Condition 7 (*Post-Enforcement Priority of Payments*)".

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

On each Payment Date prior to the occurrence of an Enforcement Event, the Available Distribution Amount as of the Cut-Off Date immediately preceding such Payment Date (together with, if the Clean-Up Call Option is rightfully exercised as of the Clean-Up Call Settlement Date, the proceeds from such repurchase) will be allocated in the following manner and priority:

- (a) *first*, amounts payable by the Issuer in respect of taxes under any applicable law (if any);
- (b) *second*, on a *pari passu* basis, all fees, including legal fees, costs, expenses, other remuneration, indemnity payments and other amounts payable to the Management Company and the Custodian under the Transaction Documents;
- (c) *third*, on a *pari passu* basis, amounts payable by the Issuer to (i) the Data Custody Agent under the Data Custody Agreement, (ii) the Rating Agencies in respect of the monitoring fees, (iii) the Servicer under the Servicing Agreement, (iv) the Paying Agent, the Registrar and the Listing Agent under the Agency Agreement, (v) the Account Bank under the Bank Account Agreement, (vi) listing fees, costs and expenses, (vii) auditor fees and (viii)

fees of any noteholder representative in accordance with the Conditions and such other fees as may be reasonably incurred for the Issuer's operation or in relation to the Notes (excluding amounts payable to the Management Company and the Custodian under the Transaction Documents);

- (d) *fourth*, (i) any Swap Net Cashflow due and payable by the Issuer to the Swap Counterparty on that Payment Date and (ii) on the Payment Date corresponding to or following the termination of the Swap Agreement, any swap termination payments due to the Swap Counterparty under the Swap Agreement upon such termination except in circumstances where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or where there has been a termination of the Swap Agreement due to a termination event with the Swap Counterparty being the Affected Party (as defined in the Swap Agreement) due to a downgrade of the Swap Counterparty;
- (e) *fifth*, on a *pari passu* basis, accrued and unpaid interest (including any Interest Shortfall) payable to the Class A Noteholders;
- (f) *sixth*, on a *pari passu* basis, accrued and unpaid interest (including any Interest Shortfall) payable to the Class B Noteholders;
- (g) *seventh*, on a *pari passu* basis, accrued and unpaid interest (including any Interest Shortfall) payable to the Class C Noteholders;
- (h) *eighth*, to the Cash Reserve Ledger, until the amount credited to the Cash Reserve Ledger is equal to the Required Cash Reserve Amount;
- (i) *ninth*, on a *pari passu* basis, to the Class A Noteholders in respect of principal until the Class A Notes are redeemed in full;
- (j) *tenth*, on a *pari passu* basis, to the Class B Noteholders in respect of principal until the Class B Notes are redeemed in full;
- (k) *eleventh*, on a *pari passu* basis, to the Class C Noteholders in respect of principal until the Class C Notes are redeemed in full;
- (l) *twelfth*, on the Payment Date corresponding to or following the termination of the Swap Agreement, payment of any swap termination payment due to the Swap Counterparty under the Swap Agreement upon such termination in circumstances where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or where there has been a termination of the Swap Agreement due to a termination event with the Swap Counterparty being the Affected Party (as defined in the Swap Agreement) due to a downgrade of the Swap Counterparty;
- (m) *thirteenth*, accrued and unpaid interest payable to the Subordinated Lender under the Subordinated Loan Agreement;
- (n) *fourteenth*, as from the date on which all Notes have been redeemed in full, principal payable to the Subordinated

Lender under the Subordinated Loan Agreement until the Subordinated Loan has been redeemed in full;

- (o) *fifteenth*, all remaining excess to the Seller with the exception of the principal amount of the Units; and
- (p) *sixteenth*, on the final Payment Date, to the Unitholders, in respect of principal until the Units are redeemed in full,

*provided that* any payment to be made by the Issuer under item (a) (with respect to taxes) will be made on the Business Day on which such payment is then due and payable using any amounts then credited to the Issuer Account and, if applicable, the Commingling Reserve Ledger, the Performance Reserve Ledger or the Counterparty Downgrade Collateral Account which the Issuer shall be entitled to set off against the respective guaranteed obligations, and *provided further that* outside of such Pre-Enforcement Priority of Payments:

- (1) on any Payment Date, any Return Amount (as defined in the Swap Agreement) due to be transferred by the Issuer to the Swap Counterparty pursuant to the terms and conditions of the Swap Agreement will be paid directly to the Swap Counterparty; and
- (2) upon termination of the Swap Agreement and the entry of the Issuer into a replacement swap agreement, any Replacement Swap Premium to be paid by the Issuer to any replacement Swap Counterparty will be paid by the Issuer directly to the replacement Swap Counterparty to the extent that such amount has been previously received by the Issuer from the outgoing Swap Counterparty by using the swap termination payment paid by the outgoing Swap Counterparty to the Issuer or, to the extent that such amount is unpaid by the outgoing Swap Counterparty, by using the amount then credited to the Counterparty Downgrade Collateral Account,

and *provided further that* outside of such Pre-Enforcement Priority of Payments any Commingling Reserve Excess Amount and any Performance Reserve Excess Amount will be paid directly to the Seller.

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

After the occurrence of an Enforcement Event, the Available Post-Enforcement Funds will be distributed in the following manner and priority:

- (a) *first*, amounts payable by the Issuer in respect of taxes (if any);
- (b) *second*, on a *pari passu* basis, all fees (including legal fees), costs, expenses, other remuneration, indemnity payments and other amounts payable by the Issuer to the Management Company and the Custodian under the Transaction Documents;
- (c) *third*, on a *pari passu* basis, amounts payable by the Issuer to (i) the Data Custody Agent under the Data Custody Agreement, (ii) the Rating Agencies in respect of the monitoring fees, (iii) the Servicer under the Servicing Agreement, (iv) the Paying Agent, the Registrar and the Listing Agent under the Agency Agreement, (v) the Account Bank under the Bank Account Agreement, (vi) listing fees, costs and expenses, (vii) auditor fees and (viii)

fees of any Noteholder Representative in accordance with the Conditions (excluding amounts payable to the Management Company and the Custodian under the Transaction Documents);

- (d) *fourth*, (i) any Swap Net Cashflow due and payable by the Issuer to the Swap Counterparty on that Payment Date and (ii) on the Payment Date corresponding to or following the termination of the Swap Agreement, any swap termination payments due to the Swap Counterparty under the Swap Agreement upon such termination except in circumstances where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or where there has been a termination of the Swap Agreement due to a termination event with the Swap Counterparty being the Affected Party (as defined in the Swap Agreement) due to a downgrade of the Swap Counterparty;
- (e) *fifth*, on a *pari passu* basis, accrued and unpaid interest (including any Interest Shortfall) payable by the Issuer to the Class A Noteholders;
- (f) *sixth*, on a *pari passu* basis, amounts payable by the Issuer to the Class A Noteholders in respect of principal until the Class A Notes are redeemed in full;
- (g) *seventh*, on a *pari passu* basis, accrued and unpaid interest (including any Interest Shortfall) payable by the Issuer to the Class B Noteholders;
- (h) *eighth*, on a *pari passu* basis, amounts payable by the Issuer to the Class B Noteholders in respect of principal until the Class B Notes are redeemed in full;
- (i) *ninth*, on a *pari passu* basis, accrued and unpaid interest (including any Interest Shortfall) payable by the Issuer to the Class C Noteholders;
- (j) *tenth*, on a *pari passu* basis, amounts payable by the Issuer to the Class C Noteholders in respect of principal until the Class C Notes are redeemed in full;
- (k) *eleventh*, on the Payment Date corresponding to or following the termination of the Swap Agreement, payment of any swap termination payment due to the Swap Counterparty under the Swap Agreement upon such termination in circumstances where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or where there has been a termination of the Swap Agreement due to a termination event with the Swap Counterparty being the Affected Party (as defined in the Swap Agreement) due to a downgrade of the Swap Counterparty;
- (l) *twelfth*, accrued and unpaid interest payable to the Subordinated Lender under the Subordinated Loan Agreement;
- (m) *thirteenth*, as from the date on which all Notes are irrevocably redeemed in full, any amount payable to the Subordinated Lender in respect of principal under the Subordinated Loan Agreement;

- (n) *fourteenth*, all remaining excess to the Seller with the exception of the principal amount of the Units; and
- (o) *fifteenth*, on the final Payment Date, to the Unitholders, in respect of principal until the Units are redeemed in full,

*provided that* any payment to be made by the Issuer under item (a) (with respect to taxes) will be made on the Business Day on which such payment is then due and payable using any Available Post-Enforcement Funds, and *provided further that* outside of such Post-Enforcement Priority of Payments:

- (1) on any Payment Date, any Return Amount (as defined in the Swap Agreement) due to be transferred by the Issuer to the Swap Counterparty pursuant to the terms and conditions of the Swap Agreement will be paid directly to the Swap Counterparty; and
- (2) upon termination of the Swap Agreement and the entry of the Issuer into a replacement swap agreement, any Replacement Swap Premium to be paid by the Issuer to any replacement Swap Counterparty will be paid by the Issuer directly to the replacement Swap Counterparty to the extent that such amount has been previously received by the Issuer from the outgoing Swap Counterparty by using the swap termination payment payable by the outgoing Swap Counterparty to the Issuer or, to the extent that such amount is unpaid by the outgoing Swap Counterparty, by using the amount then credited to the Counterparty Downgrade Collateral Account,

and *provided further that* outside of such Post-Enforcement Priority of Payments, any Commingling Reserve Excess Amount and any Performance Reserve Excess Amount will be paid directly to the Seller.

## **Amortisation**

The amortisation of the Notes starts on the first Payment Date. Unless an Enforcement Event has occurred on or before the relevant Payment Date, the Available Distribution Amount for that Payment Date will be applied to redeem the Class A Notes, the Class B Notes and the Class C Notes on a sequential basis subject to the Pre-Enforcement Priority of Payments which will be divided by the number of Notes and rounded down to the nearest cent so that the Available Distribution Amount will be applied to redeem in full principal first in respect of the Class A Notes, then in respect of the Class B Notes and then in respect of the Class C Notes as described further herein.

See "CREDIT STRUCTURE AND FLOW OF FUNDS — Amortisation" and "TERMS AND CONDITIONS OF THE NOTES — Condition 6.1 (*Amortisation*)".

If at any time an Enforcement Event has occurred, Available Post-Enforcement Funds will be applied for the redemption of the Notes on a sequential basis as set forth in and subject to the Post-Enforcement Priority of Payments. See "TERMS AND CONDITIONS OF THE NOTES — Condition 7 (*Post-Enforcement Priority of Payments*)".

**Enforcement Event**

The occurrence of any of the following events will constitute an Enforcement Event:

- (a) there is an Interest Shortfall on any Payment Date (and such Interest Shortfall is not paid within five (5) Business Days of its occurrence) or the payment of principal on the Legal Final Maturity Date (and such shortfall is not paid within five (5) Business Days of its occurrence), in each case, in respect of the most senior Class of Notes (but not in respect of the Subordinated Loan Agreement); or
- (b) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, or any Transaction Document (other than the Subordinated Loan Agreement).

**Early redemption**

The actual amortisation of the Notes may differ from the expected amortisation of the Notes, especially a faster amortisation may occur (but not only) if one of the following events occurs:

- (a) in the event of a breach of the Eligibility Criteria, the Seller is required to pay the Issuer certain Deemed Collections (in an amount equal to the then Discounted Lease Balance of the related Lease Receivables together with the then Discounted Contractual Residual Value in respect of the related Lease Agreement) which, when received by the Issuer, the Issuer has to use to redeem the Notes prematurely in accordance with and subject to the applicable amortisation method. See "Amortisation" above. No other Deemed Collection is due with respect to any other affected Purchased Receivables of the same Series of Receivables. The Deemed Collections will be paid by the Seller to the Issuer if the Servicer and the Seller are not the same Person; and
- (b) if the Seller, provided that no Enforcement Event has occurred, rightfully exercises the Clean-Up Call Option. See "Clean-Up Call Option" above and "TERMS AND CONDITIONS OF THE NOTES — Condition 6.3 (*Clean-up call*)" and "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Lease Receivables Purchase Agreement".

**Final Redemption**

On the Legal Final Maturity Date, the Issuer will, subject to the applicable Priority of Payments, redeem the then Aggregate Outstanding Notes Balance and pay interest accrued thereon.

**Limited Recourse**

The Notes will be limited recourse obligations of the Issuer. If in accordance with the applicable Priority of Payments available funds are not sufficient, after payment of all other claims ranking in priority to the relevant Notes, to cover all payments due in respect of such Notes, the available funds will be applied in accordance with the applicable Priority of Payments and no other assets of the Issuer will be available for payment of any shortfall. After the distribution of all available funds, claims in respect of any remaining shortfall will be extinguished in accordance with the Conditions.

See "TERMS AND CONDITIONS OF THE NOTES — Condition 3.2 (*Limited recourse and assets of the Issuer*)".

**Subordinated Loan**

The Subordinated Lender will grant the Subordinated Loan in a total amount of €5,150,000.00 to the Issuer under the Subordinated Loan Agreement entered into by the Management Company and the Subordinated Lender. The Issuer will use the Subordinated Loan to

fund the Required Cash Reserve Amount of €5,150,000.00 as of the Issue Date. The Subordinated Lender will undertake to grant and keep outstanding the Subordinated Loan and not to sell and/or transfer and/or hedge the Subordinated Loan (whether in full or in part) until the earlier of the redemption of the Notes in full and the Legal Final Maturity Date as part of the Retained Interest in order to comply with the Securitisation Regulation.

**Credit enhancement**

The Notes have the benefit of credit enhancement provided primarily through (i) the Excess Spread, (ii) the subordination of the Class C Notes to the Class B Notes and the Class A Notes, (iii) the subordination of the Class B Notes to the Class A Notes and (iv) the subordination of the Subordinated Loan to the Class A Notes, the Class B Notes and the Class C Notes.

See "CREDIT STRUCTURE AND FLOW OF FUNDS — Credit enhancement".

**Resolutions of Noteholders**

The Notes contain provisions pursuant to which the Noteholders of any Class may agree by resolution to amend the Conditions and to decide upon certain other matters regarding the Notes including, without limitation, the appointment or removal of the representative for the Noteholders of any Class. Resolutions of Noteholders of any Class properly adopted, by vote taken without a meeting in accordance with the Conditions, are binding upon all Noteholders of such Class. As set out in the Conditions, resolutions providing for certain material amendments to the Conditions require a majority of not less than 75% of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast.

See "TERMS AND CONDITIONS OF THE NOTES — Condition 11 (*Representation of the Noteholders*)".

**Issuer Account**

For the purpose of this Transaction, the Issuer will be opening and maintaining the Issuer Account. The Issuer will, during the life of the Transaction, maintain the Issuer Account with a bank or financial institution that is an Eligible Counterparty.

**Ledgers of the Issuer Account**

The Issuer will keep four (4) ledgers to the Issuer Account: the Operating Ledger, the Cash Reserve Ledger, the Commingling Reserve Ledger and the Performance Reserve Ledger.

**Swap collateral**

In the event that the Swap Counterparty should post any collateral to the Issuer in connection with the Swap Agreement, the Issuer will hold such collateral in the Counterparty Downgrade Collateral Account to be opened with the Account Bank which will bear interest and which is a separate account from the Issuer Account and from the general cash flow of the Issuer. Collateral deposited in the Counterparty Downgrade Collateral Account will not constitute Collections. It will secure solely the payment obligations of the Swap Counterparty to the Issuer under the Swap Agreement and will not secure any obligations of the Issuer.

**Purchased Receivables, Ancillary Rights and Lease Vehicle Pledge**

The Purchased Receivables, the Ancillary Rights and the Lease Vehicle Pledge (as described below) will support, *inter alia*, the payments in respect of the Notes and the Subordinated Loan.

**Purchased Receivables**

On the Issue Date, the Seller will sell to the Issuer under the Lease Receivables Purchase Agreement, against payment of the Purchase Price (€643,299,830.96), the Purchased Receivables.

The Purchase Price of a Series of Receivables will be calculated by reference to the Discounted Lease Balance of the related Lease

Receivables together with the Discounted Contractual Residual Value in respect of the related Lease Agreement as of the first Cut-Off Date. No separate purchase price is due with respect to the Receivables comprised in such Series of Receivables.

The Receivables will be sold to the Issuer together with any Ancillary Rights.

Pursuant to clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement, the Seller is obliged to promptly (in each case after the relevant Leased Vehicle is in its possession or control) sell any Leased Vehicles surrendered, recovered or otherwise returned to the Seller in accordance with the terms of the relevant Lease Agreement, the Dealer Vehicle Buy Back Agreement, and/or Credit and Collection Policy. The Issuer will be entitled to receive all Recoveries which relate to any Defaulted Lease Receivable, Lessee Vehicle Buy Back Receivable, Dealer Vehicle Buy Back Receivable or Vehicle Sale Receivable, except in the event that the Seller exercises its Receivables Call Option or its Clean-Up Call Option in respect of the relevant Series of Receivables.

Pursuant to the Lease Receivables Purchase Agreement, the Issuer is purchasing each Series of Receivables in respect of a Leased Vehicle, including the relevant Vehicle Sale Receivable in consideration of the undertaking and guarantee from the Seller that, as long as there remains any Purchased Receivable outstanding, the Seller shall each time a Lease Agreement is terminated and the relevant Leased Vehicle is returned to the Seller (for whatever reason, except in the event of transfer of the relevant Leased Vehicle from that Lease Agreement to a new Lease Agreement), comply with clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement, except in the event that the Seller exercises its Receivables Call Option or its Clean-Up Call Option in respect of the relevant Series of Receivables.

Pursuant to the Servicing Agreement, the Servicer will be authorised to modify or extend the terms of an Underlying Agreement underlying the relevant Purchased Receivable only in accordance with the Credit and Collection Policy (applicable as of the date of such modification).

**Seller indemnification obligation in respect of Residual Value Indemnified Receivables**

Without prejudice to its obligations under clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement and without duplication of any Seller Performance Indemnity Payment, except in the event that the Seller exercises its Receivables Call Option or its Clean-Up Call Option in respect of the relevant Series of Receivables, on and following the occurrence of a Residual Value Indemnification Trigger, the Seller shall, on the Cut-Off Date immediately following the date on which the Servicer has determined in accordance with the Credit and Collection Policy that any Purchased Receivable has become a Residual Value Indemnified Receivable, indemnify the Issuer in respect of the amount by which the aggregate Recoveries received by the Servicer in respect of all Residual Value Indemnified Receivables in the relevant Residual Value Calculation Period is less than the Aggregate Residual Value Indemnified Receivables Balance of such Residual Value Indemnified Receivables by paying the Issuer an amount equal to the Residual Value Indemnification Amount.

**Lease Vehicle Pledge**

Under the Lease Vehicle Pledge Agreement, BMW Finance, as Pledgor, has undertaken to constitute in favour of the Beneficiary a

pledge without dispossession (*gage sans dépossession*) pursuant to articles 2333 *et seq.* of the French Civil Code, over the Leased Vehicles corresponding to the Lease Receivables assigned to the Issuer on the Issue Date as security for the due and timely performance of its payment obligations as Seller and Servicer under the Lease Receivables Purchase Agreement and the Servicing Agreement, within the limit of a maximum amount of €643,299,830.96.

### **Servicing Agreement**

Under the Servicing Agreement, the Servicer has agreed (i) to administer the Purchased Receivables and the Ancillary Rights and in particular to collect the Purchased Receivables in accordance with the Credit and Collection Policy, (ii) to enforce the Ancillary Rights in accordance with the Credit and Collection Policy, (iii) to release, on behalf of the Issuer, Ancillary Rights in accordance with the Credit and Collection Policy, and (iv) to perform other tasks incidental to the above.

See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement".

### **Data Custody Agreement**

Pursuant to the terms of the Data Custody Agreement, the Seller and/or the Servicer will deliver to the Data Custody Agent the Portfolio Decryption Key relating to the encrypted Portfolio Information received by the Management Company from the Seller and/or Servicer under the Lease Receivables Purchase Agreement and/or Servicing Agreement, respectively. The Data Custody Agreement has been structured to comply with the Secrecy Rules. Pursuant to the Data Custody Agreement, the Data Custody Agent will keep the Portfolio Decryption Key in safe custody and will protect it against unauthorised access by third parties. It will only be obliged to release the Portfolio Decryption Key under certain conditions and subject always to the Secrecy Rules in order to permit the timely collection, enforcement or realisation of the Purchased Receivables and Ancillary Rights.

See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Data Custody Agreement".

### **Taxation**

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

See "TAXATION".

### **Funding of the Issuer**

The Issuer will fund the purchase of the Purchased Receivables from the Seller by utilising the net proceeds of the issue of the Notes and the Units for the payment of the Purchase Price (€643,299,830.96). To initially fund the Cash Reserve Ledger up to the Required Cash Reserve Amount, the Issuer will obtain funding under the Subordinated Loan from the Subordinated Lender.

### **Cash Reserve Ledger**

On the Issue Date, the Issuer will credit an amount of €5,150,000.00 into the Cash Reserve Ledger which will be held and maintained by the Account Bank. The balance credited to the Cash Reserve Ledger will, as part of the Available Distribution Amount or the Available Post-Enforcement Funds as applicable, provide limited protection against shortfalls in the amounts required to pay the Interest Amounts, the Principal Amounts (but only if the Available

Distribution Amount suffices to reduce the Class B Outstanding Notes Balance to zero or the then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value is reduced to zero, or on the Legal Final Maturity Date) and other payment obligations of the Issuer under the Notes in accordance with the applicable Priority of Payments.

See "CREDIT STRUCTURE AND FLOW OF FUNDS — Credit Enhancement — Subordinated Loan and Cash Reserve Ledger" and "TERMS AND CONDITIONS OF THE NOTES — Condition 5.6 (*Pre-Enforcement Priority of Payments*)".

Prior to the occurrence of an Enforcement Event, on each Payment Date, the Cash Reserve Ledger will be replenished up to the Required Cash Reserve Amount in accordance with item (h) of the Pre-Enforcement Priority of Payments.

See "TERMS AND CONDITIONS OF THE NOTES — Condition 5.6 (*Pre-Enforcement Priority of Payments*)".

### **Required Cash Reserve Amount**

The Required Cash Reserve Amount will, as of any date, be an amount equal to either (i) €5,150,000.00 or (ii) zero upon the occurrence of either (a) the Legal Final Maturity Date, (b) the date on which the Available Distribution Amount being sufficient to reduce the Class B Outstanding Notes Balance to zero after application of the relevant Priority of Payments or (c) or the then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value being equal to zero, whichever occurs earlier.

### **Commingling Reserve**

Only upon (i) the occurrence and continuance of a Commingling Reserve Trigger Event and (ii) the occurrence and continuance of a Servicer Termination Event, the Notes will have the benefit of a commingling reserve which will provide limited protection against the commingling risk in respect of the Seller acting as the Servicer.

See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement — Commingling Reserve".

Upon the occurrence of a Commingling Reserve Trigger Event and for so long as such event continues, the Servicer will, within fourteen (14) calendar days, notify the Issuer in writing that it will elect to (i) with effect from the date of such notification, transfer any Collections to the Issuer Account within two (2) Business Days upon receipt of such Collections; or (ii) fund the Commingling Reserve Ledger (not using any Collections) with the Commingling Reserve Required Amount within the Performance Period of the Commingling Reserve Trigger Event taking place and on each Payment Date upon the continuance of the Commingling Reserve Trigger Event.

For so long as such Commingling Reserve Trigger Event prevails, the Servicer shall have the right to switch between the above options by written notice to the Issuer.

See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement — Commingling Reserve".

### **Seller Performance Indemnity Payment**

Without prejudice to its obligation to pay any Residual Value Indemnification Amount but without duplication thereof in respect of any Purchased Receivable, in the event of:

- (a) a breach by the Seller of its obligations in respect of a Lease Agreement, the Seller will be obliged to pay by way of indemnity to the Issuer the then **Discounted** Lease Balance

of the corresponding Lease Receivables, together with the then Discounted Contractual Residual Value in respect of the related Lease Agreement as of the date of termination of the relevant Lease Agreement; or

- (b) a breach by the Seller of its obligations under the Lease Receivables Purchase Agreement following the termination of a Lease Agreement:
- if the relevant Leased Vehicle was due to be sold to the relevant BMW Dealer, the Seller will be obliged to pay by way of indemnity to the Issuer the corresponding Dealer Vehicle Buy Back Receivable;
  - if the relevant Leased Vehicle was due to be sold to the relevant Lessee, the Seller will be obliged to pay by way of indemnity to the Issuer the corresponding Lessee Vehicle Buy Back Receivable; or
  - subject to clause 10.1(d)(i)(B) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement, if the relevant Leased Vehicle was due to be sold to any third party and has not been sold after nine (9) months or, in the case of a Defaulted Lease Receivable twelve (12) months (calculated as following the month during which the relevant Lease Agreement has been terminated and/or the Receivable has become a Defaulted Lease Receivable), the Seller will be obliged to pay by way of indemnity to the Issuer following the month during which the relevant Lease Agreement has been terminated and/or the Receivable has become a Defaulted Lease Receivable the sum of the then Discounted Lease Balance of the related Lease Receivables and the then Discounted Contractual Residual Value (excluding VAT and related fees and expenses) in respect of the related Lease Agreement,

each a "**Seller Performance Indemnity Payment**".

See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Lease Receivables Purchase Agreement — Seller Performance Indemnity Payment".

### **Performance Reserve**

Only upon (i) the occurrence and continuance of a Performance Reserve Trigger Event and (ii) the occurrence and continuance (as set out in clause 13 (*Termination*) of the Servicing Agreement) of a Servicer Termination Event as of such Cut-Off Date, the Notes will have the benefit of a performance reserve which will provide limited protection against any unpaid Seller Performance Indemnity Payment due and payable by the Seller in connection with its undertakings under clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement and by the Servicer in accordance with clause 5.1 (*Administration and realisation of the Leased Vehicles*) of the Servicing Agreement, as described below. In no circumstances shall the Performance Reserve provide a guarantee for the performance of the obligations of any Obligor.

Upon the occurrence and continuation of a Performance Reserve Trigger Event, the Seller will, within fourteen (14) calendar days of

the Performance Reserve Trigger Event credit the Performance Reserve Ledger with the Required Performance Reserve Amount.

In the event of a failure by the Seller to comply with its Seller Performance Indemnity Payment obligations under the Lease Receivables Purchase Agreement, no Performance Reserve will be released to the Seller unless the Management Company decides otherwise, taking into account the interest of the Noteholders and the Unitholders.

For so long as the Seller complies with its obligations under the Lease Receivables Purchase Agreement, the Performance Reserve will not be included in the Available Distribution Amount or the Available Post-Enforcement Funds, as applicable, in respect of any Monthly Period and will not be applied to cover any Lessee's defaults.

See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Lease Receivables Purchase Agreement — Performance Reserve".

### **Swap Agreement**

As the Purchased Receivables have been purchased at their net present value using the Discount Rate, but the Class A Notes will bear interest at a floating rate calculated by reference to EURIBOR, the Issuer will effect on each Payment Date an exchange of the Swap Fixed Interest Rate for EURIBOR on the Swap Notional Amount. To this end, the Issuer has entered into a swap agreement with the Swap Counterparty (the "**Swap Agreement**"). The notional amount of the swap will be equal to the Class A Outstanding Notes Balance. On each Payment Date, the Issuer pays to or receives, as applicable, from the Swap Counterparty the net swap amount being the difference between the Swap Fixed Interest Rate and 1-month EURIBOR calculated on the Swap Notional Amount.

See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Swap Agreement".

### **Transaction Documents**

The Conditions, the Issuer Regulations, the Subscription Agreement, the Agency Agreement, the Bank Account Agreement, the Calculation Agency Agreement, the Lease Receivables Purchase Agreement, the Servicing Agreement, the Data Custody Agreement, the Subordinated Loan Agreement, the Incorporated Terms Memorandum, the Lease Vehicle Pledge Agreement and the Custodian's Acceptance Letter will be governed by and construed in accordance with the laws of France. The Swap Agreement will be governed by and construed in accordance with English law.

### **Law governing the Notes**

The Notes are governed by and are to be construed in accordance with the laws of France.

### **Tax Status of the Notes**

See "TAXATION".

### **Selling Restrictions**

See "SUBSCRIPTION AND SALE — Selling Restrictions".

### **Listing and Admission to Trading**

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to admit them to trading on the regulated market of the Luxembourg Stock Exchange.

**Clearing Systems**

Euroclear Bank S.A./N.V.  
1 boulevard du Roi Albert II  
1210 Brussels  
Belgium

Clearstream Banking, *société anonyme*, Luxembourg  
42 avenue JF Kennedy  
L-1885 Luxembourg

See "GENERAL INFORMATION — Clearing Codes".

**Expected Ratings**

Class A Notes: AAA (sf) by DBRS and Aaa (sf) by Moody's.

Class B Notes: AA (low) (sf) by DBRS and A1 (sf) by Moody's.

For the Class C Notes, no rating will be solicited.

## VERIFICATION BY SVI

STS Verification International GmbH ("**SVI**") has been authorised by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*), as the competent authority pursuant to Art 29 of the Securitisation Regulation, to act in all EU countries as third party pursuant to article 28 of the Securitisation Regulation to verify compliance with the STS criteria pursuant to articles 19 to 26e of the Securitisation Regulation.

SVI grants a registered verification label "verified - STS VERIFICATION INTERNATIONAL" if a securitisation complies with the 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 performed by SVI does not affect the liability of an originator or special purpose vehicle in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of verification services from SVI shall not affect the obligations imposed on institutional investors as set out in article 5 of the Securitisation Regulation. Notwithstanding confirmation by SVI, which verifies compliance of a securitisation with the STS Requirements, such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation.

SVI has carried out no other investigations or surveys in respect of the issuer or the notes concerned other than as set out in the verification report prepared by SVI (the "**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 originator, issuer or sponsor.

SVI is not a legal adviser and nothing in the Verification Report prepared by SVI shall be regarded as legal advice in any jurisdiction.

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

SVI assumes due performance of the contractual obligation thereunder by each of the parties and the representations made and warranties given in each case by any persons or parties to SVI or in any of the documents are true, not misleading and complete. SVI shall have no liability for any loss of any kind suffered by any person as a result of a securitisation where the Verification Report prepared by SVI indicated that it met, in whole or in part, the STS Requirements, certain CRR requirements or significant risk transfer requirements being held for any reason as not so meeting the relevant requirements or not being able to have lower capital allocated against it save in the case of deliberate fraud by SVI. SVI shall also not have any liability for any action taken or action from which any person has refrained from taking as a result of the Verification Report prepared by SVI.

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

The originator will include in its notification pursuant to article 27(1) of the Securitisation Regulation a statement that compliance of its securitisation with the STS Requirements has been confirmed by SVI.

SVI has carried out no other investigations or surveys in respect of the Issuer or the notes concerned other than as such set out in SVI's final Verification Report. SVI disclaims any responsibility for monitoring continuing compliance with the STS Requirements by the parties concerned or other aspect of their activities or operations. Furthermore, SVI has not provided any form of advisory, audit or equivalent service to the Issuer.

Verification by SVI is not a recommendation to buy, sell or hold securities. Investors should, therefore, not evaluate their investment in notes on the basis of this verification. Furthermore, the STS status of a transaction is not static and investors should therefore verify the current status of the transaction on ESMA's website ([https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_stsre](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre)).

## CREDIT STRUCTURE AND FLOW OF FUNDS

### **Purchased Receivables**

The Receivables which will be purchased by the Issuer will include all amounts owed under or in connection with the Lease Agreements except for the portions relating to VAT, insurance premiums, service indemnities, early termination indemnities and maintenance and service repair contract amounts. The Purchased Receivables also include any Late Return Indemnity Receivable, Returned Vehicle Expense Receivable, Vehicle Sale Receivable, Dealer Vehicle Buy Back Receivable and/or Lessee Vehicle Buy Back Receivable, which may be payable at the term of the Lease Agreement. See "PURCHASED RECEIVABLES CHARACTERISTICS AND HISTORICAL DATA".

### **Collection arrangements**

Payments by the Lessees of Lease Instalments under the Lease Receivables are scheduled to become due and payable on a monthly basis. All other payments of Obligors are not regular in nature. Prior to a Servicer Termination Event, all Collections in a Monthly Period will be on-paid by the Servicer to the Operating Ledger of the Issuer Account maintained by the Issuer with the Account Bank or any other bank which is an Eligible Counterparty no later than on the Settlement Date relating to the relevant Monthly Period, including, without duplication, any Seller Performance Indemnity Payment and/or any applicable Residual Value Indemnification Amount, and other sums received in a Monthly Period by the Seller. See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement".

The Servicer will identify all amounts paid into the Issuer Account by crediting such amounts to ledgers established for such purposes. The Issuer will keep four (4) ledgers to the Issuer Account: (i) the Operating Ledger, (ii) the Cash Reserve Ledger, (iii) the Commingling Reserve Ledger and (iv) the Performance Reserve Ledger.

### **Available Distribution Amount**

The Available Distribution Amount will be calculated by the Servicer as at each Cut-Off Date with respect to the Monthly Period ending on such Cut-Off Date for the purposes of determining the amounts payable in accordance with the Pre-Enforcement Priority of Payments. For the definition of the Available Distribution Amount, see "MASTER DEFINITIONS SCHEDULE — Available Distribution Amount".

Any amount credited to the Commingling Reserve Ledger and the Performance Reserve Ledger will constitute part of the Available Distribution Amount upon the occurrence and continuance of a Servicer Termination Event if and only to the extent that the Servicer has, on the relevant Payment Date, failed to transfer to the Issuer any Collections received by or, in the case of Deemed Collections, payable by the Servicer or the Seller during, or with respect to, the Monthly Period ending as of such Cut-Off Date or any previous Monthly Periods, and only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer (but excluding any fees and other amounts due to the Servicer under item (c) of the Pre-Enforcement Priority of Payments so long as no substitute Servicer is appointed in accordance with the Servicing Agreement).

### **Cash Administration Services**

The Management Company will provide Cash Administration Services including to operate the Accounts by giving the relevant instructions to the Account Bank in accordance with the Bank Account Agreement. See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Bank Account Agreement".

### **Bank accounts used for the Transaction**

No later than the Issue Date, the Issuer will have established the Issuer Account and the Counterparty Downgrade Collateral Account with the Account Bank which must be an Eligible Counterparty.

The Required Cash Reserve Amount as of the Issue Date will be an amount equal to €5,150,000.00, such amount will be funded by the Subordinated Loan under the Subordinated Loan Agreement and credited to the Cash Reserve Ledger in accordance with article L. 214-175-1, I, second paragraph and article R. 214-223 of the French Monetary and Financial Code.

Prior to the occurrence of an Enforcement Event, the Cash Reserve Ledger will be replenished up to the Required Cash Reserve Amount in accordance with item (h) of the Pre-Enforcement Priority of Payments. During the life of the Transaction, the amount standing to the credit of the Cash Reserve Ledger will, as part of the Available Distribution Amount, be used to cover any shortfalls in the amounts payable (i) under items (a) through (g) or (ii) under items (a) through (o) upon the earlier of (a) the Legal Final Maturity Date, (b) the date on which the Available Distribution Amount suffices to reduce the Class B Outstanding Notes Balance to zero or (c) the date on which the then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value is reduced to zero, in each case, in accordance with the Pre-Enforcement Priority of Payments. After the occurrence of an Enforcement Event, the amount standing to the credit of the Cash Reserve Ledger will, together with all other Available Post-Enforcement Funds, be available to make payments in accordance with the Post-Enforcement Priority of Payments.

If at any time any Account Bank ceases to be an Eligible Counterparty, such Account Bank will, at its own cost, subject to a cap calculated in accordance with the Bank Account Agreement (in the event of a downgrade of the Account Bank by Moody's or DBRS), within sixty (60) days after becoming ineligible (i) procure the transfer of the Issuer Account and/or the Counterparty Downgrade Collateral Account to another bank which is an Eligible Counterparty, or (ii) procure an irrevocable and unconditional guarantee from a guarantor with (x) a short-term deposit rating of at least P-1 (or its equivalent) from Moody's or a long-term deposit rating of at least A2 (or its equivalent) from Moody's; and (y) whose COR is at least A (high), or if the financial institution does not have a COR, whose unsecured, unsubordinated and unguaranteed long-term debt obligations are rated at least A by DBRS or, if the relevant institution has no rating from DBRS, a DBRS Equivalent Rating of at least A or, in each case, such other ratings as are otherwise acceptable to the relevant Rating Agency from time to time as would maintain the then current rating of the Class A Notes and the Class B Notes rated by it, or (iii) take any other action in order to maintain the rating of the Class A Notes and the Class B Notes or to restore the rating of the Class A Notes or the Class B Notes. In each case of (i), (ii) or (iii) above, such Account Bank will continue to provide services under the Bank Account Agreement in any case until and unless an Eligible Counterparty as Successor Account Bank is validly appointed and such appointment has become effective. In addition, the outgoing Account Bank shall reimburse (on a *pro rata* basis) to the Seller any up-front fees paid by the Seller for periods after the date on which the substitution of the Account Bank is taking effect and, in case of termination of the appointment of an Account Bank as a result of such Account Bank no longer being an Eligible Counterparty, the outgoing Account Bank shall reimburse the Issuer for the costs (including legal costs and administration costs) or pay any costs incurred for the purpose of appointing a Successor Account Bank up to a maximum amount of €10,000. Any costs in excess of such cap will be borne by the Issuer.

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

On each Payment Date, the Available Distribution Amount will be available for payments to the Noteholders in accordance with, and subject to, the Pre-Enforcement Priority of Payments. See "TERMS AND CONDITIONS OF THE NOTES — Condition 5.6 (*Pre-Enforcement Priority of Payments*)". The cash flow pursuant to the Pre-Enforcement Priority of Payments will vary during the life of the Transaction as a result of, *inter alia*, possible variations in the amount of Collections received by the Issuer during the Monthly Period immediately preceding the relevant Payment Date, the amount standing to the credit of the Cash Reserve Ledger for that Monthly Period, the Swap Net Cashflow to be paid by or to the Swap Counterparty and certain costs and expenses of the Issuer relating to the FCT. The amount of Collections received by the Issuer with respect to the Purchased Receivables will vary during the life of the Notes as a result of the amount of delinquencies, prepayments, defaults, and termination payments, indemnities and other reductions in respect of the Purchased Receivables. The effect of such variations could lead to drawing from and replenishment of the Cash Reserve Ledger.

### **Interest rate hedging**

The Purchased Receivables are discounted to their net present value by using the Discount Rate. The interest rate payable by the Issuer with respect to the Class A Notes is calculated as the sum of EURIBOR plus the margin as set out in Condition 5.3 (*Interest Rate*). To ensure that the Issuer will not be exposed to fixed-to-floating interest rate risk with respect to the Class A Notes, the Issuer and the Swap Counterparty entered into the Swap Agreement under which the Issuer will owe payments by reference to a fixed rate and the Swap Counterparty will owe payments by reference to EURIBOR, in each case calculated with respect to the Swap Notional Amount.

Under the Swap Agreement, on each Payment Date, the Issuer will owe the Swap Fixed Interest Rate applied to the Swap Notional Amount and multiplied by the number of calendar days to be calculated on the basis of a year

of 360 days with thirty (30)-day months and the Swap Counterparty will pay the Swap Floating Interest Rate equal to EURIBOR as determined by the Interest Determination Agent on each Interest Determination Date in respect of the Interest Period immediately preceding such Payment Date, applied to the Swap Notional Amount and multiplied by the actual number of calendar days of the Interest Period ending on such Payment Date divided by 360. The Swap Floating Interest Rate does not provide for a floor. For any period that EURIBOR 1 month is a negative rate, the Issuer will instead be required to pay to the Swap Counterparty for such period (subject to the netting provided for by the Swap Agreement) an amount equal to the absolute value of such negative rate applied to the Swap Notional Amount. Although the structure provides some protection via credit enhancement, Noteholders will be exposed if EURIBOR 1 month turns deeply negative resulting in significant amounts becoming payable to the Swap Counterparty and thereby reducing amounts available for payment to the Noteholders. Payments under the Swap Agreement will be made on a net basis. See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Swap Agreement".

Pursuant to the Swap Agreement, if the Swap Counterparty ceases to be an Eligible Swap Counterparty, then the Swap Counterparty will be obliged to mitigate the resulting credit risk, unless this would not result in the then current rating of the Class A Notes being downgraded, for the Noteholders by, *inter alia*, posting eligible collateral, transferring all its rights and obligations to a replacement third party that is an Eligible Swap Counterparty, procuring another person that has the required ratings to irrevocably and unconditionally guarantee the obligations of the Swap Counterparty or taking any other agreed remedial action (which may include no action). See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Swap Agreement" and "THE SWAP COUNTERPARTY".

### **Credit enhancement**

The Notes have the benefit of credit enhancement through (i) the Excess Spread, (ii) the subordination of the Class C Notes to the Class B Notes and Class A Notes, (iii) the subordination of the Class B Notes to the Class A Notes and (iv) the subordination of the Subordinated Loan to the Class A Notes, the Class B Notes and the Class C Notes.

### ***Subordinated Loan and Cash Reserve Ledger***

The Subordinated Lender will have made available to the Issuer, on or prior to the Issue Date, the Subordinated Loan in the principal amount of €5,150,000.00. The Issuer will use the Subordinated Loan to fund the Required Cash Reserve Amount of €5,150,000.00 which will, no later than the Issue Date, be paid into the Cash Reserve Ledger by the Issuer. The payment obligations of the Issuer under the Subordinated Loan are subordinated to the payment obligations of the Issuer under the Notes. The Subordinated Loan will amortise in accordance with the applicable Priority of Payments.

The amounts standing to the credit of the Cash Reserve Ledger, as part of the Available Distribution Amount, will be available to satisfy, on the Cut-Off Date immediately preceding any Payment Date, all claims (i) under items (a) through (g) of the Pre-Enforcement Priority of Payments or (ii) under items (a) through (o) of the Pre-Enforcement Priority of Payments upon the earlier of (1) the Legal Final Maturity Date, (2) the date on which the Available Distribution Amount suffices to reduce the Class B Outstanding Notes Balance to zero or (3) the date on which the then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value is reduced to zero in accordance with the Pre-Enforcement Priority of Payments, including payments to the Subordinated Lender in the order of priority. See "TERMS AND CONDITIONS OF THE NOTES — Condition 5.6 (*Pre-Enforcement Priority of Payments*)".

Prior to the occurrence of an Enforcement Event, the Cash Reserve Ledger will be replenished on each Payment Date up to the Required Cash Reserve Amount in accordance with item (h) of the Pre-Enforcement Priority of Payments. See "TERMS AND CONDITIONS OF THE NOTES — Condition 5.6 (*Pre-Enforcement Priority of Payments*)".

Upon the occurrence of an Enforcement Event, the amounts standing to the credit of the Cash Reserve Ledger will, together with all Available Post-Enforcement Funds, be available to make payments in accordance with the Post-Enforcement Priority of Payments.

After all amounts due and payable in respect of the Notes and the Subordinated Loan have been fully paid, all remaining amounts standing to the credit of the Cash Reserve Ledger will be released to BMW Finance.

### ***Subordination***

Upon an Enforcement Event, the Class A Noteholders benefit from subordination, both as to the payment of interest and principal, of the Class B Notes and the Class C Notes (provided that, prior to the occurrence of an Enforcement Event, interest and principal payments to the holders of the Class A Notes, the Class B Notes and the Class C Notes are paid on a sequential basis).

Upon an Enforcement Event, the Class B Noteholders benefit from subordination, both as to the payment of interest and principal, of the Class C Notes (provided that, prior to the occurrence of an Enforcement Event, interest and principal payment to the holders of the Class A Notes, the Class B Notes and the Class C Notes are paid on a sequential basis).

### ***Amortisation***

Unless an Enforcement Event has occurred on or before the relevant Payment Date, the Available Distribution Amount for that Payment Date will be applied to redeem the Class A Notes, the Class B Notes and the Class C Notes on a sequential basis subject to the Pre-Enforcement Priority of Payments. The Available Distribution Amount will be divided by the number of Notes and rounded down to the nearest cent. This calculated amount will be the payout per Note to the Noteholders. Any remaining difference between the Available Distribution Amount and the total amount paid out to the Noteholders will be carried forward for distribution in the following month. As a result, during the life of the Transaction, the credit enhancement to the Notes will increase steadily. Additionally, the Excess Spread is available to the Issuer to fulfil the Issuer's payment obligations under the Notes. See "TERMS AND CONDITIONS OF THE NOTES — Condition 6.1 (*Amortisation*)".

If at any time an Enforcement Event has occurred, the Available Post-Enforcement Funds will be applied in redemption of the Notes on a sequential basis as set forth in and subject to the Post-Enforcement Priority of Payments. See "TERMS AND CONDITIONS OF THE NOTES — Condition 7 (*Post-Enforcement Priority of Payments*)".

## DESCRIPTION OF THE NOTES AND THE UNITS

### General

#### *Transferable securities and financial instruments*

The Notes and the Units are transferable securities (*valeurs mobilières*) within the meaning of article L. 228-1 of French Commercial Code and financial instruments (*instruments financiers*) within the meaning of article L. 211-1 of the French Monetary and Financial Code.

The Notes are debt instruments (*titres de créances*) within the meaning of article L. 213-0-1 of the French Monetary and Financial Code and bonds (*obligations*) within the meaning of article L. 213-5 of the French Monetary and Financial Code.

The Units are units (*parts*) within the meaning of article L. 214-175-5 of the French Monetary and Financial Code.

The CSSF has not reviewed nor approved any information relating to the two (2) Units.

#### *Form and denomination*

The Notes will be issued by the Issuer in bearer dematerialised form (*dématérialisées*) in denominations of €100,000 each.

#### *Book entry securities and registration*

In accordance with the provisions of articles L. 211-3 and L. 211-4 of the French Monetary and Financial Code, the Notes and the Units are issued in book entry form (*inscription en compte*). No physical documents of title (including *certificats représentatifs* pursuant to article R. 211-7 of the French Monetary and Financial Code) will be issued in respect of the Notes or the Units.

The Notes will, upon issue, be registered in the books (*inscription en compte*) of Euroclear France which will credit on the Issue Date the accounts of the Euroclear France Account Holders; and "**Euroclear France Account Holder**" will mean any authorised financial intermediary institution customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depositary bank for Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**").

The Units will not be cleared.

#### *Transfer*

Title to the Notes passes upon the credit of those Notes to an account of an intermediary affiliated with the Euroclear France Account Holder. The transfer of the Notes will become effective in respect of the Issuer and third parties by way of transfer from the transferor's account to the transferee's account upon presentation of a transfer order (*ordre de mouvement*) duly completed and executed by the transferor or its agent. Any fee in connection with such transfer will be borne by the transferee unless agreed otherwise by the transferor and the transferee.

#### *Issue, listing and trading*

In accordance with the Issuer Regulations, on the Issue Date, the Issuer will issue the Class A Notes, the Class B Notes and the Class C Notes which will be listed on the Luxembourg Stock Exchange. The listing will occur on the official list of the Luxembourg Stock Exchange.

The Issuer will issue the Units on the Signing Date.

The estimate of the total expenses related to admission to listing and trading of the Notes on the Luxembourg Stock Exchange is equal to €12,050 (taxes excluded). Such expenses will be paid by BMW Finance. The trading will occur on the regulated market of the Luxembourg Stock Exchange.

#### *Placement and subscription*

The Notes must be sold in accordance with and subject to the transfer restrictions set out in "SUBSCRIPTION AND SALE" on pages 209 *et seq.* of this Offering Circular and any other applicable laws and regulations.

The Units will be subscribed by BMW Finance.

In accordance with the provisions of article L. 214-175-1 of the French Monetary and Financial Code, the Notes and the Units issued by the Issuer may not be sold by way of brokerage (*démarchage*) save with qualified investors within the meaning of article L. 411-2 of the French Monetary and Financial Code.

### ***Rating***

#### *Notes*

It is a condition precedent to the issue of the Class A Notes that the Class A Notes be assigned, on issue, a rating of AAA (sf) by DBRS and a rating of Aaa (sf) by Moody's.

It is a condition precedent to the issue of the Class B Notes that the Class B Notes be assigned, on issue, a rating of AA (low) (sf) by DBRS and a rating of A1 (sf) by Moody's.

For the Class C Notes, no rating will be solicited.

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

#### *Units*

The Units will not be rated.

## TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes in the form (subject to completion and amendment) in which they will be set out in the Issuer Regulations. These terms and conditions include summaries of, and are subject to, the detailed provisions of, the Issuer Regulations and the other Transaction Documents.

The €500,000,000.00 class A notes due August 2032 (the "**Class A Notes**"), the €68,900,000.00 class B notes due August 2032 (the "**Class B Notes**") and the €74,400,000.00 class C notes due August 2032 (the "**Class C Notes**", and together with the Class A Notes and the Class B Notes, the "**Notes**") of the FCT are issued pursuant to the Issuer Regulations dated on or before the Issue Date (the "**Issuer Regulations**") and are subject to these terms and conditions (the "**Conditions**"). The provisions of article 1195 of the French Civil Code shall not apply to these Conditions.

Under an agency agreement dated on or before the Issue Date (the "**Agency Agreement**") between, *inter alios*, the Management Company and BNP Paribas (acting through its Securities Services business) as paying agent, listing agent and registrar (the "**Paying Agent**", "**Listing Agent**" and the "**Registrar**"), among other things, the Management Company will appoint the Paying Agent to make payments of principal, interest and other amounts (if any) in respect of the Notes on its behalf and the Registrar to keep and maintain the register of the Units.

These Conditions are subject to, the detailed provisions of, the Issuer Regulations, the Agency Agreement and the other Transaction Documents. Capitalised terms defined in the master definitions schedule (the "**Master Definitions Schedule**") will have the same meaning, when used herein.

The Noteholders and all Persons claiming through them or under the Notes are entitled to the benefit of, and are bound by, the Issuer Regulations, copies of which are available for inspection at the specified office of the Paying Agent.

### 1. **Form, denomination and title**

(a) On the Issue Date, a French *fonds commun de titrisation*, Bavarian Sky French Auto Leases 5 (the "**FCT**" or the "**Issuer**") will issue the following classes of amortising asset-backed notes (each, a "**Class**" and collectively, the "**Notes**") pursuant to these Conditions:

- (i) The floating rate Class A Notes due August 2032 which will be issued in the aggregate principal amount of €500,000,000.00, each having a denomination of €100,000;
- (ii) The fixed rate Class B Notes due August 2032 which will be issued in the aggregate principal amount of €68,900,000.00, each having a denomination of €100,000; and
- (iii) The fixed rate Class C Notes due August 2032 which will be issued in the aggregate principal amount of €74,400,000.00, each having a denomination of €100,000.

The holders of the Notes are referred to as the "**Noteholders**" and each a "**Noteholder**".

(b) €500,000,000.00 Class A Notes due August 2032, €68,900,000.00 Class B Notes due August 2032 and €74,400,000.00 Class C Notes due August 2032 will be issued in bearer dematerialised form (*dématisées*) by the FCT in denominations of €100,000 each. The Notes will at all times be represented in book entry form (*inscription en compte*), in compliance with articles L. 211-3 and L. 211-4 of the French Monetary and Financial Code. No physical documents of title will be issued in respect of the Notes.

(c) The Notes will, upon issue, be registered in the books (*inscription en compte*) of Euroclear France which will credit on the Issue Date the accounts of the Euroclear France Account Holders; and "**Euroclear France Account Holder**" will mean any authorised financial intermediary institution customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depositary bank for Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**").

(d) Title to the Notes passes upon the credit of those Notes to an account of an intermediary affiliated with the Clearing Systems.

## 2. **Status and priority**

- (a) The Notes constitute direct, unsubordinated and limited recourse obligations of the Issuer.
- (b) (i) The obligations of the Issuer under the Class A Notes rank *pari passu* amongst themselves without any preference among themselves in respect of priority of payments. With respect to the other obligations of the Issuer, the obligations of the Issuer under the Class A Notes rank in accordance with the applicable Priority of Payments as set out in Conditions 5.6 (*Pre-Enforcement Priority of Payments*), Condition 6.1 (*Amortisation*) and Condition 7 (*Post-Enforcement Priority of Payments*); (ii) the obligations of the Issuer under the Class B Notes rank *pari passu* amongst themselves without any preference amongst themselves in respect of priority of payments. With respect to the other obligations of the Issuer, the obligations of the Issuer under the Class B Notes rank in accordance with the applicable Priority of Payments as set out in Conditions 5.6 (*Pre-Enforcement Priority of Payments*), and Condition 7 (*Post-Enforcement Priority of Payments*); and (iii) the obligations of the Issuer under the Class C Notes rank *pari passu* amongst themselves without any preference amongst themselves in respect of priority of payments. With respect to the other obligations of the Issuer, the obligations of the Issuer under the Class C Notes rank in accordance with the applicable Priority of Payments as set out in Conditions 5.6 (*Pre-Enforcement Priority of Payments*), and Condition 7 (*Post-Enforcement Priority of Payments*).

## 3. **Non-petition, limited recourse and assets of the Issuer**

### 3.1 ***Non-petition***

Pursuant to article L. 214-175, III of the French Monetary and Financial Code, the provisions of Book VI of the French Commercial Code which govern Insolvency Proceedings in France are not applicable to the Issuer.

### 3.2 ***Limited recourse and assets of the Issuer***

Any recourse against the Issuer is limited as follows:

- (a) if on any Payment Date with respect to any amount of principal or interest in respect of the Notes, the amounts available to make payments of principal and interest in respect of any Class of Notes from the assets of the Issuer after payment, in particular, of the Issuer Expenses, and any amounts due in respect of any Note ranking in priority to the Notes of such Class and any payment due under the Swap Agreement which ranks ahead of payments in respect of the Notes of such Class in accordance with the relevant Priority of Payments, are insufficient to pay in full any amount of principal and/or interest which is then due and payable in respect of the Notes of such Class, any arrears resulting therefrom will be payable on the following Payment Date subject to the applicable Priority of Payments and to the extent of the Available Distribution Amount received from the assets of the Issuer;
- (b) in accordance with article L. 214-175, III of the French Monetary and Financial Code, the Issuer is liable for its debts (*n'est tenu de ses dettes*) to the extent of its assets (*qu'à concurrence de son actif*) and in accordance with the rank of its creditors as provided by law (*selon le rang de ses créanciers défini par la loi*) or, pursuant to article L. 214-169 of the French Monetary and Financial Code, in accordance with the provisions of the Issuer Regulations;
- (c) in accordance with article L. 214-169 of the French Monetary and Financial Code, the Issuer's assets may only be subject to civil proceedings (*mesures civiles d'exécution*) to the extent of the applicable Priority of Payments;
- (d) in accordance with article L. 214-169 of the French Monetary and Financial Code, the Noteholders and the Unitholders shall be bound by each of the applicable Priority of Payments as set out in the Issuer Regulations even if the Issuer is liquidated in accordance with the relevant provisions of the Issuer Regulations. None of the Noteholders or Unitholders shall be entitled to take any steps or proceedings that would result in any of the Priority of Payments not being observed;

- (e) pursuant to article L. 214-183 of the French Monetary and Financial Code, only the Management Company may enforce the rights of the Issuer against third parties. Accordingly, the Noteholders and the Unitholders shall have no recourse whatsoever against the Obligors as debtors of the Purchased Receivables; and
- (f) to the extent that it may have any claim (including any contractual claim or action (*action en responsabilité contractuelle*)) against the Issuer the payment of which is not expressly contemplated under any applicable Priority of Payments and the cash allocation provisions set out in the Issuer Regulations, each Noteholder and each Unitholder undertakes to waive to demand payment of any such claim as long as all Notes and Units issued by the Issuer have not been repaid in full.

#### 4. **Payments on the Notes**

##### 4.1 ***Payment Dates***

Payments of interest and, in accordance with the provisions herein, principal in respect of the Notes to the Noteholders will become due and payable monthly on each 20th day of each calendar month or, if such day is not a Business Day, on the next following Business Day unless such date would thereby fall into the next calendar month, in which case the payment will be made on the immediately preceding Business Day, commencing on 20 August 2025 (each such day, a "**Payment Date**").

##### 4.2 ***Outstanding Note Balance***

Payments of principal and interest on each Note as of any Payment Date will be calculated on the basis of the Outstanding Note Balance of such Note. The "**Outstanding Note Balance**" of any Note as of any date will equal the initial note principal amount of €100,000 ("**Note Principal Amount**") as reduced by all amounts paid in accordance with the applicable Priority of Payments prior to such date on such Note in respect of principal. On the Issue Date, the aggregate outstanding Note Principal Amount of all Class A Notes is €500,000,000.00, the aggregate outstanding Note Principal Amount of all Class B Notes is €68,900,000.00 and the aggregate outstanding Note Principal Amount of all Class C Notes is €74,400,000.00. The "**Class A Outstanding Notes Balance**" means, as of any date, the sum of the Outstanding Note Balances of all Class A Notes as of such date and if such date is a Payment Date, taking in account the principal redemption on such Payment Date, the "**Class B Outstanding Notes Balance**" means, as of any date, the sum of the Outstanding Note Balances of all Class B Notes as of such date and if such date is a Payment Date, taking in account the principal redemption on such Payment Date and the "**Class C Outstanding Notes Balance**" means, as of any date, the sum of the Outstanding Note Balances of all Class C Notes as of such date and if such date is a Payment Date, taking in account the principal redemption on such Payment Date. The "**Class Outstanding Notes Balance**" means either the Class A Outstanding Notes Balance, the Class B Outstanding Notes Balance or the Class C Outstanding Notes Balance, as applicable. The aggregate amount of the Class A Outstanding Notes Balance, the Class B Outstanding Notes Balance and the Class C Outstanding Notes Balance on a Payment Date (taking into account the principal redemption on such Payment Date) is referred to herein as the "**Aggregate Outstanding Notes Balance**".

##### 4.3 ***Payments and discharge***

Payments of principal and interest in respect of the Notes will be made from the Available Distribution Amount or as applicable Available Post-Enforcement Funds by the Issuer, through the Paying Agent, on each Payment Date to, or to the order of, the Clearing Systems, as relevant, for credit to the relevant participants in the Clearing Systems and subsequent transfer to the Noteholders.

"**Available Distribution Amount**" means as at each Cut-Off Date with respect to the Monthly Period ending on such Cut-Off Date, the lower of (x) the funds available on the Issuer Account on the Payment Date immediately following such Cut-Off Date including, without limitation, to the extent due and payable, the relevant moneys credited to the Commingling Reserve Ledger and the Performance Reserve Ledger which the Issuer shall be entitled to set off against the respective guaranteed obligations, *provided that*, except to the extent set out under item (j) below, any balance credited to the Counterparty Downgrade Collateral Account will not form part of the Available Distribution Amount and (y) an amount calculated

by the Servicer pursuant to the Servicing Agreement as of such Cut-Off Date and notified to the Management Company, the Account Bank and the Calculation Agent no later than on the Reporting Date preceding the Payment Date immediately following such Cut-Off Date as the sum of:

- (a) the amount standing to the credit of the Cash Reserve Ledger as of each Cut-Off Date, to be used to cover any shortfalls in the amounts payable (i) under items (a) through (g), or (ii) under items (a) through (o) upon the earlier of (1) the Legal Final Maturity Date, (2) the date on which the Available Distribution Amount suffices to reduce the Class B Outstanding Notes Balance to zero or (3) the date on which the then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value is reduced to zero, in each case, in accordance with the Pre-Enforcement Priority of Payments;
- (b) any Collections received by the Servicer during the Monthly Period ending on such Cut-Off Date;
- (c) any Swap Net Cashflow payable by the Swap Counterparty to the Issuer on the Payment Date immediately following the relevant Cut-Off Date;
- (d) any tax payment made by the Seller and/or Servicer to the Issuer in accordance with the Lease Receivables Purchase Agreement and/or the Servicing Agreement during such Monthly Period;
- (e) any interest earned on the amount credited to the Issuer Account (other than on the amount allocated to the Commingling Reserve Ledger and the Performance Reserve Ledger) during such Monthly Period;
- (f) the amount standing to the credit of the Performance Reserve Ledger upon (i) the occurrence and continuation of a Performance Reserve Trigger Event and (ii) the occurrence and continuation (as set out in clause 13 (*Termination*) of the Servicing Agreement) of a Servicer Termination Event as of such Cut-Off Date, to the extent necessary to guarantee any unpaid Seller Performance Indemnity Payment due and payable by the Seller in connection with its undertakings under clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement and by the Servicer in accordance with clause 5.1 (*Administration and realisation of the Leased Vehicles*) of the Servicing Agreement. In no circumstances shall the Performance Reserve provide a guarantee for the performance of the obligations of any Obligor;
- (g) without duplication, (i) any applicable Seller Performance Indemnity Payment and/or (ii) any applicable Residual Value Indemnification Amount received by the Issuer from the Seller during the Monthly Period of such Cut-Off Date;
- (h) the amount standing to the credit of the Commingling Reserve Ledger upon the occurrence and continuance of a Servicer Termination Event as of such Cut-Off Date, to the extent necessary to cover any Servicer Shortfall caused on the part of BMW Finance S.N.C. as Servicer;
- (i) upon the termination of the Swap Agreement and in respect of the relevant Interest Determination Date (to the extent not used by the Issuer for the entry into a replacement swap agreement), any swap termination payment received by the Issuer from the outgoing Swap Counterparty (including by debit of the Counterparty Downgrade Collateral Account) or upon the entry by the Issuer into a replacement swap agreement, and, in respect of the relevant Interest Determination Date, any Replacement Swap Premium received previously by the Issuer from the replacement Swap Counterparty; and
- (j) any other amounts (other than covered by item (a) through (i) above (if any)) paid to the Issuer by any other party to any Transaction Document up to (and including) the Reporting Date immediately following such Cut-Off Date, unless otherwise specified, which according to such Transaction Document is to be allocated to the Available Distribution Amount.

It should be noted that VAT, insurance premiums, service indemnities, early termination indemnities and maintenance and service repair contract amounts owed by the relevant Lessee are not being assigned to

the Issuer and accordingly the Issuer will have no right whatsoever on amounts collected in respect of any such amounts.

Any cash or securities balance credited to the Counterparty Downgrade Collateral Account will not form part of the Available Distribution Amount.

## 5. Payment of interest and principal

### 5.1 Interest calculation

- (a) Subject to the limitations set forth in Condition 3.2 (*Limited recourse and assets of the Issuer*) and subject to Condition 5.6 (*Pre-Enforcement Priority of Payments*) and, upon the occurrence of an Enforcement Event, the Post-Enforcement Priority of Payments, each Note will bear interest on its Outstanding Note Balance from the Issue Date until the close of the day preceding the day on which such Note has been redeemed in full.
- (b) The amount of interest payable by the Issuer in respect of each Note on any Payment Date (including any Interest Shortfall) (the "**Interest Amount**") will be calculated by the Calculation Agent on the relevant Interest Determination Date.
- (c) In respect of the Class A Notes, the interest amount for each Note shall be calculated by multiplying the relevant Interest Rate (Condition 5.3 (*Interest Rate*)) for the relevant Interest Period (Condition 5.2 (*Interest Period*)) to the Outstanding Note Balance for each Class A Note during the relevant Interest Period 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 then rounding the figure downwards to the nearest cent. The total Interest Amount for the Class A Notes is the sum of the interest amounts of each Class A Note.
- (d) In respect of the Class B Notes and the Class C Notes, the interest amount for each Note shall be calculated by multiplying the relevant Interest Rate (Condition 5.3 (*Interest Rate*)) for the relevant Interest Period (Condition 5.2 (*Interest Period*)) to the Outstanding Note Balance for each Note during the relevant Interest Period prior to the relevant Payment Date to the Outstanding Note Balance for each Class B Note and each Class C Note on the basis of a 360 day year consisting of 12 months of 30 days each and then rounding the figure downwards to the nearest cent. The total Interest Amount for each of the Class B Notes and the Class C Notes is the sum of the interest amounts of each Class B Note and each Class C Note respectively.

### 5.2 Interest Period

"**Interest Period**" means, in respect of the first Payment Date, the period commencing on (and including) the Issue Date and ending on (but excluding) the first Payment Date, and in respect of any subsequent Payment Date, the period commencing on (and including) the respective previous Payment Date and ending on (but excluding) the relevant Payment Date, provided that the last Interest Period will end on (but excluding) the Legal Final Maturity Date or, if earlier, the date on which all Notes are redeemed in full.

### 5.3 Interest Rate

- (a) The applicable rate of interest payable on the Notes for each Interest Period (each, an "**Interest Rate**") will be:
  - (i) in the case of the Class A Notes, EURIBOR plus 0.60% *per annum* and if such rate is below zero, the Interest Rate will be zero;
  - (ii) in the case of the Class B Notes, 1.00% *per annum*; and
  - (iii) in the case of the Class C Notes, 1.50% *per annum*.
- (b) "**EURIBOR**" (Euro Interbank Offered Rate) means the rate determined by the Interest Determination Agent for deposits in Euro for a period of one (1) month (for the first Interest

Period, interpolated between one (1) week and one (1) month) which appears on page EURIBOR 01 of the Reuters screen (or such other page as may replace such page on that service for the purpose of displaying the Euro inter-bank offered rate administered by the Administrator (or any other person which takes over the administration of such rate)) as of 11:00 a.m. in Brussels on the second Business Day immediately preceding the first day of such Interest Period (each, an "**Interest Determination Date**"). If page EURIBOR 01 of the Reuters screen is not available or if no such quotation appears thereon, in each case as at such time, the Interest Determination Agent shall either specify another page or service displaying the relevant rate or use the Reference Bank Rate (expressed as a percentage rate *per annum*) as determined by it in consultation with the Management Company for one (1)-month deposits (with respect to the first Interest Period, interpolated between one (1) week and one (1) month) in Euro at approximately 11:00 a.m. (Brussels time) on the relevant Interest Determination Date, where the "**Reference Bank Rate**" means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Interest Determination Agent at its request by the Reference Banks selected by it in consultation with the Management Company as the rate at which such Reference Bank could borrow funds in the European interbank market in Euro and for such Interest Period were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in Euro and for such Interest Period.

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

- (i) for any reason other than described under (ii) below, EURIBOR for such Interest Period will be EURIBOR as determined on the previous Interest Determination Date; or
  - (ii) due to a public announcement of the permanent or indefinite discontinuation of EURIBOR that applies to the Class A Notes at that time (the date of such public announcement being the "**Relevant Time**"), the Management Company (acting on the advice of the Servicer as the Alternative Base Rate Determination Agent) shall, without undue delay, instruct the Interest Determination Agent to apply an Alternative Base Rate in accordance with clause 8.2 (*Base Rate Modifications*) of the Common Terms.
- (c) This Condition 5.3 will be without prejudice to the application of any higher interest under applicable mandatory law.

#### 5.4 ***Interest Shortfall***

Accrued interest not paid on any Payment Date related to the Interest Period in which it accrued, including but not limited to any accrued interest resulted from correction of any miscalculation of interest payable on a Note related to the last Interest Period immediate prior to the Payment Date, will be an "**Interest Shortfall**" with respect to the relevant Note. An Interest Shortfall will become due and payable on the next Payment Date and on any following Payment Date (subject to Condition 3.2 (*Limited recourse and assets of the Issuer*)) until it is reduced to zero. Interest will not accrue on Interest Shortfalls at any time. For the avoidance of doubt, in respect of the most senior Class of Notes, a default in the payment of interest on any Payment Date (and such default is not remedied within five (5) Business Days of its occurrence) will constitute an Enforcement Event.

#### 5.5 ***Notifications***

The Calculation Agent will, as soon as practicable either on each Interest Determination Date or on the Business Day immediately following each Interest Determination Date but no later than 11:00 a.m. (Paris time) on such Business Day, provide the Management Company with such information necessary in order for the Management Company to determine with respect to the Payment Date immediately following such Interest Determination Date and in respect to each Class of Notes the relevant Interest Periods, applicable Interest Rate, Interest Amount and Principal Amount. The Management Company will then notify such information to (i) the Servicer, the Calculation Agent and the Swap Counterparty and, by means of notification in accordance with Condition 12 (*Form of notices*), the Noteholders; and (ii) as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, to the Luxembourg Stock Exchange and the Listing

Agent and if any Notes are listed on any other stock exchange, subject to the prior written consent of the Issuer, such other stock exchange. In the event that such notification is required to be given to the Luxembourg Stock Exchange and the Listing Agent, this notification, together with any completed forms required by the Luxembourg Stock Exchange, will be given no later than the close of the first Business Day following the relevant Interest Determination Date.

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

The payment of the relevant Interest Amounts and Principal Amounts on each Payment Date to the Class A Noteholders, the Class B Noteholders and the Class C Noteholders will, prior to the occurrence of an Enforcement Event, be subject to the following priority of payments ("**Pre-Enforcement Priority of Payments**"). After the occurrence of an Enforcement Event, the payment of the relevant Interest Amounts and Principal Amounts will be subject to the Post-Enforcement Priority of Payments as set out in Condition 7 (*Post-Enforcement Priority of Payments*). Pursuant to the Pre-Enforcement Priority of Payments, on each Payment Date, the Available Distribution Amount as of the Cut-Off Date immediately preceding such Payment Date (together with, if the Clean-Up Call Option is rightfully exercised as of the Clean-Up Call Settlement Date, the proceeds from such repurchase) will be allocated in the following manner and priority:

- (a) *first*, amounts payable by the Issuer in respect of taxes under any applicable law (if any);
- (b) *second*, on a *pari passu* basis, all fees (including legal fees), costs, expenses, other remuneration, indemnity payments and other amounts payable to the Management Company and the Custodian under the Transaction Documents;
- (c) *third*, on a *pari passu* basis, amounts payable by the Issuer to (i) the Data Custody Agent under the Data Custody Agreement, (ii) the Rating Agencies in respect of the monitoring fees, (iii) the Servicer under the Servicing Agreement, (iv) the Paying Agent, the Registrar and the Listing Agent under the Agency Agreement, (v) the Account Bank under the Bank Account Agreement, (vi) listing fees, costs and expenses, (vii) auditor fees and (viii) fees of any noteholder representative in accordance with the Conditions and such other fees as may be reasonably incurred for the Issuer's operation or in relation to the Notes (excluding amounts payable to the Management Company and the Custodian under the Transaction Documents);
- (d) *fourth*, (i) any Swap Net Cashflow due and payable by the Issuer to the Swap Counterparty on that Payment Date and (ii) on the Payment Date corresponding to or following the termination of the Swap Agreement, any swap termination payments due to the Swap Counterparty under the Swap Agreement upon such termination except in circumstances where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or where there has been a termination of the Swap Agreement due to a termination event with the Swap Counterparty being the Affected Party (as defined in the Swap Agreement) due to a downgrade of the Swap Counterparty;
- (e) *fifth*, on a *pari passu* basis, accrued and unpaid interest (including any Interest Shortfall) payable to the Class A Noteholders;
- (f) *sixth*, on a *pari passu* basis, accrued and unpaid interest (including any Interest Shortfall) payable to the Class B Noteholders;
- (g) *seventh*, on a *pari passu* basis, accrued and unpaid interest (including any Interest Shortfall) payable to the Class C Noteholders;
- (h) *eighth*, to the Cash Reserve Ledger, until the amount credited to the Cash Reserve Ledger is equal to the Required Cash Reserve Amount;
- (i) *ninth*, on a *pari passu* basis, to the Class A Noteholders in respect of principal until the Class A Notes are redeemed in full;
- (j) *tenth*, on a *pari passu* basis, to the Class B Noteholders in respect of principal until the Class B Notes are redeemed in full;

- (k) *eleventh*, on a *pari passu* basis, to the Class C Noteholders in respect of principal until the Class C Notes are redeemed in full;
- (l) *twelfth*, on the Payment Date corresponding to or following the termination of the Swap Agreement, payment of any swap termination payment due to the Swap Counterparty under the Swap Agreement upon such termination in circumstances where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or where there has been a termination of the Swap Agreement due to a termination event with the Swap Counterparty being the Affected Party (as defined in the Swap Agreement) due to a downgrade of the Swap Counterparty;
- (m) *thirteenth*, accrued and unpaid interest payable to the Subordinated Lender under the Subordinated Loan Agreement;
- (n) *fourteenth*, as from the date on which all Notes have been redeemed in full, principal payable to the Subordinated Lender under the Subordinated Loan Agreement until the Subordinated Loan has been redeemed in full;
- (o) *fifteenth*, all remaining excess to the Seller with the exception of the principal amount of the Units; and
- (p) *sixteenth*, on the final Payment Date, to the Unitholders, in respect of principal until the Units are redeemed in full,

*provided that* any payment to be made by the Issuer under item (a) (with respect to taxes) will be made on the Business Day on which such payment is then due and payable using any amounts then credited to the Issuer Account and, if applicable, the Commingling Reserve Ledger, the Performance Reserve Ledger or the Counterparty Downgrade Collateral Account which the Issuer shall be entitled to set off against the respective guaranteed obligations, and *provided further that* outside of such Pre-Enforcement Priority of Payments:

- (1) on any Payment Date, any Return Amount (as defined in the Swap Agreement) due to be transferred by the Issuer to the Swap Counterparty pursuant to the terms and conditions of the Swap Agreement will be paid directly to the Swap Counterparty; and
- (2) upon termination of the Swap Agreement and the entry of the Issuer into a replacement swap agreement, any Replacement Swap Premium to be paid by the Issuer to any replacement Swap Counterparty will be paid by the Issuer directly to the replacement Swap Counterparty to the extent that such amount has been previously received by the Issuer from the outgoing Swap Counterparty by using the swap termination payment payable by the outgoing Swap Counterparty to the Issuer or, to the extent that such amount is unpaid by the outgoing Swap Counterparty, by using the amount then credited to the Counterparty Downgrade Collateral Account,

and *provided further that* outside of such Pre-Enforcement Priority of Payments any Commingling Reserve Excess Amount and any Performance Reserve Excess Amount will be paid directly to the Seller.

## 6. **Redemption**

### 6.1 *Amortisation*

Subject to the limitations set forth in Condition 3.2 (*Limited recourse and assets of the Issuer*), on each Payment Date, the Available Distribution Amount for the relevant Payment Date will be applied towards the redemption of the Notes in accordance with the applicable Priority of Payments.

### 6.2 *Final redemption*

On the Payment Date falling on August 2032 (the "**Legal Final Maturity Date**"), each Class A Note will, unless previously redeemed or purchased and cancelled, be redeemed in full at the then Outstanding Note Balance and, after all Class A Notes have been redeemed in full, each Class B Note will, unless previously redeemed or purchased and cancelled, be redeemed in full at the then Outstanding Note Balance and, after

all Class B Notes have been redeemed in full, each Class C Notes will, unless previously redeemed or purchased and cancelled, be redeemed in full at the then Outstanding Note Balance, in each case subject to the limitations set forth in Condition 3.2 (*Limited recourse and assets of the Issuer*). The Issuer will be under no obligation to make any payment under the Notes after the Legal Final Maturity Date.

### 6.3 **Clean-up call**

- (a) With respect to any Payment Date on which (a) the sum of the then Aggregate Discounted Lease Balance and the sum of the then Aggregate Discounted Contractual Residual Value is less than 10% of the sum of the Aggregate Discounted Lease Balance and the Aggregate Discounted Contractual Residual Value as at the first Cut-Off Date or (b) if earlier, the Class A Notes have been redeemed in full, the Seller will (provided that on the relevant Payment Date no Enforcement Event has occurred) have the option under the Lease Receivables Purchase Agreement to demand from the Issuer the repurchase of all outstanding Purchased Receivables, together with any Ancillary Rights, on the immediately following Clean-Up Call Settlement Date (see below) (the "**Clean-Up Call Option**"), subject to the following requirements (the "**Clean-Up Call Conditions**"):
- (i) the proceeds distributable as a result of such repurchase of all outstanding Purchased Receivables, together with any Ancillary Rights, (after the Seller has rightfully exercised the Clean-Up Call Option) will, together with funds credited to the Cash Reserve Ledger, be at least equal to the sum of (x) the Aggregate Outstanding Notes Balance plus (y) accrued but unpaid interest thereon plus (z) all claims of any creditors of the Issuer in respect of the FCT ranking prior to the claims of the Noteholders according to the Post-Enforcement Priority of Payments;
  - (ii) the Seller will have notified the Management Company of its intention to exercise the Clean-Up Call Option at least ten (10) days prior to the contemplated settlement date of the Clean-Up Call Option which will be the next following Payment Date (the "**Clean-Up Call Settlement Date**"); and
  - (iii) the repurchase price to be paid by the Seller will be equal to the then Aggregate Discounted Lease Balance, together with the then Aggregate Discounted Contractual Residual Value plus any interest accrued until and outstanding on the Cut-Off Date immediately preceding such Clean-Up Call Settlement Date.
- (b) Upon payment in full of the amounts specified in Condition 6.3(a)(i) to, or for the order of, the Noteholders, no Noteholders will be entitled to receive any further payments of interest or principal.

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

After the occurrence of an Enforcement Event, the Management Company will distribute the Available Post-Enforcement Funds in the following manner and priority ("**Post-Enforcement Priority of Payments**"):

- (a) *first*, amounts payable by the Issuer in respect of taxes (if any);
- (b) *second*, on a *pari passu* basis, all fees (including legal fees), costs, expenses, other remuneration, indemnity payments and other amounts payable by the Issuer to the Management Company and the Custodian under the Transaction Documents;
- (c) *third*, on a *pari passu* basis, amounts payable by the Issuer to (i) the Data Custody Agent under the Data Custody Agreement, (ii) the Rating Agencies in respect of the monitoring fees, (iii) the Servicer under the Servicing Agreement, (iv) the Paying Agent, the Registrar and the Listing Agent under the Agency Agreement, (v) the Account Bank under the Bank Account Agreement, (vi) listing fees, costs and expenses, (vii) auditor fees and (viii) fees of any noteholder representative in accordance with the Conditions and such other fees as may be reasonably incurred for the Issuer's operation or in relation to the Notes (excluding the Management Company and the Custodian fees under the Transaction Documents);

- (d) *fourth*, (i) any Swap Net Cashflow due and payable by the Issuer to the Swap Counterparty on that Payment Date and (ii) on the Payment Date corresponding to or following the termination of the Swap Agreement, any swap termination payments due to the Swap Counterparty under the Swap Agreement upon such termination except in circumstances where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or where there has been a termination of the Swap Agreement due to a termination event with the Swap Counterparty being the Affected Party (as defined in the Swap Agreement) due to a downgrade of the Swap Counterparty;
- (e) *fifth*, on a *pari passu* basis, accrued and unpaid interest (including any Interest Shortfall) payable by the Issuer to the Class A Noteholders;
- (f) *sixth*, on a *pari passu* basis, any amount payable to the Class A Noteholders in respect of principal until the Class A Notes are redeemed in full;
- (g) *seventh*, on a *pari passu* basis, accrued and unpaid interest (including any Interest Shortfall) payable by the Issuer to the Class B Noteholders;
- (h) *eighth*, on a *pari passu* basis, amounts payable by the Issuer to the Class B Noteholders in respect of principal until the Class B Notes are redeemed in full;
- (i) *ninth*, on a *pari passu* basis, accrued and unpaid interest (including any Interest Shortfall) payable by the Issuer to the Class C Noteholders;
- (j) *tenth*, on a *pari passu* basis, amounts payable by the Issuer to the Class C Noteholders in respect of principal until the Class C Notes are redeemed in full;
- (k) *eleventh*, on the Payment Date corresponding to or following the termination of the Swap Agreement, payment of any swap termination payment due to the Swap Counterparty under the Swap Agreement upon such termination in circumstances where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or where there has been a termination of the Swap Agreement due to a termination event with the Swap Counterparty being the Affected Party (as defined in the Swap Agreement) due to a downgrade of the Swap Counterparty;
- (l) *twelfth*, accrued and unpaid interest payable to the Subordinated Lender under the Subordinated Loan Agreement;
- (m) *thirteenth*, as from the date on which all Notes have been redeemed in full, any amount payable to the Subordinated Lender in respect of principal under the Subordinated Loan Agreement;
- (n) *fourteenth*, all remaining excess to the Seller with the exception of the principal amount of the Units; and
- (o) *fifteenth*, on the final Payment Date, to the Unitholders, in respect of principal until the Units are redeemed in full,

*provided that* any payment to be made by the Issuer under item (a) (with respect to taxes) will be made on the Business Day on which such payment is then due and payable using any Available Post-Enforcement Funds, and *provided further that* outside of such Post-Enforcement Priority of Payments:

- (1) on any Payment Date, any Return Amount (as defined in the Swap Agreement) due to be transferred by the Issuer to the Swap Counterparty pursuant to the terms and conditions of the Swap Agreement will be paid directly to the Swap Counterparty; and
- (2) upon termination of the Swap Agreement and the entry of the Issuer into a replacement swap agreement, any Replacement Swap Premium to be paid by the Issuer to any replacement Swap Counterparty will be paid by the Issuer directly to the replacement Swap Counterparty to the extent that such amount has been previously received by the Issuer from the outgoing Swap Counterparty by using the swap termination payment payable by the outgoing Swap Counterparty to the Issuer or, to the extent that such amount is unpaid by the outgoing Swap

Counterparty, by using the amount then credited to the Counterparty Downgrade Collateral Account,

and *provided further that* outside of such Post-Enforcement Priority of Payments, any Commingling Reserve Excess Amount and any Performance Reserve Excess Amount will be paid directly to the Seller.

## 8. **Notifications**

With respect to each Payment Date, on the Interest Determination Date preceding such Payment Date, the Calculation Agent (as specified below) will provide the Management Company with such information necessary in order for the Management Company to notify the Servicer, the Calculation Agent, the Swap Counterparty, the Custodian and, by means of notification in accordance with Condition 12 (*Form of notices*), the Noteholders, and for so long as any of the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange and the Listing Agent and if any Notes are listed on any other stock exchange, subject to the prior written consent of the Issuer, such other stock exchange, as follows:

- (a) in respect of the Interest Rate for the Interest Period commencing on that Payment Date pursuant to Condition 5.3 (*Interest Rate*);
- (b) in respect of the amount of principal payable in respect of each Class A Note, each Class B Note and each Class C Note pursuant to Condition 6 (*Redemption*) and the Interest Amount pursuant to Condition 5.1 (*Interest calculation*) to be paid on such Payment Date;
- (c) in respect of the Outstanding Note Balance of each Class A Note, each Class B Note and each Class C Note and the Class A Outstanding Notes Balance, the Class B Outstanding Notes Balance and the Class C Outstanding Notes Balance as from such Payment Date and the amount of the Servicer Shortfalls for such Payment Date, if any;
- (d) in the event of the final payment in respect of the Notes of any Class pursuant to Condition 6.2 (*Final Redemption*), about the fact that such is the final payment; and
- (e) in the event of the payment of interest and redemption after the occurrence of an Enforcement Event, in respect of the amounts of interest and principal paid in accordance with Condition 7 (*Post-Enforcement Priority of Payments*).

## 9. **Agents; determinations binding**

- (a) The Management Company has appointed (i) BNP Paribas (acting through its Securities Services business) as paying agent, as listing agent and as registrar (in such capacity the "**Paying Agent**", the "**Listing Agent**" and the "**Registrar**"), (ii) IQ EQ Management as calculation agent (in such capacity the "**Calculation Agent**") and as interest determination agent (in such capacity the "**Interest Determination Agent**"), (iii) BMW Finance S.N.C. as alternative base rate determination agent (in such capacity "**Alternative Base Rate Determination Agent**", together with the Paying Agent, the Listing Agent, the Registrar, the Calculation Agent and the Interest Determination Agent, the "**Agents**").
- (b) The Management Company will procure that for as long as any Notes are outstanding there will always be (i) a paying agent, a registrar and an interest determination agent to perform the functions assigned to the Paying Agent, the Registrar and the Interest Determination Agent, respectively, in the Agency Agreement and these Conditions and (ii) a calculation agent to perform the functions assigned to the Calculation Agent in the Calculation Agency Agreement and these Conditions. The Issuer may at any time, by giving not less than thirty (30) calendar days' notice by publication in accordance with Condition 12 (*Form of notices*), replace any Agent by one or more other banks or other financial institutions which assume such functions, provided that (i) the Issuer will maintain at all times a paying agent having a specified office in the European Union for as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and (ii) no agent located in the United States will be appointed. Each Agent will act solely as agents for the Issuer and will not have any agency, fiduciary or trustee relationship

with the Noteholders. The Issuer will procure that for as long as any Notes are listed on the official list of the Luxembourg Stock Exchange, there will be a Listing Agent.

- (c) All calculations and determinations made by the Interest Determination Agent or the Calculation Agent for the purposes of these Conditions will, in the absence of manifest error, be final and binding.

#### 10. **Taxation**

Payments will only be made by the Issuer after the deduction and withholding (including FATCA) of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected, (collectively, "**taxes**") under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, to the extent that such deduction or withholding (including FATCA) is required by law. The Management Company will account for the deducted or withheld taxes (including FATCA) with the competent government agencies and will, upon request of a Noteholder, provide proof thereof. The Issuer is not obliged to pay any additional amounts as compensation for taxes deducted or withheld in accordance with this Condition 10 (*Taxation*).

The ratings to be assigned by the Rating Agencies to the Class A Notes and the Class B Notes will not address the likelihood of the imposition of withholding taxes.

#### 11. **Representation of the Noteholders**

##### (a) **The Masse**

The Noteholders of each Class will be automatically grouped for the defence of their respective common interests in a *masse* (each a "**Masse**").

If, and to the extent that, all Notes of a particular Class are held by a single Noteholder, the rights, powers and authority of the relevant *Masse* will be vested in such Noteholder. In the event that there will be more than one Noteholder of a particular Class, then a Noteholder Representative will be appointed in accordance with these Conditions.

If, following the Issue Date, as a result of the secondary market, at any time during the term of the Transaction there is only one Noteholder for such particular Class, such Noteholder Representative shall continue to act in this capacity notwithstanding the above.

In relation to the Notes, in the event that all of a Class of Notes is held by a single entity, the rights, powers and authority of the relevant *Masse* will be vested in such entity solely in respect of such Class of Notes.

Each *Masse* will be governed by the provisions of articles L. 228-46 *et seq.* of the French Commercial Code (with the exception of the provisions of articles L. 228-48, L. 228-59, L. 228-71, L. 228-72, R. 228-63, R. 228-67, R. 228-69 and R. 228-72 thereof), and/or, as the case may be, by any other mandatory provisions from time to time governing notes (*titres de créances*) issued by a *fonds commun de titrisation*, and by the conditions set out below.

Notices for calling for a general meeting (*assemblée générale*) of the Noteholders of a Class of Notes (each a "**Noteholders' Meeting**") and resolutions passed at any Noteholders' Meeting and any other decision to be published pursuant to French laws and regulations will be published as provided under Condition 12 (*Form of notices*).

##### (b) **Status of each Masse**

Each *Masse* will be a separate legal entity (*personnalité civile*) pursuant to the provisions of article L. 228-46 of the French Commercial Code represented by one representative for each relevant Class of Notes (the "**Class A Noteholder Representative**", the "**Class B Noteholder Representative**" or the "**Class C Noteholder Representative**" as the case may be and each a "**Noteholder Representative**"). The relevant *Masse* alone, to the exclusion of any individual Noteholder of the relevant Class of Notes, will exercise

the common rights, actions and benefits which may accrue now or in the future with respect to the relevant Class of Notes.

(c) **Noteholder Representatives**

(i) *Appointment*

Any Person may be appointed as a Noteholder Representative, provided that the following Persons may not be chosen as a Noteholder Representative in respect of a Class of Notes:

- (A) the Management Company, the Custodian, the Account Bank, the Paying Agent, the Registrar, the Listing Agent or the Data Custody Agent;
- (B) any Person holding at least 10% of the share capital of the Management Company and/or the Custodian or in respect of which the Management Company and/or the Custodian holds at least 10% of the share capital;
- (C) any Person guaranteeing all or part of the obligations of the FCT;
- (D) the Noteholder Representative in respect of the other Class of Notes;
- (E) the respective managers (*gérants*), general managers (*directeurs généraux*), members of the board of directors (*conseil d'administration*) or executive board (*directoire*) or supervisory board (*conseil de surveillance*), statutory auditors (*commissaires aux comptes*) or employees of the above mentioned entities, and their ascendants, descendants and spouses; and
- (F) the Persons to whom the practice of banker is forbidden or who have been deprived of the rights of directing, administering or managing a business in whatever capacity.

In the event of death, resignation, retirement or revocation of a Noteholder Representative, a substitute Noteholder Representative will be appointed by a Noteholders' Meeting in respect of the relevant Class of Notes.

Any interested party will have the right to obtain the name and address of the then appointed Noteholder Representative at the office of the Management Company.

(ii) *Powers of a Noteholder Representative*

Each Noteholder Representative will, in the absence of any decision to the contrary of the relevant Noteholders' Meeting, have the power to make all decisions of management in order to defend the common interests of the Noteholders of the relevant Class of Notes. All legal proceedings against the Noteholders of a Class of Notes or initiated by them must be brought against the relevant Noteholder Representative or by it. Any legal proceedings that are not brought in accordance with this provision will not be legally valid. Neither the Noteholders of a Class of Notes nor a Noteholder Representative will be entitled to interfere in the management of the affairs of the Issuer.

(d) **Noteholders' Meetings**

(i) *Convocation of a Noteholders' Meetings*

Noteholders' Meetings will be physically held in France or by videoconference or any other means of telecommunication allowing the identification of the participating Noteholders and at any time, upon convocation by the Management Company and, as the case may be, by the relevant Noteholder Representative (as requested from time to time by Noteholders of the relevant Class of Notes holding at least one-third of the outstanding Notes of that Class). One or more Noteholders of the relevant Class of Notes holding at least one-third of the outstanding Notes of that Class may address to the relevant Noteholder Representative with a copy to the Management Company, a demand for convocation of a Noteholders' Meeting in respect of that Class of Notes. If such Noteholders' Meeting has not been convened within two (2) months from

such demand, the Noteholders of the relevant Class of Notes may commission one of them to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the Noteholders' Meeting on their behalf.

Notice of the date, hour, place, agenda and quorum requirements of any Noteholders' Meeting will be notified as provided in Condition 12 (*Form of notices*) not less than fifteen (15) calendar days prior to the date of the relevant Noteholders' Meeting for the first convocation and not less than ten (10) calendar days in the case of a second convocation prior to the date of the reconvened Noteholders' Meeting.

Each Noteholder of a particular Class of Notes will have the right to participate in any Noteholders' Meeting in respect of that Class of Notes in person, represented by proxy correspondence or, if the Issuer Regulations so specify, videoconference or any other means of telecommunication allowing the identification of the participating Noteholders. Each Note of a Class carries the right to one vote in respect of that Class of Notes.

Any Noteholder Meeting not convened in accordance with the foregoing provisions will nonetheless be validly convened if all the Noteholders of the relevant Class of Notes are present or represented at the Noteholders' Meeting.

(ii) *Powers of Noteholders' Meetings*

Noteholders' Meetings are entitled to deliberate on the dismissal and replacement of the relevant Noteholder Representative, all measures intended to ensure the defence of the Noteholders of a Class of Notes, any other common matter relating to a Class of Notes and the Conditions relating thereto and on any proposal aimed at amending the Conditions in respect of that Class of Note, it being specified that Noteholders' Meetings may not increase the obligations of the Noteholders of the relevant Class of Note, establish unequal treatment between those Noteholders nor alter the obligations of the Noteholders of the other Class of Notes.

(iii) *Quorum and majority rules*

Noteholders' Meetings may deliberate validly on first convocation only if the Noteholders of the relevant Class of Notes present or represented hold at least one fifth of the Aggregate Outstanding Note Balance of that Class. On second convocation, no quorum will be required.

The Noteholders of any Class may agree by majority resolution to amend these Conditions, provided that no obligation to make any payment or render any other performance shall be imposed on any Noteholder by majority resolution.

Majority resolutions shall be binding on all Noteholders of the relevant Class. Resolutions which do not provide for identical conditions for all Noteholders of the relevant Class are void, unless the Noteholders of such Class who are disadvantaged have expressly consented to their being treated disadvantageously.

Noteholders of any Class may in particular agree by majority resolution in relation to such Class to the following:

- (A) the change of the due date for payment of interest, the reduction, or the cancellation, of interest;
- (B) the change of the due date for payment of principal;
- (C) the reduction of principal;
- (D) the subordination of claims arising from the Notes of such Class in Insolvency Proceedings of the Issuer;
- (E) the conversion of the Notes of such Class into, or the exchange of the Notes of such Class for, shares, other securities or obligations;

- (F) the exchange or release of security;
- (G) the change of the currency of the Notes of such Class;
- (H) the waiver or restriction of Noteholders' rights to terminate the Notes of such Class;
- (I) the appointment or removal of a common representative for the Noteholders of such Class; and
- (J) the amendment or rescission of ancillary provisions of the Notes.

Resolutions relating to material amendments to these Conditions, in particular to provisions relating to the matters in Condition 11(d)(iii) (*Quorum and majority rules*), items (A) to (J) above, require a majority of not less than 75% of the votes cast.

(iv) *Notices of decisions and information of Noteholders of a Class of Notes*

Decisions of any Noteholders' Meeting must be published in accordance with Condition 12 (*Form of notices*) not later than ninety (90) calendar days from the date of such Noteholders' Meeting.

Each Noteholder of a Class of Notes or the Noteholder Representative in respect of that Class of Notes will have the right, during the fifteen (15) calendar day period preceding the holding of a Noteholders' Meeting in respect of the relevant Class of Notes, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at such Noteholders' Meeting which will be available for inspection at the head office of the Management Company and at the specified office of the Paying Agent and at any other place as specified in the notice for that Noteholders' Meeting.

(v) *Expenses*

The Issuer will pay all reasonable expenses relating to any notice and publication made in accordance with Condition 12 (*Form of notices*) of the Notes or incurred in the operation of each *Masse*, including reasonable expenses relating to the calling and holding of Noteholders' Meetings in respect of each Class of Notes, and all reasonable administrative expenses resolved upon by a Noteholders' Meeting.

**12. Form of notices**

- (a) All notices to the Noteholders hereunder, and in particular the notifications mentioned in Condition 8 (*Notifications*) will be either (i) made available for a period of not less than thirty (30) calendar days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or (ii) delivered to the Clearing Systems for communication by them to the Noteholders.
- (b) Any notice referred to under Condition 12(a)(i) above will be deemed to have been given to all Noteholders on the day on which it is made available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), provided that if so made available after 4:00 p.m. (Frankfurt am Main time) it will be deemed to have been given on the immediately following calendar day. Any notice referred to under Condition 12(a)(ii) above will be deemed to have been given to all Noteholders on the seventh calendar day after the day on which such notice was delivered to the Clearing Systems.
- (c) If any Notes are, subject to the prior written consent of the Issuer, listed on any stock exchange other than the Luxembourg Stock Exchange, all notices to the Noteholders will be published in a manner conforming to the rules of such stock exchange. Any notice will be deemed to have been given to all Noteholders on the date of such publication conforming to the rules of such stock exchange.

13. **Miscellaneous**

**13.1 Prescription**

After the Legal Final Maturity Date, any part of the nominal value of the Notes of any Class or of the interest due thereon which remains unpaid will be automatically cancelled, so that no Noteholder, after such date, will have any right to assert a claim in this respect against the FCT, regardless of the amounts which may remain unpaid after the Legal Final Maturity Date.

**13.2 Governing law**

The Notes and the Issuer Regulations are governed by and will be construed in accordance with French law.

**13.3 Jurisdiction**

All claims and disputes in connection with the Notes and the Issuer Regulations will be subject to the exclusive jurisdiction of the French courts having competence in commercial matters.

## SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS

### 1. Lease Receivables Purchase Agreement

On the Issue Date, the Seller will sell to the Issuer under the Lease Receivables Purchase Agreement, against payment of the Purchase Price (€643,299,830.96):

- all of its right, title and interest in lease instalments (the "**Lease Instalments**") (excluding any portion relating to VAT, insurance premiums, service indemnities, early termination indemnities or maintenance and service repair contract amounts) in respect of a portfolio of auto lease receivables (the "**Lease Receivables**") payable by customers in France (the "**Lessees**");
- all of its right, title and interest in any amount (excluding VAT) payable by a Lessee to the Seller in the event of delay in returning a Leased Vehicle following termination of the related Lease Agreement (the "**Late Return Indemnity Receivable**");
- all of its right, title and interest in any amount (excluding VAT) payable by a Lessee to the Seller in the event that a Leased Vehicle is returned to the Seller at the end of the term of a Lease Agreement relating to either (a) excess mileage or (b) resolving the relevant Leased Vehicle to the required condition (the "**Returned Vehicle Expense Receivable**");
- all of its right, title and interest in the amount (excluding VAT and related fees and expenses) of the relevant Leased Vehicle payable by any third party to the Seller following the sale or transfer of a Leased Vehicle by the Seller to that third party in accordance with a Vehicle Sale Agreement up to the sum of the then Discounted Lease Balance of the related Lease Receivables and the then Discounted Contractual Residual Value in respect of the related Lease Agreement as of any Cut-Off Date (the "**Vehicle Sale Receivable**");
- all of its right, title and interest in the amount (excluding VAT) payable by a BMW Dealer to the Seller following the sale or transfer of a Leased Vehicle by the Seller to that BMW Dealer in accordance with a Dealer Vehicle Buy Back Agreement (the "**Dealer Vehicle Buy Back Receivable**"); and
- all of its right, title and interest in the amount (excluding VAT) payable by a Lessee to the Seller following the exercise of the purchase option by the Lessee and the sale or transfer of a Leased Vehicle by the Seller to that Lessee in accordance with a Lease Agreement (the "**Lessee Vehicle Buy Back Receivable**"),

each a "**Receivable**" and together, with respect to a specific Lease Agreement, a "**Series of Receivables**" and, when purchased by the Issuer, the "**Purchased Receivables**".

The Purchase Price of a Series of Receivables will be calculated by reference to the Discounted Lease Balance of the related Lease Receivables together with the Discounted Contractual Residual Value in respect of the related Lease Agreement as of the first Cut-Off Date. No separate purchase price is due with respect to the other Receivables comprised in such Series of Receivables.

The Receivables will be sold to the Issuer, together with (a) any rights or guarantees, (b) any rights of the Seller under any insurance policy which has been assigned or delegated to it by a Lessee in accordance with its Lease Agreement and (c) any rights under the terms of a Dealer Vehicle Buy Back Agreement (the "**Ancillary Rights**").

The Receivables will be selected according to the eligibility criteria to be satisfied as of the first Cut-Off Date (the "**Eligibility Criteria**") as set out in "ELIGIBILITY CRITERIA".

The security to be granted to the Issuer consists of a pledge over the Leased Vehicles (the "**Lease Vehicle Pledge**").

Pursuant to the Lease Receivables Purchase Agreement, the Seller represents to the Issuer that each Receivable and the Ancillary Rights complies, as of the first Cut-Off Date, with the Eligibility Criteria set out below under the heading "ELIGIBILITY CRITERIA".

The offer by the Seller for the purchase of Receivables under the Lease Receivables Purchase Agreement contains certain relevant information for the purpose of identification of the Receivables. Upon acceptance and execution of the Assignment Document, the Issuer acquires in respect of the relevant Receivables unrestricted title as from the first Cut-Off Date, other than any Receivables which have become due prior to or on such Cut-Off Date together

with all of the Seller's rights, title and interest in the related Ancillary Rights, in accordance with the Lease Receivables Purchase Agreement. As a result, the Issuer obtains the full economic ownership in the Purchased Receivables as of such Cut-Off Date and is free to assign or otherwise dispose of the Purchased Receivables, subject only to the contractual restrictions provided in the relevant Underlying Agreement, such as quiet enjoyment by the Lessee of the Leased Vehicle.

If, for any reason, any Purchased Receivable is not assigned to the Issuer, the Seller, upon receipt of the relevant Purchase Price and without undue delay, is obliged to take all action necessary to perfect the assignment. All losses, costs and expenses which the Issuer will incur by taking additional measures due to the Purchased Receivables or the related Ancillary Rights not being sold or assigned will be borne by the Seller.

Each sale and assignment of the Purchased Receivables pursuant to the Lease Receivables Purchase Agreement constitutes a sale without recourse. This means that the Seller will not bear the risk of the financial inability of any Lessee to pay the relevant Purchased Receivables. However, in the event of any breach of the Eligibility Criteria as of the first Cut-Off Date or as of the Issue Date, as applicable, the Seller owes the payment of Deemed Collections regardless of the respective Lessee's credit strength.

### ***Obligations of the Seller relating to the sale of Leased Vehicles***

Pursuant to clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement, the Seller is obliged to promptly (in each case after the relevant Leased Vehicle is in its possession or control) sell any Leased Vehicles surrendered, recovered or otherwise returned to the Seller in accordance with the terms of the relevant Lease Agreement, the Dealer Vehicle Buy Back Agreement, and/or Credit and Collection Policy. The Issuer will be entitled to receive all Recoveries which relate to any Defaulted Lease Receivable, Lessee Vehicle Buy Back Receivable, Dealer Vehicle Buy Back Receivable or Vehicle Sale Receivable, except in the event that the Seller exercises its Receivables Call Option or its Clean-Up Call Option in respect of the relevant Series of Receivables.

Pursuant to the Lease Receivables Purchase Agreement, the Issuer is purchasing each Series of Receivables in respect of a Leased Vehicle, including the relevant Vehicle Sale Receivable in consideration of the undertaking and guarantee from the Seller that, without prejudice to the Seller's obligations to pay any Residual Value Indemnification Amount but without duplication thereof, as long as there remains any Purchased Receivable outstanding, the Seller shall each time a Lease Agreement is terminated and the relevant Leased Vehicle is returned to the Seller (for whatever reason, except in the event of transfer of the relevant Leased Vehicle from that Lease Agreement to a new Lease Agreement), comply with clause 10.1 (d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement, except in the event that the Seller exercises its Receivables Call Option or its Clean-Up Call Option in respect of the relevant Series of Receivables:

- (a) sell the relevant Leased Vehicle:
  - (i) save in the circumstances described in paragraph (iii) below, to the extent applicable, to the Lessee pursuant to the relevant Financial Lease Agreement no later than sixty (60) Business Days after the termination date of the relevant Lease Agreement took place; or
  - (ii) save in the circumstances described in paragraph (iii) below, to the BMW Dealer pursuant to the relevant Dealer Vehicle Buy Back Agreement no later than sixty (60) Business Days after the termination date of the relevant Lease Agreement took place; or
  - (iii) if a Receivable becomes a Defaulted Lease Receivable or if, as of the termination date of the relevant Lease Agreement, the relevant BMW Dealer is in default under its undertaking pursuant to the Dealer Vehicle Buy Back Agreement or insolvent or subject to Insolvency Proceedings initiated with a court, including any of the proceedings set out in book VI of the French Commercial Code or if such purchase option of a Lessee under a Financial Lease Agreement or a Dealer under a Dealer Vehicle Buy Back Agreement does not apply: (1) by offering the relevant Leased Vehicle to the related BMW Dealer, (2) by offering the relevant Leased Vehicle to any one of the BMW Dealers on the BMW Dealers List or (3) by appointing a duly licensed auctioneer as its agent for the purpose of selling the relevant Leased Vehicle by way of an on-line or physical auction (as the case may be), provided that such appointment will always be made on a Leased Vehicle by Leased Vehicle basis; each in accordance with the Credit and

Collection Policy of the Seller, no later than on the last day of the twelfth (12<sup>th</sup>) month following the month during which the Receivable has become a Defaulted Lease Receivable and/or the last day of the ninth (9<sup>th</sup>) month following the month during which the relevant Lease Agreement has been terminated,

and, in each case, shall credit the Issuer Account with the net sale proceeds of the Leased Vehicle no later than the first Settlement Date falling thirty (30) Business Days following the date of sale of the Leased Vehicle. In this context, "net sale proceeds" means the actual sale proceeds of the Leased Vehicle, excluding VAT, and less any costs and expenses of the Seller of selling the Leased Vehicles, including the fees of any auctioneer and the fees of any sub-contractor, in particular, Crédit Agricole Consumer Finance.

In the event that the Seller has failed to comply with its undertaking above no later than on the last day of the twelfth (12<sup>th</sup>) month following the month during which a Receivable has become a Defaulted Lease Receivable and/or the last day of the ninth (9<sup>th</sup>) month following the month during which the relevant Lease Agreement has been terminated, the Seller will, within the immediately following ten (10) Business Days, provide the Management Company with elements demonstrating that (i) it has used its best efforts to recover and sell the relevant Leased Vehicle in accordance with its Credit and Collection Policy and (ii) an external reason is delaying the recovery and/or the sale of such Leased Vehicle. At the end of such ten (10) Business Days, the Management Company will analyse the elements provided to it by the Seller and, on this basis, decide whether:

- (1) to grant an additional period of time to the Seller to comply with the undertaking (a)(iii)(2); or
- (2) to declare the Seller as having breached the undertaking (a)(iii)(2) in which case the Seller Performance Indemnity Payment is payable;

If the relevant Leased Vehicle has not been sold on the last day of the twelfth (12<sup>th</sup>) month following the month during which the relevant Receivable has become a Defaulted Lease Receivable and/or the last day of the ninth (9<sup>th</sup>) month following the month during which the relevant Lease Agreement has been terminated, the Seller will pay an indemnity equal to the then Discounted Lease Balance of the related Lease Receivables and the then Discounted Contractual Residual Value (excluding VAT and related fees and expenses) of the relevant Leased Vehicle as of the date of termination of the relevant Lease Agreement to the Issuer and undertakes to continue to use its best efforts to sell the relevant Leased Vehicle after such payment; and

- (b) take all steps as may be necessary to ensure that the relevant Leased Vehicle is delivered to the relevant BMW Dealer, auctioneer or buyer (including, if necessary, by repossessing the Leased Vehicle by way of judicial proceedings); and
- (c) instruct the BMW Dealer, auctioneer or buyer to forthwith credit the net sale proceeds of the relevant Leased Vehicle to a bank account of the Servicer which will transfer such net sale proceeds (less any indemnity paid in accordance with the undertaking (a)(iii) above) to the Issuer Account on the Business Day following its receipt or, as applicable, instruct the buyer to forthwith credit the sale price of the relevant Leased Vehicle to the Issuer Account.

The Seller undertakes to ensure that any Vehicle Sale Agreement entered into for the purpose of selling the Leased Vehicle will meet the following criteria:

1. the Vehicle Sale Agreement constitutes the valid, binding and enforceable contractual obligations of the Obligor and the Seller;
2. the Vehicle Sale Agreement is not voidable, rescindable or subject to legal termination and does not include any restriction on assignment of the claims arising therefrom;
3. the Vehicle Sale Agreement is governed by French law and any related claims are subject to the exclusive jurisdiction of French courts;
4. all amounts payable under the Vehicle Sale Agreement are and will be denominated in Euro and payable in Euro and in metropolitan France;

5. the Vehicle Sale Agreement is not subject to any litigation or express dispute between the Seller and the Obligor; and
6. to its best knowledge, the Obligor is not insolvent or subject to Insolvency Proceedings initiated with a court, including any of the proceedings set out in book VI of the French Commercial Code.

#### ***Seller indemnification obligation in respect of Residual Value Indemnified Receivables***

Without prejudice to its obligations under clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement and without duplication of any Seller Performance Indemnity Payment, except in the event that the Seller exercises its Receivables Call Option or its Clean-Up Call Option in respect of the relevant Series of Receivables, on and following the occurrence of a Residual Value Indemnification Trigger, the Seller shall, on the Cut-Off Date immediately following the date on which the Servicer has determined in accordance with the Credit and Collection Policy that any Purchased Receivable has become a Residual Value Indemnified Receivable, indemnify the Issuer in respect of the amount by which the aggregate Recoveries received by the Servicer in respect of all Residual Value Indemnified Receivables in the relevant Residual Value Calculation Period is less than the Aggregate Residual Value Indemnified Receivables Balance of such Residual Value Indemnified Receivables by paying the Issuer an amount equal to the Residual Value Indemnification Amount.

#### ***Continuation of the Underlying Agreements***

Pursuant to the Lease Receivables Purchase Agreement, until the termination of the Lease Receivables Purchase Agreement and until no more payments are due from the Seller to the Issuer, the Seller agrees not to terminate or act in a manner that could reasonably be expected to lead to the termination of any Underlying Agreement prior to its scheduled contractual term, save where such termination results from (i) the default of the relevant Obligor under that Underlying Agreement, (ii) the theft or destruction of the relevant Leased Vehicle or (iii) the transfer of the relevant Leased Vehicle from a Lease Agreement to a new Lease Agreement.

In accordance with the Lease Receivables Purchase Agreement, the Seller agrees, to the fullest extent possible, to always act in a manner and take the decisions that will lead to the effective arising of the Purchased Receivables which are future receivables at the Issue Date.

#### ***Deemed Collections***

If certain events (see the definition of Deemed Collections in "MASTER DEFINITIONS SCHEDULE — Deemed Collections") occur with respect to a Purchased Receivable, the Seller will be deemed to have received a Deemed Collection. To this end, the Seller has undertaken to pay Deemed Collections in respect of a Purchased Receivable to the Issuer in an amount equal to the then Discounted Lease Balance of the related Lease Receivable together with the then Discounted Contractual Residual Value in respect of the related Lease Agreement to the Issuer. No other Deemed Collection is due with respect to any other affected Purchased Receivables of the same Series of Receivables. The Deemed Collections will be paid by the Seller to the Issuer if the Servicer and the Seller are not the same Person. Upon receipt thereof, such Purchased Receivable and the relevant Ancillary Rights (unless it is extinguished) will be automatically re-assigned to the Seller, by the Issuer on the next following Payment Date on a non-recourse or guarantee basis on the part of the Issuer. The costs of such assignment will be borne solely by the Seller.

All Deemed Collections will be held by the Seller in the name and for the account of the Issuer until payment is made to the Issuer Account on the next following Payment Date.

#### ***Use of Ancillary Rights***

The Issuer has agreed to make use of any Ancillary Rights only in accordance with the provisions governing such Ancillary Rights and the related Lease Agreements.

The Seller will, at its own cost, keep the Ancillary Rights free of, or release such from any interference or security rights of third parties and undertake all steps necessary to protect the interest of the Issuer in the Leased Vehicles until repayment in full of all its Secured Obligations under the Lease Vehicle Pledge.

#### ***Taxes and increased costs***

All payments to be made by the Seller to the Issuer pursuant to the Lease Receivables Purchase Agreement will be made free and clear of and without any tax deduction or withholding for or on account of any tax unless a tax deduction, or withholding or account of tax is required by any relevant law (or pursuant to FATCA) or regulation. The Seller will reimburse the Issuer for any deductions or withholdings on the Collections which may be made on account of any tax. The Seller will have the opportunity and authorisation to raise defences against the relevant payment at the Seller's own cost.

### ***Insurance and Leased Vehicles***

To the extent that any proceeds from comprehensive insurance policies or claims against third parties which have damaged any Leased Vehicles as well as claims against the insurer of such third parties which form part of the Ancillary Rights are received by the Seller or the Servicer, they shall be used to repair such damaged Leased Vehicles or, if the relevant damaged Leased Vehicle cannot be repaired, shall be applied in repayment of due amounts under the relevant Lease Agreements.

### ***Notification of assignment***

The relevant Lessees, the relevant BMW Dealers, any other relevant Obligor and the relevant insurance companies will only be notified by the Servicer in respect of the assignment of the Purchased Receivables and Ancillary Rights upon request by the Management Company upon the occurrence of a Notification Event. Should the Servicer fail to notify the relevant Lessees, the relevant BMW Dealers, any other relevant Obligor and the relevant insurance companies within five (5) Business Days of such request, the Management Company may notify the relevant Lessees, the relevant BMW Dealers, any other relevant Obligor and the relevant insurance companies to the extent known to it of the assignment of the Purchased Receivables and the Ancillary Rights itself. Without prejudice to the foregoing, under the Servicing Agreement, the Management Company is entitled to notify by itself, through the successor Servicer or any other agent, or require the Servicer to notify the relevant Lessees, the relevant BMW Dealers, any other relevant Obligor and the relevant insurance companies of the assignment if a Notification Event has occurred.

In addition, the identity of certain Obligor may not be known until the corresponding Purchased Receivables, being Vehicle Sale Receivables, arise. Accordingly, it may not be possible to notify these Obligor even if a Notification Event has occurred.

For instance, the potential buyer of a Leased Vehicle retrieved from the Lessee (at the maturity of the relevant Lease Agreement, or if the Lease Agreement is terminated by anticipation for failure of the Lessee to comply with its obligations thereunder), is unknown until the Leased Vehicle is actually sold.

Upon notification, the relevant Lessees, the relevant BMW Dealers, the other relevant Obligor and the relevant insurance companies will be notified to make all payments to the Issuer Account or to the account of a successor Servicer, if appointed by the Management Company, in order to obtain valid discharge of their payment obligations under the relevant Lease Agreements.

### ***Receivables Call Option***

Pursuant to the Lease Receivables Purchase Agreement, if the Seller notifies the Management Company that a Purchased Receivable is subject to (a) a Seller Performance Indemnity Payment or a Residual Value Indemnification Amount having been received by the Issuer from the Seller and (b) such Purchased Receivable is being written off in accordance with the Seller's Credit and Collection Policy, but prior to the occurrence of an Insolvency Event in respect of the Seller, the Seller may demand the repurchase of any Purchased Receivable, which has become subject to a Seller Performance Indemnity Payment or a Residual Value Indemnification Amount. If the Seller exercises the Receivables Call Option in accordance with the Lease Receivables Purchase Agreement, the Issuer shall be obliged to sell the relevant Purchased Receivable to the Seller.

The purchase price payable by the Seller to the Issuer in consideration for the repurchase of such a Purchased Receivable shall be an amount equal to the Optional Repurchase Payment. The Seller is obliged to pay the Optional Repurchase Payment on the relevant Repurchase Date.

Immediately following the repurchase of a Purchased Receivable in accordance with the exercise of the Receivables Call Option by the Seller, the Issuer's interests in the relevant Purchased Receivables will pass to the Seller.

### ***Clean-Up Call Option***

In the circumstances described in Condition 6.3 (*Clean-up call*) of the Conditions, the Seller may exercise the Clean-Up Call Option under the Lease Receivables Purchase Agreement.

### ***Seller Performance Indemnity Payment***

Without prejudice to its obligation to pay any Residual Value Indemnification Amount but without duplication thereof in respect of any Purchased Receivable, in the event of:

- (a) a breach by the Seller of its obligations in respect of a Lease Agreement, the Seller will be obliged to pay by way of indemnity to the Issuer the then Discounted Lease Balance of the corresponding Lease Receivables, together with the then Discounted Contractual Residual Value in respect of the related Lease Agreement as of the date of termination of the relevant Lease Agreement; or
- (b) a breach by the Seller of its obligations under the Lease Receivables Purchase Agreement following the termination of a Lease Agreement:
  - (i) if the relevant Leased Vehicle was due to be sold to the relevant BMW Dealer, the Seller will be obliged to pay by way of indemnity to the Issuer the corresponding Dealer Vehicle Buy Back Receivable;
  - (ii) if the relevant Leased Vehicle was due to be sold to the relevant Lessee, the Seller will be obliged to pay by way of indemnity to the Issuer the corresponding Lessee Vehicle Buy Back Receivable; or
  - (iii) subject to clause 10.1(d)(i)(2) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement, if the relevant Leased Vehicle was due to be sold to any third party and has not been sold after nine (9) months or, in the case of a Defaulted Lease Receivable, twelve (12) months (calculated as following the month during which the relevant Lease Agreement has been terminated and/or the Receivable has become a Defaulted Lease Receivable), the Seller will be obliged to pay by way of indemnity to the Issuer following the month during which the relevant Lease Agreement has been terminated and/or the Receivable has become a Defaulted Lease Receivable the sum of the then Discounted Lease Balance of the related Lease Receivables and the then Discounted Contractual Residual Value (excluding VAT and related fees and expenses) in respect of the related Lease Agreement,

each a "**Seller Performance Indemnity Payment**".

### ***Performance Reserve***

Upon the occurrence and continuation of a Performance Reserve Trigger Event, the Seller will, within fourteen (14) calendar days of the Performance Reserve Trigger Event, credit the Performance Reserve Ledger with the Required Performance Reserve Amount, pursuant to articles L. 211-36 and L. 211-38 to L. 211-40 of the French Monetary and Financial Code (*remise d'espèces en pleine propriété à titre de garantie*), as security for the due and timely payment of all its obligations as described above to be used upon (i) the occurrence and continuation of a Performance Reserve Trigger Event and (ii) the occurrence and continuation (as set out in clause 13 (*Termination*) of the Servicing Agreement) of a Servicer Termination Event as of such Cut-Off Date, to the extent necessary to guarantee any unpaid Seller Performance Indemnity Payment due and payable by the Seller in connection with its undertakings under clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement and by the Servicer in accordance with clause 5.1 (*Administration and realisation of the Leased Vehicles*) of the Servicing Agreement. In no circumstances shall the Performance Reserve provide a guarantee for the performance of the obligations of any Obligor. If the Seller fails to credit such Required Performance Reserve Amount within five (5) Business Days from the due date, a Notification Event will occur.

On each Payment Date following a Performance Reserve Trigger Event and provided that the Seller has not failed to pay any applicable due and payable Seller Performance Indemnity Payment, the Performance Reserve will be re-calculated by the Seller and communicated to the Management Company and the Calculation Agent and released to the Seller from the Performance Reserve Ledger outside the applicable Priority of Payments as follows:

- (a) if any Leased Vehicle has been sold to the relevant BMW Dealer in accordance with the relevant Dealer Vehicle Buy Back Agreement and the relevant sale price has been paid to the Issuer during the Monthly Period ending on the relevant Cut-Off Date, the sum of €500 per Leased Vehicle;
- (b) if any Leased Vehicle has been sold to the relevant Lessee in accordance with the relevant Lease Agreement and the relevant sale price has been paid to the Issuer during the Monthly Period ending on the relevant Cut-Off Date, the sum of €500 per Leased Vehicle;
- (c) if any Leased Vehicle is sold to a third party other than the relevant BMW Dealer or the relevant Lessee and the relevant vehicle sale proceeds have been paid to the Issuer during the Monthly Period ending on the relevant Cut-Off Date, the sum of €500 per Leased Vehicle;
- (d) if any Purchased Receivables have been repurchased by the Seller and the repurchase proceeds have been paid to the Issuer in accordance with clause 14 (*Repurchase of the Purchased Receivables*) of the Lease Receivables Purchase Agreement, the sum of €500 per Leased Vehicle underlying such Purchased Receivables;
- (e) any amount of interest earned on any balance credited to the Performance Reserve Ledger; and
- (f) after deduction of all amounts to be released under items (a) to (e) above, any amount in excess of the Required Performance Reserve Amount in respect of all Purchased Receivables still outstanding as of the Cut-Off Date preceding such Payment Date,

(the "**Performance Reserve Excess Amount**").

In the event of a failure by the Seller to comply with its Seller Performance Indemnity Payment obligations under the Lease Receivables Purchase Agreement, no Performance Reserve will be released to the Seller unless the Management Company decides otherwise, taking into account the interest of the Noteholders and the Unitholders. In the event of a failure by the Seller to make a Seller Performance Indemnity Payment on its due date, the Management Company will be entitled to use the Performance Reserve in accordance with articles L. 211-38 *et seq.* of the French Monetary and Financial Code and to apply the corresponding funds as part of the Collections in accordance with the applicable Priority of Payments on the immediately following Payment Date.

For so long as the Seller complies with its obligations above under the Lease Receivables Purchase Agreement, as applicable, the Performance Reserve will not be included in the Available Distribution Amount or the Available Post-Enforcement Funds, as applicable, in respect of any Monthly Period and will not be applied to cover any Lessee's defaults.

Following the occurrence of an Enforcement Event, any amounts standing to the credit of the Performance Reserve Ledger will be, after all the Issuer's obligations under the Post-Enforcement Priority of Payments have been satisfied, released directly to the Seller as part of item (1) of the Post-Enforcement Priority of Payments.

Any amount of interest earned on any balance credited to the Performance Reserve Ledger upon the occurrence of a Performance Reserve Trigger Event will be part of the Available Distribution Amount or, as the case may be, the Available Post-Enforcement Funds.

## 2. **Servicing Agreement**

Pursuant to the Servicing Agreement between the Seller and Servicer, the Management Company and the Custodian, the Servicer has the right and obligation to administer the Purchased Receivables and the Ancillary Rights, collect and, if necessary, enforce the Purchased Receivables and enforce the Ancillary Rights and pay all proceeds to the Issuer.

### ***Obligations of the Servicer***

The Servicer will act as agent of the Management Company under the Servicing Agreement. The duties of the Servicer include the assumption of servicing, collection, administrative and enforcement tasks and specific duties set out in the Servicing Agreement.

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

- (a) collect any and all amounts payable, from time to time, by the Obligors under or in relation to the Underlying Agreements as and when they fall due;
- (b) identify the Collections and the amount of such Collections;
- (c) give, on each Settlement Date, directions to its relevant bank from time to time as the case may be with respect to the on-payment of Collections to the Issuer. If the Servicer is a different Person to the Seller, the Servicer will collect the Deemed Collections and any Seller Performance Indemnity Payment and/or any Residual Value Indemnification Amount due from the Seller;
- (d) endeavour to seek Recoveries due from Obligors in accordance with the Credit and Collection Policy and in particular (but without prejudice to the generality of the foregoing) exercise all enforcement measures concerning amounts due from the Obligors in accordance with the Lease Receivables Purchase Agreement. The Issuer will reimburse BMW Finance as Servicer of any costs resulting from such endeavour or exercise in respect of the enforcement. In addition, the Servicer is hereby authorised to sue any Obligor in any competent court of France or of any other competent jurisdiction in the Servicer's own name and for the benefit of the Issuer, the Management Company being obliged where necessary (i) to assist the Servicer in exercising all rights and remedies under and in connection with the relevant Purchased Receivables and (ii) to furnish the Servicer with all necessary authorisations, consents or confirmations in such form and to such extent as required;
- (e) not terminate or act in a manner that could reasonably be expected to lead to the termination of any Underlying Agreement prior to its scheduled contractual term, save where such termination results from (i) the default of the relevant Obligor under that Underlying Agreement in accordance with the Credit and Collection Policy, (ii) the theft or destruction of the relevant Leased Vehicle or (iii) the transfer of the relevant Leased Vehicle from that Lease Agreement to a new Lease Agreement;
- (f) in accordance with the provisions of article D. 214-233 of the French Monetary and Financial Code, keep Records in relation to the Purchased Receivables segregated from all other Records of the Servicer relating to other receivables made or serviced by such Servicer otherwise;
- (g) keep Records for all taxation purposes;
- (h) hold, subject to the Secrecy Rules and the provisions of the Data Custody Agreement, all Records relating to the Purchased Receivables in its possession for, and to the order of, the Issuer and cooperate with the Data Custody Agent, the Management Company or any other party to the Transaction to the extent required under or in connection with the collection or servicing of the Purchased Receivables and the related Ancillary Rights;
- (i) release any Ancillary Rights in accordance with its Credit and Collection Policy;
- (j) enforce the Ancillary Rights in accordance with the Credit and Collection Policy and apply the enforcement proceeds to the relevant Secured Obligations, and insofar as such enforcement proceeds are applied to Purchased Receivables and constitute Collections, pay such Collections to the Issuer into the Operating Ledger of the Issuer Account in accordance with item (c) above;
- (k) realise insurance claims against the relevant insurance companies, in accordance with the respective insurance policies relating to the Leased Vehicle pertaining to the Purchased Receivables administrated by the Seller in accordance with the Credit and Collection Policy, from the respective insurance companies. For the avoidance of doubt, the Servicer is not required to monitor the compliance by a Lessee with the provisions of its insurance policies and is not liable for any failure by a Lessee to comply with such provisions;
- (l) make available a Monthly Investor Report no later than on each Reporting Date to the Management Company and the Custodian, with a copy to the Calculation Agent and the Paying Agent and, if required, rectify such Monthly Investor Reports, provided that in any event the Secrecy Rules and the provisions of the Data Custody Agreement will be observed. The Servicer will procure that the Calculation Agent

will deliver each Monthly Investor Report to Bloomberg in accordance with the Calculation Agency Agreement for publication on <https://www.bloomberg.com>;

- (m) assist the statutory auditor of the Issuer and provide, subject to the Secrecy Rules and the provisions of the Data Custody Agreement, information to them upon request;
- (n) promptly send Notification Event Notices to the relevant Lessees, the relevant BMW Dealers, any other relevant Obligors and the relevant insurance companies upon the occurrence of a Notification Event notified by the Management Company, and, if the Servicer fails to deliver such Notification Event Notices within five (5) Business Days after the notice of such Notification Event, the Management Company will have the right to deliver or to instruct a successor Servicer or an agent that is compatible with the Secrecy Rules to deliver on its behalf the Notification Event Notices to the relevant Lessees, the relevant BMW Dealers, any other relevant Obligors and the relevant insurance companies to the extent known to it;
- (o) on or about each Investor Reporting Date, update the encrypted Portfolio Information as described in the Lease Receivables Purchase Agreement and send the updated encrypted Portfolio Information to the Management Company; and
- (p) assist the Issuer to do all such acts and execute all such documents to ensure compliance with any clearing, reporting or other obligations as may be required by the Issuer under EMIR and under the CRA III Regulation (or any amended or successor provisions) in respect of any Transaction Document (including any replacement swap agreement).

If a Lessee defaults on a Purchased Receivable, the Servicer will proceed in accordance with the Credit and Collection Policy. The Servicer will abide by the enforcement and realisation procedures as set out in the Lease Receivables Purchase Agreement and the Servicing Agreement in conjunction with the Credit and Collection Policy. If the Ancillary Rights are to be enforced, the Servicer will take such measures as (within the limits of the Credit and Collection Policy) it deems necessary in its professional discretion to realise the Ancillary Rights.

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

The Seller authorises and consents that the Servicer will be authorised to service, realise and administer the Leased Vehicles pertaining to the Purchased Receivables in accordance with the Credit and Collection Policy and clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement. The Seller undertakes, upon the request of the Servicer (if different), to provide the Servicer with all necessary information and assistance regarding such services, realisation and administration of the Leased Vehicles.

The Servicer will administer the Purchased Receivables in accordance with its respective standard procedures, set out in its Credit and Collection Policy for the administration and enforcement of its own commercial and consumer leases and related collateral, subject to the provisions of the Servicing Agreement and the Lease Receivables Purchase Agreement. In the administration and servicing of the Purchased Receivables, the Servicer will exercise the due care and diligence of a prudent business Person as if it was administering receivables on its own behalf. The Servicer will ensure that it has all required licences, approvals, authorisations and consents which are necessary or desirable for the performance of its duties under the Servicing Agreement.

Pursuant to the Servicing Agreement, the Servicer will be authorised to modify or extend the terms of a Purchased Receivable from time to time in accordance with the terms of the relevant Lease Agreement and the Credit and Collection Policy.

#### ***Use of third parties***

The Servicer may delegate and sub-contract, with the prior consent of the Management Company, its duties in connection with the servicing or enforcement of the Purchased Receivables and/or foreclosure on the related Ancillary Rights, provided that such third party has all licences and resources required for the performance of the servicing delegated to it.

The Servicer is, however, not entitled to delegate or sub-contract any duties other than in connection with the servicing or enforcement of the Purchased Receivables under the Servicing Agreement, unless it has first obtained written confirmation from the Management Company. The Management Company may decide to give its consent subject to a prior written notification to the Rating Agencies of such action. Prior written consent from the Management Company is not required in cases of urgency where otherwise Collections would be at risk and where such requirement would negatively impact the Transaction.

The Management Company acknowledges that, in accordance with the Credit and Collection Policy, the Servicer sub-contracts the collection of some of the Defaulted Lease Receivables to Crédit Agricole Consumer Finance ("CA-CF") on the terms of a sub-contracting agreement originally dated 1 July 2016 between the Servicer and CA-CF (the "**Sub-contracting Agreement**"), a copy of which has been provided to the Management Company and the terms of which the Management Company acknowledges.

When delegating and sub-contracting its duties, the Servicer will remain liable for the negligence (*faute lourde*) or wilful misconduct (*dol*) of the appointed third party to the same extent as the Servicer is liable itself as Servicer under the Servicing Agreement and the appointment of any third party, including the appointment of CA-CF under clause 3.3 (*Delegation and sub-contracting*) of the Servicing Agreement, shall not in any way limit the Servicer's obligations under the Servicing Agreement, for which it shall continue to be liable as if no such Sub-contracting Agreement existed.

#### ***Servicing Fee and reimbursement of enforcement expenses***

BMW Finance as the Servicer will not receive any Servicing Fee. Under the terms of the Servicing Agreement, the Servicer as originator acknowledges that it receives consideration through the Transaction itself and is also entitled to all remaining cash amounts in accordance with the Priority of Payments.

In the case of a Servicer Termination Event, any substitute Servicer (other than if such substitute Servicer is any Affiliate of BMW Finance) is entitled to the payment of a Servicing Fee. The Servicing Fee will be paid by the Issuer in monthly instalments on each Payment Date with respect to the immediately preceding Monthly Period in arrear.

The Servicing Fee will cover any tax including value added tax (if applicable) and all costs, expenses and other disbursements reasonably incurred in connection with the enforcement and servicing of the Outstanding Lease Receivables and Ancillary Rights as well as the rights and remedies of the Issuer and the other Services.

#### ***Cash collection arrangements***

Under the terms of the Servicing Agreement, the Collections received by the Servicer in respect of a Monthly Period will be transferred on the Settlement Date related to such Monthly Period into the Operating Ledger of the Issuer Account or as otherwise directed by the Management Company. Until such transfer and for so long as BMW Finance remains Servicer, the Servicer will be entitled to commingle the Collections and any other amount received with its own funds. However, the Servicer as agent for the Issuer shall procure that, in relation to each relevant Purchased Receivable, all realised Collections shall, at the intervals specified in clause 6.4 of the Servicing Agreement (*Realisation of Collections and on-payment to Issuer*), be on-paid to, and deposited into, the Operating Ledger of the Issuer Account and provided further that no Servicer Termination Event has occurred and is continuing and that the appointment of the Servicer has not been terminated hereunder. All payments will be made free of all bank charges and costs as well as any tax for the recipient thereof.

#### ***Information and regular reporting***

Pursuant to article D. 214-233, 2° of the French Monetary and Financial Code, the applicable French laws and regulations with respect to data protection and bank secrecy rules and the terms of the Servicing Agreement, the Servicer (i) is responsible for the custody of the Records relating to the Purchased Receivables and (ii) has established and will maintain appropriate documented custody procedures in addition to an independent internal ongoing control of such procedures.

The Servicer will keep safe and use all reasonable endeavours to maintain Records in relation to each Purchased Receivable in computer readable form. The Servicer will notify the Calculation Agent, the Management Company, the Custodian and the Rating Agencies of its intention to adversely change its administrative or operating procedures relating to the keeping and maintaining of Records. Any such adverse change requires, prior to its

implementation, the prior written consent of the Management Company and the Custodian and the prior written notification to the Rating Agencies of such adverse change. For this purpose, "adverse change" means a material change to the respective administrative or operative procedures that has, or could have, a negative impact on the collectability or enforceability of the Purchased Receivables.

Pursuant to article D. 214-233, 3° of the French Monetary and Financial Code and in accordance with the provisions of the Servicing Agreement, the Custodian will ensure, on the basis of a statement (*déclaration*) of the Servicer, that appropriate documented custody procedures have been set up. This statement (*déclaration*) will enable the Custodian to check if the Servicer has established appropriate documented custody procedures allowing the safekeeping (*garantissant la réalité*) of the Purchased Receivables, their security interest (*sûretés*) and their related ancillary rights (*accessoires*) (including the Ancillary Rights) and that the Purchased Receivables are collected for the sole benefit of the Issuer. The Servicer will keep the Records in such a manner that they are materially identified and distinguishable at the regular address of the Servicer and can be delivered to the Management Company or the Custodian on first demand from the Management Company or the Custodian in compliance with the Secrecy Rules.

The Servicing Agreement requires the Servicer to furnish no later than on each Reporting Date a Monthly Investor Report to the Management Company and the Custodian, with a copy to the Calculation Agent and the Paying Agent, provided that in any event the Secrecy Rules and the provisions of the Data Custody Agreement will be observed.

### ***Commingling Reserve***

For so long as BMW Finance remains Servicer, prior to the occurrence of a Servicer Termination Event and until termination of the Servicer pursuant to clause 13 (*Termination*) of the Servicing Agreement, the Servicer is entitled to commingle the Collections and any other amount received with its own funds.

Prior to the appointment of a substitute Servicer, upon the occurrence of a Commingling Reserve Trigger Event and for so long as such event continues, the Servicer will, within fourteen (14) calendar days, notify the Issuer in writing that it will elect to (i) with effect from the date of such notification, transfer any Collections to the Issuer Account within two (2) Business Days upon receipt of such Collections; or (ii) fund the Commingling Reserve Ledger (not using any Collections) with the Commingling Reserve Required Amount within the Performance Period of the Commingling Reserve Trigger Event taking place and on each Payment Date upon the continuance of the Commingling Reserve Trigger Event, as security for the due and timely payment of all its obligations related to commingling, pursuant to articles L. 211-36 and L. 211-38 to L. 211-40 of the French Monetary and Financial Code (*remise d'espèces en pleine propriété à titre de garantie*).

For so long as such Commingling Reserve Trigger Event prevails, the Servicer shall have the right to switch between the above options by written notice to the Issuer.

If the Servicer fails to advance (or to adjust, if required) such Commingling Reserve Required Amount as required above within five (5) Business Days from the due date, a Notification Event will occur.

During the life of the Transaction and upon (i) the occurrence and continuance of a Commingling Reserve Trigger Event and (ii) the occurrence and continuance of a Servicer Termination Event, the amount credited to the Commingling Reserve Ledger will form part of the Available Distribution Amount or, as the case may be, the Available Post-Enforcement Funds and will be used to cover potential Servicer Shortfalls.

As of each Cut-Off Date immediately preceding any Payment Date after the occurrence and continuation of a Commingling Reserve Trigger Event, the Seller will calculate any Commingling Reserve Excess Amount and inform on the immediately following Reporting Date the Servicer, the Management Company and the Calculation Agent of such Commingling Reserve Excess Amount. The Issuer will pay to the Seller on the relevant Payment Date such Commingling Reserve Excess Amount and such accrued interest outside of the applicable Priority of Payments, using the balance credited to the Commingling Reserve Ledger.

Any remaining amount standing to the credit of the Commingling Reserve Ledger, after all Obligors have redirected their payments directly to the Issuer Account or a substitute Servicer has been appointed, will be released to the Seller on the Payment Date immediately following such redirection of payments or appointment outside of the Pre-Enforcement Priority of Payments, using the balance credited to the Commingling Reserve Ledger and

taking into account any amounts drawn from the balance credited to the Commingling Reserve Ledger as part of the Available Distribution Amount on such Payment Date.

Following the occurrence of an Enforcement Event, any amount standing to the credit of the Commingling Reserve Ledger will be, after all Issuer's obligations under the Post-Enforcement Priority of Payments have been satisfied, released directly to the Seller as part of item (n) of the Post-Enforcement Priority of Payments.

Any amount of interest earned on any balance credited to the Commingling Reserve Ledger upon the occurrence of a Commingling Reserve Trigger Event will be part of the Available Distribution Amount or, as the case may be, the Available Post-Enforcement Funds.

#### ***Termination of Lease Agreements and enforcement***

If a Lessee defaults on a Purchased Receivable, the Servicer will proceed in accordance with the Credit and Collection Policy. The Servicer will abide by the enforcement and realisation procedures as set out in the Lease Receivables Purchase Agreement and the Servicing Agreement in conjunction with the Credit and Collection Policy. If Ancillary Rights are to be enforced, the Servicer will take such measures as (within the limits of the Credit and Collection Policy) it deems necessary in its professional discretion to realise such Ancillary Rights.

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

#### ***Termination of appointment of the Servicer***

Under the Servicing Agreement, the Management Company will at any time after the occurrence of a Servicer Termination Event terminate the appointment of the Servicer and designate as a successor Servicer any Person authorised to provide such services pursuant to applicable law and to succeed to the Servicer, unless the Servicer provides the Management Company with collateral or guarantee satisfactory to the Management Company to serve its claims against the Servicer.

Pursuant to the terms of the Servicing Agreement, the Management Company has agreed that, upon the occurrence of a Servicer Termination Event, it will facilitate the appointment of a suitable entity with all necessary facilities available to act as successor Servicer and will use reasonable efforts to ensure that such entity enters into a successor servicing agreement, the terms of which are similar to the terms of the Servicing Agreement, with the parties to the Servicing Agreement upon receipt of notice by the Servicer of the occurrence of a Servicer Termination Event.

According to the Servicing Agreement, the Servicer's collection authority is automatically terminated in the event that the Servicer is prohibited to collect the Purchased Receivables pursuant to any applicable law or regulation. The occurrence of an Insolvency Event in respect of the Servicer will constitute a Notification Event.

Pursuant to the provisions of the Servicing Agreement, if a Notification Event occurs and is notified by the Management Company to the Servicer, the Servicer will promptly deliver a Notification Event Notice to the relevant Lessees, the relevant BMW Dealers, any other relevant Obligor and the relevant insurance companies. If the Servicer fails to deliver such Notification Event Notice within five (5) Business Days after the notice of such Notification Event, the Management Company will have the right to deliver or to instruct a successor Servicer or an agent that is compatible with the Secrecy Rules to deliver on its behalf the Notification Event Notice to the relevant Lessees, the relevant BMW Dealers, any other relevant Obligor and the relevant insurance companies to the extent known to it, provided that, subject always to the Secrecy Rules and in accordance with the terms of the Data Custody Agreement, the Data Custody Agent will have to, *inter alia*, at the request of the Management Company or the Servicer despatch the Portfolio Decryption Key to the Management Company, any successor Servicer or an agent thereof. See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Data Custody Agreement".

The outgoing Servicer, the Management Company and the Custodian will execute such documents and take such actions as the Management Company may require for the purpose of transferring to the successor or substitute Servicer the rights and obligations of the Servicer, assumption by any successor or substitute Servicer of the specific obligations of the Servicer under the Servicing Agreement and releasing the outgoing Servicer from its future obligations under the Servicing Agreement. Upon termination of the Servicing Agreement with respect to

the Servicer and the appointment of a successor or a substitute Servicer, the outgoing Servicer will transfer to the successor Servicer or any other successor or substitute Servicer all Records and any and all related material, documentation and information which such successor or substitute Servicer may reasonably request.

Any termination of the appointment of the Servicer or of a successor or substitute Servicer will be notified by the Management Company to the Custodian, the Rating Agencies, the Noteholders, the Calculation Agent, the Interest Determination Agent, the Account Bank and the Data Custody Agent.

### ***Realisation of Leased Vehicles***

Notwithstanding assignment or transfer of the Ancillary Rights pursuant to the Lease Receivables Purchase Agreement and the pledge over the Leased Vehicles pursuant to the Lease Vehicle Pledge Agreement, the Servicer, subject to revocation by the Management Company, is entitled and obligated to realise the Ancillary Rights in respect of the Lease Receivables for and on behalf of the Issuer in accordance with the terms and conditions of the Lease Receivables Purchase Agreement, the Lease Vehicle Pledge Agreement and the Servicing Agreement.

Without prejudice to the exercise of a Clean-Up Call Option or a Receivables Call Option in respect of a Seller Performance Indemnity Payment or a Residual Value Indemnification Amount, the net sale proceeds which the Servicer receives from the realisation of Leased Vehicles, including proceeds relating to the Discounted Contractual Residual Value of the Leased Vehicles, will be credited to the Issuer Account no later than the first Settlement Date falling thirty (30) Business Days following the date of sale of the Leased Vehicle. In this context, "net sale proceeds" means the actual sale proceeds of the Leased Vehicle, excluding VAT, and less any costs and expenses of the Seller of selling the Leased Vehicles, including the fees of any auctioneer and the fees of any sub-contractor, in particular, Crédit Agricole Consumer Finance.

The Servicer is entitled to receive all payments on the Purchased Receivables it collects after the day on which the Servicer has finally written off the relevant Lease Agreements pertaining to such Purchased Receivables in accordance with the Credit and Collection Policy.

### **3. Description of the Lease Vehicle Pledge Agreement (*Convention de gage de meubles corporels sans dépossession*)**

#### **(a) Undertaking to grant a pledge without dispossession (*gage de meubles corporels sans dépossession*)**

Pursuant to the Lease Vehicle Pledge Agreement, as security for the full and timely performance of all Secured Obligations, BMW Finance, as Pledgor, has undertaken to grant in favour of the Beneficiary a first ranking pledge without dispossession (*gage sans dépossession*) (the "**Lease Vehicle Pledge**") over the Pledged Vehicles which are the subject of a Lease Agreement entered into between the Seller and a Lessee for the purpose of leasing vehicles from which a Series of Receivables arises and will be assigned to the Issuer on the Issue Date, in accordance with the provisions of articles 2333 *et seq.* of the French Civil Code and the provisions of the Lease Vehicle Pledge Agreement.

#### **(b) Registration and perfection of the Lease Vehicle Pledge**

In accordance with the first paragraph of article 2338 of the French Civil Code, articles R. 521-1 *et seq* of the French Commercial Code and the French decree no. 2021-1887 dated 29 December 2021, as amended by the French decree no. 2023-369 dated 11 May 2023 (the "**Decree**"), the Lease Vehicle Pledge shall be registered by the Management Company (or any person acting in its name and on its behalf) acting for and on behalf of the Issuer, on the special register held by the registrar of the Commercial Court of Versailles. For this purpose, the Management Company (or any person acting in its name and on its behalf) will establish and file with the register of the Commercial Court of Versailles, within ten (10) Business Days following the Issue Date, an executed original or, in the case of an electronic signature, an electronic copy, of the Lease Vehicle Pledge Agreement to which shall be attached a registration form (established in accordance with the form set out in Schedule 2 (*Registration form*) of the Lease Vehicle Pledge Agreement) in two copies, or if signed electronically, in an electronic copy.

Any bearer of an original, or if signed electronically, an electronic copy, of the Lease Vehicle Pledge Agreement may proceed with such formalities.

In accordance with the Lease Vehicle Pledge Agreement, the Management Company (or any person acting in its name and on its behalf), acting for and on behalf of the Issuer, will establish and file with the registrar of the Commercial Court of Versailles, within ten (10) Business Days following the drawing up of each letter referred to in clause 2.3 (*Creation of the Pledge*) of the Lease Vehicle Pledge Agreement, an executed original, or if signed electronically, an electronic copy, of the relevant letter (including the attached listing of the Pledged Vehicles) to which shall be attached an amendment registration form (established in accordance with the form set out in Schedule 3 (*Amendment registration form*) of the Lease Vehicle Pledge Agreement or any form that would replace it after the date of the Lease Vehicle Pledge Agreement) in two copies, or if signed electronically, in an electronic copy.

Pursuant to article R. 521-11 of the French Commercial Code, the registration mentioned in clause 3.1(a) (*Perfection*) of the Lease Vehicle Pledge Agreement will be valid during five (5) years from the registration date. Accordingly, the Management Company (or any person acting in its name and on its behalf), acting for and on behalf of the Issuer, shall proceed, if need be, to the renewal of the registration of the Lease Vehicle Pledge before the validity period expires if the Secured Obligations have not been satisfied as at the date of expiry of the Lease Vehicle Pledge Agreement, by way of a renewal registration form (established in accordance with the form set out in Schedule 4 (*Renewal registration form*) of the Lease Vehicle Pledge Agreement or any form that would replace it after the date of the Lease Vehicle Pledge Agreement).

(c) ***Enforcement of the Lease Vehicle Pledge***

At any time on and after the occurrence of any default in respect of any Secured Obligation which has not been remedied within five (5) Business Days as from the verification of such event of default by the Management Company to the Pledgor (including any Enforcement Event and/or Servicer Termination Event) (an "**Pledge Enforcement Event**"), the Management Company may exercise all rights, privileges, remedies, powers and recourses which the law recognises to secured creditors, up to the amount due to the Beneficiary under the Secured Obligations. The Management Company shall be entitled to enforce the Lease Vehicle Pledge in one or several times, as and when it deems fit, having regards to the Secured Obligations becoming due and payable from time to time by notifying the Pledgor by registered letter with acknowledgment of receipt.

In particular, BMW Finance and the Management Company will expressly agree that if a Pledge Enforcement Event has occurred and is continuing, the Management Company may, at its discretion, for the satisfaction of any outstanding Secured Obligations:

- (i) request the judicial attribution (*attribution judiciaire*) of the Pledged Vehicles (or certain of them) in accordance with article 2347 of the French Civil Code. If the pledge enforcement value of the Pledged Vehicles exceeds the total amount of the Secured Obligations, the sum corresponding to the difference between these two amounts must be returned to the Pledgor on the earlier of the following two dates: (1) ninety (90) Business Days after allocation or (2) the date of sale of the Pledged Vehicles;
- (ii) at the end of a period of eight (8) days following the Pledge Enforcement Notification, request the sale of the Pledged Vehicles by public auction in accordance with article L. 2346 of the French Civil Code;
- (ii) subject to a ten (10) days prior written notice (*mise en demeure*) addressed to the Pledgor and which remained without effect, decide to enforce the Lease Vehicle Pledge by foreclosing title to the Pledged Vehicles (or some of them) in accordance with the provisions of article 2348 of the French Civil Code, and without the need of a prior court order. The Management Company will then be entitled to freely dispose of the Pledged Vehicles.

The value of the Pledged Vehicles transferred in accordance with clause 6.2(c) (*Enforcement of the Pledge*) of the Lease Vehicle Pledge Agreement (the "**Pledge Enforcement Value**") shall be determined by the expert referred to in article 2348 of the French Civil Code (the "**Expert**") designated in good faith by the Pledgor and the Management Company within eight (8) days after the date of the notice referred to in clause 6.2(c) (*Enforcement of the Pledge*) of the Lease Vehicle Pledge Agreement and appointed from the list of legal experts of the Courts of Paris published by the Court of Appeal of Paris (section E-

07 Transport, E-07.04 Automobiles, Cycles, Motorcycles, Heavy Goods Vehicles). If BMW Finance, and the Management Company fail to agree on the name of the Expert within this period, the Expert will be nominated by the President of the Commercial Court of Paris (*statuant en référé*) at the request of the most diligent party. In all cases, the determination of that Expert shall be final and binding on the parties.

The Pledgor shall procure that the Expert delivers to the Management Company and the Pledgor, within thirty (30) days after the date of acceptance of its mission, a copy of its report setting forth its determination of the Pledge Enforcement Value and the assessment methods retained for the purpose of its missions.

The Management Company shall be entitled to freely dispose of the Pledged Vehicles transferred to it. The Pledgor shall, promptly and at its own cost, execute and/or deliver to the Management Company such documents and complete such formalities as the Management Company may reasonably require for such purpose. If, on the Release Date (as defined in the Lease Vehicle Pledge Agreement), the enforcement proceeds of the Pledged Vehicles transferred exceeds the aggregate amount of all Secured Obligations, the Management Company shall pay to the Pledgor the difference between those two amounts, in accordance with the provisions of article 2348 of the French Civil Code and the Priority of Payments applicable on the date of such return.

The Custodian shall not be responsible under any circumstances whatsoever for the custody (*conservation*) of the Pledged Vehicles, even where such Leased Vehicles have become the property of the Issuer further to the enforcement of the Lease Vehicle Pledge in accordance with clause 6.2(c) (*Enforcement of the Pledge*) of the Lease Vehicle Pledge Agreement.

(d) **Release**

The Lease Vehicle Pledge Agreement and the Lease Vehicle Pledge shall remain in full force and effect until the Release Date.

By way of exception, in the limited cases provided for:

- (i) in clause 11 (*Issuer Liquidation Events*) and clause 12 (*Clean-Up Call Option*) of the Lease Receivables Purchase Agreement, the Pledgor will be required to repurchase certain Lease Receivables or Series of Receivables previously assigned to the Issuer. Accordingly, any Pledged Vehicle relating to a Lease Receivable which has been re-assigned to the Pledgor will be excluded from the scope of the Lease Vehicle Pledge thirty (30) calendar days prior to the relevant Repurchase Date;
- (ii) for so long as there has been no Servicer Termination Event and in respect of any Pledged Vehicle relating to any Lease Agreement, which has been identified by the Servicer to terminate (whether at its term or prior to its term), any such Pledged Vehicle may be excluded from the scope of the Lease Vehicle Pledge in the following two (2) months;
- (iii) in clause 7 (*Realisation of Leased Vehicles*) of the Servicing Agreement and in clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement, the Servicer is entitled and obligated to realise the Ancillary Rights and to realise and administer the Leased Vehicles for and on behalf of the Issuer and the Seller in accordance with the terms and conditions thereof. Accordingly, any Pledged Vehicle which has to be sold by the Servicer in accordance with clause 7 (*Realisation of Leased Vehicles*) of the Servicing Agreement, clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement and the terms and conditions of the Issuer Regulations will be excluded from the scope of the Lease Vehicle Pledge as from the date on which such Pledged Vehicle is returned to the Servicer or any person appointed by the Servicer; and
- (iv) in clause 16 (*Deemed Collections*) of the Lease Receivables Purchase Agreement, upon receipt of any Deemed Collections certain Lease Receivables previously assigned to the Issuer shall be re-assigned or re-transferred to the Pledgor. Accordingly, any Pledged Vehicle relating to a Lease Receivable which has given rise to the payment of Deemed Collections will be excluded

from the scope of the Lease Vehicle Pledge at the earlier of (1) thirty (30) calendar days prior to the relevant re-assignment date or (2) the relevant re-assignment date.

#### **4. Subordinated Loan Agreement**

Pursuant to the Subordinated Loan Agreement, a committed subordinated term loan will be made available to the Issuer by the Subordinated Lender. Pursuant to the terms of the Subordinated Loan Agreement, the Issuer will have to draw an amount of €5,150,000.00 on or before the Issue Date, of which the Issuer will use to fund the Required Cash Reserve Amount of €5,150,000.00. The Required Cash Reserve Amount so advanced by the Seller to the Issuer and credited to the Cash Reserve Ledger will be available to cover any liquidity shortfalls and any losses arising as a consequence of any Purchased Receivables becoming Defaulted Lease Receivables, but only with respect to interest payments on the Notes unless the Available Distribution Amount, together with the balance credited to the Cash Reserve Ledger, would suffice to reduce the Class B Outstanding Notes Balance to zero as well as on the Legal Final Maturity Date and once the then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value is reduced to zero, in which case also with respect to principal payments on the Notes. The Subordinated Lender will undertake to grant and keep outstanding the Subordinated Loan in accordance with the Securitisation Regulation for the life of the Transaction.

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

The Subordinated Loan will constitute limited recourse obligations of the Issuer. The Subordinated Lender will also agree under the Subordinated Loan Agreement not to take any corporate action or any legal proceedings regarding some or all of the Issuer's revenues or assets, and not to have any right to take any steps for the purpose of obtaining payment of any amounts payable to it under the Subordinated Loan Agreement by the Issuer. All of the Issuer's obligations to the Subordinated Lender will be subordinated to the Issuer's obligations in respect of the Notes. The claims of the Subordinated Lender will be subject to the applicable Priority of Payments. If the net proceeds are not sufficient to pay all Transaction Parties on the Issuer Liquidation Date, payments of all other claims ranking in priority to the Subordinated Loan will be made first in accordance with the Post-Enforcement Priority of Payments and no other assets of the Issuer will be available for payment of any shortfall to the Subordinated Lender. Claims in respect of any such remaining shortfall will be extinguished.

#### **5. Data Custody Agreement**

Pursuant to the terms of the Lease Receivables Purchase Agreement, the Seller will deliver to the Data Custody Agent the Portfolio Decryption Key in relation to the encrypted Portfolio Information. The Data Custody Agreement has been structured to comply with the Secrecy Rules with the Management Company as "controller" for the purposes of GDPR. Pursuant to the Data Custody Agreement, the Data Custody Agent will keep the Portfolio Decryption Key in safe custody and will protect it against unauthorised access by third parties.

The Data Custody Agent will, upon written request from (as appropriate) the Management Company or the Servicer, release the Portfolio Decryption Key, as required and necessary to (a) the Management Company or a successor Servicer; or (b) any agent of the Management Company or the successor Servicer, always provided that such agent is compatible with the Secrecy Rules, in each case of (a) or (b) provided that at the relevant time such transfer of data complies with the then applicable rules issued by the Secrecy Rules and only to the extent necessary for the collection, enforcement or realisation of any Purchased Receivable, Ancillary Rights or other claims and rights under the Underlying Agreements or documents relating to the Ancillary Rights, if (i) the Seller directs the Data Custody Agent in writing to do so; (ii) any of the Management Company or the Seller has notified the Data Custody Agent in writing that the appointment of the Servicer under the Servicing Agreement has been terminated; (iii) any of the Management Company or the Seller has notified the Data Custody Agent in writing that (A) knowledge of the relevant data at the time of the disclosure is necessary for the Management Company (acting through the successor Servicer referred to under (a) and (b) above) to pursue legal remedies with regard to proper legal enforcement, realisation or preservation of any Purchased Receivables or Ancillary Rights or other claims and rights under the Underlying Agreement and (B) the prosecution of legal remedies through the Servicer to enforce, realise or preserve the Purchased Receivables or the Ancillary Rights or other claims and rights under the Underlying Agreements (including the security interests to the Leased Vehicles) is inadequate to preserve the

rights of the Issuer; or (iv) the Management Company or the Seller has notified the Data Custody Agent in writing that a Notification Event has occurred.

If the Data Custody Agent is informed that a Notification Event has occurred and the delivery of the Portfolio Decryption Key is necessary for the collection, enforcement or realisation of the Purchased Receivables and/or the Ancillary Rights in accordance with and subject to the provisions of the Data Custody Agreement, the Data Custody Agent will deliver the Portfolio Decryption Key. Pursuant to the Data Custody Agreement, the Data Custody Agent will fully cooperate with the Management Company and any of the Management Company's agents that are compatible with the Secrecy Rules and will in particular use its best endeavours to ensure, subject always to the Secrecy Rules, that the Portfolio Decryption Key is duly and swiftly delivered to the Management Company or the successor Servicer or an agent thereof if the Servicer fails to deliver a Notification Event Notice pursuant to the Servicing Agreement so that all information necessary in respect of the Lessees to permit timely Collections is available.

## 6. **Bank Account Agreement**

Pursuant to the Bank Account Agreement to be entered into between the Management Company and the Account Bank in relation to the Issuer Account and the Counterparty Downgrade Collateral Account, each of the Issuer Account and the Counterparty Downgrade Collateral Account will be opened with the Account Bank on or prior to the Issue Date. The Account Bank will comply with any written direction of the Management Company to effect a payment by debit from the Issuer Account or the Counterparty Downgrade Collateral Account, as applicable, if such direction is in writing and complies with the relevant account arrangements between the Issuer and the Account Bank and are permitted under the Bank Account Agreement.

Any amounts standing to the credit of the Issuer Account and the Counterparty Downgrade Collateral Account may bear interest as agreed between the Issuer and the Account Bank from time to time, always in accordance with the applicable provisions (if any) of the relevant account arrangements, such interest to be calculated and credited to the respective account in accordance with the Account Bank's usual procedure for crediting interest to such accounts. Any interest earned on the amounts credited to the Issuer Account (other than the amount allocated to the Commingling Reserve Ledger and the Performance Reserve Ledger) is part of the Available Distribution Amount or the Available Post-Enforcement Funds, as applicable.

The Management Company will provide the following services (the "**Cash Administration Services**"):

- (a) operate the Accounts by providing the Account Bank with the relevant instructions in accordance with the Bank Account Agreement and the opening forms in respect of the relevant Accounts therefore;
- (b) administer, in accordance with the applicable Priority of Payments and the provisions of the Bank Account Agreement, the payment of the Issuer's outstanding regular payment obligations under the Notes and the Transaction Documents, including, without limitation, by giving timely Payment Instructions;
- (c) arrange for the amounts to be credited to the Accounts;
- (d) arrange for all payments to be made by the Issuer to be debited from the Accounts and applied in accordance with the Priority of Payments;
- (e) arrange for all payments to be made by the Issuer to the Swap Counterparty with respect to Return Amounts (as defined in the Swap Agreement) to be debited from the Counterparty Downgrade Collateral Account and applied in accordance with the Swap Agreement outside the Priority of Payments;
- (f) upon termination of the Swap Agreement when a swap termination payment is due and payable by the Issuer to the Swap Counterparty, arrange for payment of such swap termination payment to the Swap Counterparty in accordance with the Swap Agreement and the Priority of Payments;
- (g) upon termination of the Swap Agreement and the entry of the Issuer into a replacement swap agreement, arrange for payment of any Replacement Swap Premium by the Issuer to the replacement Swap Counterparty outside the Priority of Payments to the extent that such amount has been previously received by the Issuer from the outgoing Swap Counterparty (if applicable, by debiting the Counterparty Downgrade Collateral Account);

- (h) arrange for all other amounts which the Issuer is obliged to pay under the Transaction Documents to be paid on the due dates therefor by debiting from the Issuer Account in accordance with the Priority of Payments and transferring to such bank account as may be notified to the Management Company for such purposes by the Issuer;
- (i) give directions to the Account Bank in respect of the credit, transfers and payments to be arranged by it (if any) by the times specified in the Bank Account Agreement in order to ensure that the same may be made on the relevant date provided that such directions are in accordance with the Bank Account Agreement; and
- (j) agree to, or authorise or execute any action in connection with the administration of the Accounts which in the sole discretion of the Management Company is to correct a manifest error or an error established as such to the satisfaction of the Management Company.

Under the Bank Account Agreement, the Account Bank will waive any first priority pledge or other lien, including its standard contract terms pledge, it may have with respect to the Issuer Account or the Counterparty Downgrade Collateral Account, and will further waive any right it has or may acquire to combine, consolidate or merge the Issuer Account or the Counterparty Downgrade Collateral Account, with each other or with any other account of the Issuer, or any other Person or set off any Liabilities of the Issuer or any other Person with the Account Bank and will agree that it will not set off, transfer, combine or withhold payment of any sum standing to the credit of or to be credited to the Issuer Account or the Counterparty Downgrade Collateral Account, in or towards or conditionally upon satisfaction of any Liabilities to the Account Bank of the Issuer, as the case may be, with any other Person.

The Management Company is not authorised to invest any amount standing to the credit of the Issuer Account.

The Management Company will terminate the account relationship with the Account Bank within forty (40) calendar days after the Account Bank ceases to be an Eligible Counterparty in accordance with the Bank Account Agreement.

## 7. Swap Agreement

The Issuer will, on or about the Issue Date, enter into a Swap Agreement with the Swap Counterparty. Under the Swap Agreement, on each Payment Date, the Issuer will owe the Swap Fixed Interest Rate applied to the Swap Notional Amount and multiplied by the number of calendar days to be calculated on the basis of a year of 360 days with thirty (30)-day months and the Swap Counterparty will pay the Swap Floating Interest Rate equal to EURIBOR as determined by the Interest Determination Agent on each Interest Determination Date in respect of the Interest Period immediately preceding such Payment Date, applied to the Swap Notional Amount and multiplied by the actual number of calendar days of the Interest Period ending on such Payment Date divided by 360. The Swap Floating Interest Rate does not provide for a floor. For any period that EURIBOR 1 month is a negative rate, the Issuer will instead be required to pay to the Swap Counterparty for such period (subject to the netting provided for by the Swap Agreement) an amount equal to the absolute value of such negative rate applied to the Swap Notional Amount. Although the structure provides some protection via credit enhancement, Noteholders will be exposed if EURIBOR 1 month turns deeply negative resulting in significant amounts becoming payable to the Swap Counterparty and thereby reducing amounts available for payment to the Noteholders.

Payments under the Swap Agreement will be made on a net basis by the Issuer or the Swap Counterparty depending on which party will, from time to time, owe the higher amount (the "**Swap Net Cashflow**"). In the absence of defaults or termination events under the Swap Agreement, the interest rate hedge will remain in full force until the Swap Termination Date being the earlier of (i) the Legal Final Maturity Date and (ii) the date on which the Class A Notes are redeemed in full in accordance with the Conditions.

Pursuant to the Swap Agreement, if the Swap Counterparty ceases to be an Eligible Swap Counterparty, the Swap Counterparty will use its best endeavours, *inter alia*, to, as soon as reasonably practicable after such downgrading, and at its own cost, (i) provide eligible collateral in the form and substance in accordance with the Swap Agreement; (ii) transfer all its rights and obligations to a replacement third party that is an Eligible Swap Counterparty; (iii) procure another Person that has the required ratings to irrevocably and unconditionally

guarantee the obligations of the Swap Counterparty under the Swap Agreement or (iv) take other remedial action (which may include no action) in accordance with the terms of the Swap Agreement.

In the event that the Swap Counterparty will post cash collateral to the Issuer, the Issuer has opened a Counterparty Downgrade Collateral Account in which the Issuer will hold such cash collateral received from the Swap Counterparty pursuant to the Swap Agreement. The Counterparty Downgrade Collateral Account will be segregated from the Issuer Account and the general cash flow of the Issuer. Amounts standing to the credit of the Counterparty Downgrade Collateral Account will not constitute Collections. Furthermore, the Issuer undertakes to the Swap Counterparty to maintain a specific account in respect of the cash collateral and such cash collateral will secure solely the payment obligations of the Swap Counterparty to the Issuer under the Swap Agreement and will not secure any obligations of the Issuer.

The Swap Agreement is governed by English law.

## **8. Calculation Agency Agreement**

Pursuant to the Calculation Agency Agreement, IQ EQ Management as the Calculation Agent is appointed by the Issuer and will act as agent of the Issuer to make and verify certain calculations in respect of the Notes.

After having made the Calculation Check and having provided the Calculation Check Notice, the Calculation Agent will make Monthly Investor Reports publicly available through the Calculation Agent's internet website (which is currently located at <https://www.iqeq.com>) no later than on each Investor Reporting Date. In respect of any information posted on the Calculation Agent's internet website pursuant to clause 8.1 of the Calculation Agency Agreement, registration may be required for access to the website and disclaimers may be posted with respect to the information posted thereon.

In addition, the Calculation Agent will, at each Investor Reporting Date, on behalf of the Issuer, deliver the Monthly Investor Reports by email to the Management Company, the Custodian, the Joint Lead Managers, the Paying Agent, the Interest Determination Agent, the Subordinated Lender, the Servicer (and the Seller, if different), the Issuer, the Rating Agencies, SVI and Bloomberg.

If the Servicer has not provided the Calculation Agent with the Monthly Investor Report no later than on the relevant Reporting Date and the Notes do not redeem on the immediately following Payment Date in accordance with the Conditions, the Calculation Agent will nonetheless perform its duties to the extent possible and is obliged to publish a Monthly Investor Report. In such case, the Calculation Agent will make the calculations on the basis of the last available Monthly Investor Report, include them in a Monthly Investor Report with respect to the relevant Payment Date and arrange for the payment of items (a) to (g) of the Pre-Enforcement Priority of Payments.

If the Calculation Agent does not receive a Monthly Investor Report for more than three (3) months and the Lessees have been notified of the assignment of the Purchased Receivables, the Calculation Agent will make its calculations on the basis of the amounts paid by the Obligors directly to the Issuer Account.

If (i) the Calculation Agent has not received a Monthly Investor Report and (ii) an Enforcement Event has occurred, the Calculation Agent will, upon instruction of the Management Company, make its calculations on the basis of the amounts paid by the Obligors (after such Lessees have been notified of the assignment of the Purchased Receivables owed by such Lessees) directly to the Issuer Account.

The Management Company may terminate the appointment of the Calculation Agent by giving two (2) months prior written notice to the Calculation Agent and the Rating Agencies and the Calculation Agent may only resign from its office by giving two (2) months prior written notice to the Issuer and the Rating Agencies, provided that, no such notice will be effective to terminate the Calculation Agency Agreement if the termination of the obligations of the Calculation Agent thereunder would cause the rating of any Class of Notes to be downgraded or withdrawn, and provided further that at all times there will be a Calculation Agent appointed with the required capacities.

Pursuant to the Calculation Agency Agreement, upon the termination of the Calculation Agent pursuant to the preceding paragraph, the Management Company will appoint a successor Calculation Agent, provided that until a successor Calculation Agent has agreed in writing with the Management Company and the outgoing Calculation Agent to perform obligations substantially similar to those of the outgoing Calculation Agent, the outgoing Calculation Agent will continue to act as the Calculation Agent. The Calculation Agent will have the right (but not the obligation) to nominate a successor for appointment by the Management Company. The Management

Company shall notify the Rating Agencies and the Custodian upon the appointment of a successor Calculation Agent without undue delay.

The Management Company will have the right to veto any nomination of a successor Calculation Agent by the resigning Calculation Agent if any other Calculation Agent has been appointed by the Management Company to be the successor Calculation Agent and has accepted such appointment. In the event of any urgency, the Calculation Agent will be entitled to appoint a successor Calculation Agent acceptable to the Management Company under terms substantially similar to the terms of the Calculation Agency Agreement if the Management Company fails to appoint a successor Calculation Agent within a reasonable period of time.

#### **9. Agency Agreement**

Pursuant to the Agency Agreement, the Interest Determination Agent is appointed by the Management Company and will act as agent of the Management Company to make certain determinations in respect of the Notes. The Alternative Base Rate Determination Agent is appointed by the Management Company to act as the Management Company's agent for making determinations in the event that the Interest Determination Agent is on any Interest Determination Date required but unable to determine EURIBOR in accordance with Condition 5.3 (*Interest Rate*) for the relevant Interest Period due to a public announcement of the permanent or indefinite discontinuation of EURIBOR that applies to the Class A Notes at that time. The Paying Agent is appointed by the Management Company and will act as agent of the Management Company to effect payments in respect of the Notes. The Registrar is appointed by the Management Company and will act as registrar in relation to the register of the Units.

The Paying Agent will be effecting all payments in respect of the Notes required to be made by the Issuer in respect of the applicable Priority of Payments, based on information set out in the relevant Monthly Investor Report.

The functions, rights and duties of the Interest Determination Agent, the Alternative Base Rate Determination Agent, the Paying Agent and the Registrar are set out in the Conditions. See "TERMS AND CONDITIONS OF THE NOTES".

#### **10. Subscription Agreement**

The Seller, the Management Company and the Joint Lead Managers have entered into a Subscription Agreement under which the Joint Lead Managers have agreed to subscribe and pay for the Notes, subject to certain conditions. The Joint Lead Managers are the beneficiaries of certain representations, warranties and undertakings of indemnification from the Seller and the Issuer. See "SUBSCRIPTION AND SALE".

#### **11. Variation of Transaction Documents and Base Rate Modifications**

##### ***Variation of Transaction Documents***

Any amendment to the Transaction Documents that is materially prejudicial to the interests of the holders of the Notes and/or the Units will require their consent, as described in the Conditions of the Notes and the Conditions of the Units, respectively.

The Management Company, acting in the name and on behalf of the Issuer, may agree, without the consent of the Noteholders, to (a) any modification of any of the provisions of the Transaction Documents which is made in order for the Issuer to comply with (i) the 2021 Ordinance or (ii) the Securitisation Regulation, in each case if it is advised by a third party authorised under article 28 of the Securitisation Regulation in respect of compliance with the STS Requirements or a reputable international law firm that such modifications are required for the Transaction to comply with the 2021 Ordinance or the Securitisation Regulation including the STS Requirements and in any regulatory technical standards authorised under the Securitisation Regulation, or to comply with the 2021 Ordinance, or is required pursuant to mandatory law, to the extent such modification does not impact the financial characteristics of any Class of Notes or otherwise adversely affect the Noteholders, is of a formal, minor or technical nature or is made to correct a manifest error 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 is in the opinion of the Management Company, acting in the name and on behalf of the Issuer, not materially prejudicial to the interests of the Noteholders provided that, in respect of (b) only, the Rating Agencies have received prior notice of any amendment and that such amendment shall not result, in the reasonable opinion of the Management Company, in the placement on "negative outlook" or as the case may

be on "rating watch negative" or on "review for possible downgrade", or the downgrading or the withdrawal of any of the ratings of the Notes or that such amendment limits such downgrading or avoids such withdrawal.

Any amendment that would result in the alteration of any provision of the Transaction Documents must be notified to the Noteholders and the Unitholders in accordance with the conditions described in the Transaction Documents, and to the Rating Agencies. Any such amendment will be binding with respect to the Noteholders and the Unitholders within three (3) Business Days after they have been informed thereof.

In addition, any amendment to the Transaction Documents will require the prior written consent of the Swap Counterparty (such consent not to be unreasonably withheld) if the effect of such amendment is to affect the amount, timing or priority of any payments due to the Swap Counterparty.

### ***Base Rate Modifications***

Notwithstanding clause 8.1 (*Variation of Transaction Documents*) of the Common Terms, the Management Company shall be obliged (and with no liability whatsoever attached to the Management Company), without any consent or sanction of the Class A Noteholders and any of the other Transaction Parties, to make any modification to the Transaction Document to which it is a party provided that the Servicer, on behalf of the Issuer, certifies in writing to the Management Company that such modification is required:

- (a) in relation to a Base Rate Modification, such certificate being a Base Rate Modification Certificate; and
- (b) in relation to a Swap Rate Modification, such certificate being a Swap Rate Modification Certificate, provided that:
  - (i) at least five (5) days' prior written notice (including, for such purposes, via email) of any such proposed Base Rate Modification and/or Swap Rate Modification has been given to the Management Company by the Servicer as the Alternative Base Rate Determination Agent;
  - (ii) the Base Rate Modification Certificate or the Swap Rate Modification Certificate, as applicable, in relation to such modification is provided to the Management Company both at the time the Management Company is notified of the proposed modification in accordance with clause 8.2 (*Base Rate Modifications*) of the Common Terms and on the date that such modification takes effect;
  - (iii) with respect to each Rating Agency, either:
    - (1) the Management Company obtains from such Rating Agency written confirmation that such Base Rate Modification and/or Swap Rate Modification would not result in (a) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (b) such Rating Agency placing any Class A Notes on rating watch negative (or equivalent) and delivers a copy of each such confirmation to the Management Company; or
    - (2) the Servicer, on behalf of the Issuer, certifies in writing to the Management Company that it has notified such Rating Agency of the proposed Base Rate Modification and/or Swap Rate Modification and, in its reasonable opinion, formed on the basis of due consideration and consultation with such Rating Agency (including, as applicable, upon receipt of confirmation from an appropriately authorised person at such Rating Agency), such Base Rate Modification and/or Swap Rate Modification would not result in (a) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes or by such Rating Agency or (b) such Rating Agency placing any Class A Notes on rating watch negative (or equivalent); and
  - (iv) the Management Company (or the Paying Agent on its behalf, itself acting upon instruction of the Servicer) will provide at least thirty (30) days' prior written notice to the Class A Noteholders of the proposed Base Rate Modification in accordance with Condition 12 (*Form of notices*).

If holders of the Class A Notes representing at least 10% of the Class A Outstanding Notes Balance have notified the Management Company in accordance with the notice provided above and the then current practice of any applicable Clearing System through which the Class A Notes may be held within the notification period referred to above that they object to the proposed Base Rate Modification, then such modification will not be made unless a resolution of the holders of the Class A Notes is passed in favour of such modification in accordance with Condition 11 (*Representation of the Noteholders*) by a qualified majority of the holders of the Class A Notes, provided that objections made in writing to the Management Company other than through the applicable Clearing System must be accompanied by evidence to the Management Company's satisfaction (having regard to prevailing market practices) of the holders of the Class A Notes.

#### ***Variation of the Swap Agreement***

The terms of the Swap Agreement may be amended by the Swap Counterparty and the Issuer if the Management Company is satisfied that the amendments are to be made to the related Swap Rate Modification in relation to a Base Rate Modification or solely for the purpose of enabling the Issuer to comply with the Securitisation Regulation including the STS Requirements or to satisfy its requirements under EMIR and the CRA III Regulation and if each Rating Agency has been notified of the amendment. The Management Company shall be entitled to grant its consent to an amendment of the Swap Agreement required for the Issuer to comply with obligations imposed by the related Swap Rate Modification in relation to a Base Rate Modification, the Securitisation Regulation including the STS Requirements, EMIR and the CRA III Regulation even if, upon being notified, the Rating Agencies indicate that this may affect the ratings of the Notes.

## **EXPECTED MATURITY AND AVERAGE LIFE OF THE CLASS A NOTES AND THE CLASS B NOTES AND ASSUMPTIONS**

### **Weighted average life of the Class A Notes and the Class B Notes**

Weighted average life of the Class A Notes and the Class B Notes refers to the average amount of time that will elapse (on an "act/360" basis) from the date of issuance of a Class A Note and a Class B Note to the date of distribution of amounts to the Class A Noteholders or the Class B Noteholders distributed in reduction of principal of such Class of Note. The weighted average life of the Class A Notes and the Class B Notes will be influenced by, amongst other things, delinquencies and losses, as well as the rate at which the Purchased Receivables are paid, which may be in the form of scheduled amortisation, prepayments or liquidation.

The following table is prepared on the basis of certain assumptions, as described below, regarding the weighted average characteristics of the Purchased Receivables and the performance thereof.

The table assumes, among other things, that:

- (a) the portfolio is subject to a constant annual rate of prepayment as set out under "CPR";
- (b) the Purchased Receivables amortise according to their expected amortisation profile of the portfolio as of 30 June 2025;
- (c) no Enforcement Event occurs;
- (d) no Purchased Receivables are repurchased by the Seller;
- (e) the Notes are issued on the Issue Date of 21 July 2025;
- (f) the Clean-Up Call Option is exercised;
- (g) the Purchased Receivables are performing and no delinquencies nor defaults nor residual value losses occur;
- (h) the Discount Rate is assumed to be 5%;
- (i) the Servicing Fee, the tax rate, and the interest rate on the Cash Reserve Ledger are assumed to be 0% *per annum*;
- (j) third party expenses are assumed to be 0.05% *per annum* of the outstanding receivables portfolio;
- (k) the fixed rate under the Swap Agreement is 1.8270%, the margin on the Class A Notes is 0.60%, EURIBOR one month is 1.85%, the fixed rate on the Class B Notes is 1.00%, and the fixed rate on the Class C Notes is 1.50%; and
- (l) the Payment Date will always fall on the 20th day of each calendar month, subject to the Business Day convention with the first Payment Date occurring on the Payment Date being 20 August 2025.

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

The approximate average life of the Class A Notes and the Class B Notes, at various assumed rates of prepayment of the Purchased Receivables, would be as follows:

Class A Notes				Class B Notes			
CPR in %	WAL (in Years)	First Principal Payment	Expected Maturity	CPR in %	WAL (in Years)	First Principal Payment	Expected Maturity
0.00%	1.76	Aug 25	Apr 28	0.00%	2.86	Apr 28	May 28
5.00%	1.61	Aug 25	Apr 28	5.00%	2.83	Apr 28	May 28
10.00%	1.47	Aug 25	Feb 28	10.00%	2.70	Feb 28	Mar 28
12.50%	1.41	Aug 25	Feb 28	12.50%	2.69	Feb 28	Mar 28
15.00%	1.34	Aug 25	Jan 28	15.00%	2.61	Jan 28	Feb 28
20.00%	1.22	Aug 25	Dec 27	20.00%	2.53	Dec 27	Jan 28

Base case: 12.5% CPR, 0% defaults, 0% delinquencies and 0% residual value losses, Clean-Up Call Option exercised.

The exact average life of the Class A Notes and of the Class B Notes cannot be predicted as the actual rate at which the Purchased Receivables will be repaid and a number of other relevant factors are unknown.

The average life of the Class A Notes and of the Class B Notes are 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.

Furthermore, it should also be noted that the calculation of the approximate average lives of the Class A Notes and the Class B Notes as made herein and as made by the provider of the cash flow model pursuant to article 22(3) of the Securitisation Regulation might deviate from each other due to different calculation methods used herein (for the purpose of calculating the weighted average life of the Class A Notes and the Class B Notes) and the provider of the cash flow model (for the purpose of article 22(3) of the Securitisation Regulation).

#### Assumed Amortisation of the Notes

This amortisation scenario is based on the assumptions listed under "Weighted average life of the Class A Notes and the Class B Notes" above and a CPR of 12.5%:

PERIOD	CLASS A NOTES EOP	CLASS B NOTES EOP
0	500,000,000.00 €	68,900,000.00 €
1	483,841,622.80 €	68,900,000.00 €
2	467,971,135.35 €	68,900,000.00 €
3	452,288,595.46 €	68,900,000.00 €
4	436,854,020.41 €	68,900,000.00 €
5	421,629,820.76 €	68,900,000.00 €
6	406,596,757.81 €	68,900,000.00 €
7	391,773,551.65 €	68,900,000.00 €
8	377,215,446.49 €	68,900,000.00 €
9	362,757,034.72 €	68,900,000.00 €
10	348,588,359.58 €	68,900,000.00 €
11	334,563,960.41 €	68,900,000.00 €

<b>PERIOD</b>	<b>CLASS A NOTES EOP</b>	<b>CLASS B NOTES EOP</b>
12	320,317,066.02 €	68,900,000.00 €
13	306,330,113.79 €	68,900,000.00 €
14	292,545,255.56 €	68,900,000.00 €
15	277,781,392.15 €	68,900,000.00 €
16	263,278,057.58 €	68,900,000.00 €
17	248,187,389.54 €	68,900,000.00 €
18	230,294,291.39 €	68,900,000.00 €
19	215,593,058.28 €	68,900,000.00 €
20	200,040,371.47 €	68,900,000.00 €
21	181,846,014.39 €	68,900,000.00 €
22	165,037,286.14 €	68,900,000.00 €
23	147,309,272.51 €	68,900,000.00 €
24	126,646,070.04 €	68,900,000.00 €
25	108,203,958.43 €	68,900,000.00 €
26	93,744,074.03 €	68,900,000.00 €
27	71,518,347.72 €	68,900,000.00 €
28	51,007,959.29 €	68,900,000.00 €
29	31,020,646.27 €	68,900,000.00 €
30	2,788,649.25 €	68,900,000.00 €
31	- €	53,335,725.71 €
32	- €	- €

## ELIGIBILITY CRITERIA

As of the first Cut-Off Date, the following criteria (the "**Eligibility Criteria**" and each an "**Eligibility Criterion**") must have been met by the Receivables to be eligible for acquisition by the Issuer pursuant to the Lease Receivables Purchase Agreement.

A Receivable is an Eligible Receivable if it meets the following criteria:

1. the Lease Receivables arise under Lease Agreements relating to long-term lease agreements with purchase option (*location avec option d'achat*) or long-term lease agreements without purchase option (*location longue durée*) and the Lease Agreements were originated in the Seller's ordinary course of business in accordance with the Credit and Collection Policy of the Seller and based on the applicable general lease terms of the Seller;
2. the Lease Agreements are legally valid, binding and enforceable and the relevant Receivable exists and constitutes legally valid, binding and enforceable obligations of the respective Obligor. In addition, no Lease Agreements have been subject to any variation, modification, waiver or exclusion of time of any kind which in any material way adversely affects the enforceability or collectability of all or a material portion of the Receivables offered for purchase;
3. the relevant Receivable is assignable and can be transferred by way of assignment without the consent of the related Obligor;
4. the Lease Receivables have monthly instalment payments (except for the first instalment and the final instalment payable under the relevant Lease Agreement which may differ from the monthly instalments payable for subsequent or previous months);
5. the Leased Vehicles under the Lease Agreements are existing;
6. the Lease Receivables are free from rights of third parties;
7. the Lease Receivables may be segregated and identified at any time for purposes of ownership and related Ancillary Rights in the electronic files of the Seller;
8. none of the Lessees is an Affiliate of BMW AG or has leased its vehicle via the Seller's internal employee program;
9. the relevant Lease Receivable is not overdue for more than thirty (30) calendar days (and it is hereby agreed that any return of any amounts received by the Seller or the Servicer by way of direct debit to the relevant Lessee or intermediary credit institution because of a return of such direct debit shall not render the relevant Lease Receivable to be an ineligible Lease Receivable *ab initio* if, but only if, such Lessee has objected to such direct debit within six (6) weeks of such debit), or a Defaulted Lease Receivable or a Lease Receivable disputed by the relevant Lessee whether by reason of any matter concerning the Leased Vehicles or by reason of any other matter or in respect of which a set-off or counterclaim is being claimed by such Lessee. No breach of any obligation under any agreement (except of the obligation to pay) of any party exists with respect to the relevant Receivable;
10. all Lease Receivables are governed by the laws of France;
11. at least one (1) Lease Instalment has been paid in respect of each of the Lease Agreements;
12. the Receivables are denominated in an amount payable in Euros;
13. the Lease Agreements do not provide for a cash deposit to be made by a Lessee with the Seller which secures the payment of the Receivables under the terms of the relevant Lease Agreement;
14. the Lease Agreements have been entered into exclusively with Lessees which, if they are corporate entities have their registered office or, if they are individuals have their place of residence in metropolitan France (excluding DOM-COM);

15. according to the Seller's records and to the best of its knowledge, the relevant Lease Receivable is due from a Lessee who:
  - (i) has neither been declared insolvent nor had a court grant its 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 its non-performing exposures within three years prior to the date of transfer or assignment of the Lease Receivables to the Issuer;
  - (ii) was, at the time of origination, where applicable, not on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the Seller; or
  - (iii) has neither a credit assessment nor a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised;
16. the Purchased Receivables are free of defences, whether pre-emptory or otherwise for the agreed term of the Lease Agreements as well as free from rights of any third party and that the Lessees, in particular, have no set-off claims;
17. the status, collectability and enforceability of the Purchased Receivables is not impaired due to warranty claims or any other rights (including claims which may be set off) of the Lessee (irrespective of whether Issuer knew or could have known of the existence of such defences or rights);
18. the remaining term of the Lease Agreement is not more than sixty (60) months;
19. the assignment of the relevant Receivable does not violate any law or agreements (in particular, with respect consumer protection and data protection) to which the Seller is bound in any material respect; and
20. the maximum Discounted Contractual Residual Value of a Lease Agreement shall not exceed 75% of the Discounted Lease Balance of the relevant Purchased Receivables and the then Discounted Contractual Residual Value of the related Lease Agreement.

## PURCHASED RECEIVABLES CHARACTERISTICS AND HISTORICAL DATA

Pursuant to Article 22(2) of the Securitisation Regulation and the EBA Guidelines on STS Criteria and the terms of an external verification applying a confidence level higher than 95% has been made in respect of the Purchased Receivables prior to the Issue Date by an appropriate and independent party, including verification that the data disclosed in any formal offering document in respect of the Lease Receivables is accurate, and, in this respect, no significant adverse findings have been found.

The portfolio information presented in this Offering Circular is based on the pool as of 30 June 2025.

The historical information set out in below is based on the past experience and present procedures of the Seller. None of the Issuer, the Joint Lead Managers, the Joint Bookrunners or any of the other Transaction Parties has undertaken or will undertake any investigation or review of, or search to verify, such historical information. There can be no assurance as to the future performance of the Purchased Receivables.

### 1. Purchased Receivables characteristics

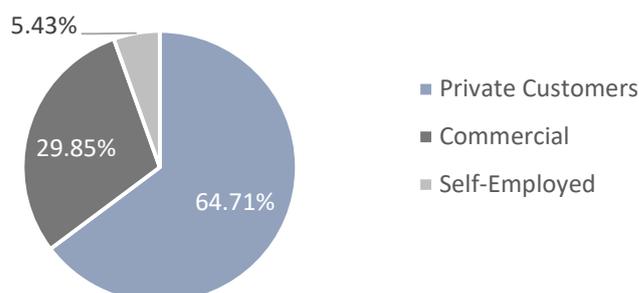
#### (1) Portfolio overview

##### Portfolio Overview

Cut-Off Date	30/06/2025
Current aggregate Discounted Lease Balance	643,299,830.96
Aggregate Discounted Contractual Residual Value	357,984,455.43
Number of Lease Agreements	21,180
Average current Discounted Lease Balance	30,373
WA Discount Rate	6.28
WA original term (original number of Lease Instalments)	41.8
WA seasoning (Number of Lease Instalments paid)	9.0
WA remaining term (Number of Lease Instalments to be paid)	32.8
WA Discounted Contractual Residual Value as % of the current Discounted Lease Balance	55.65%

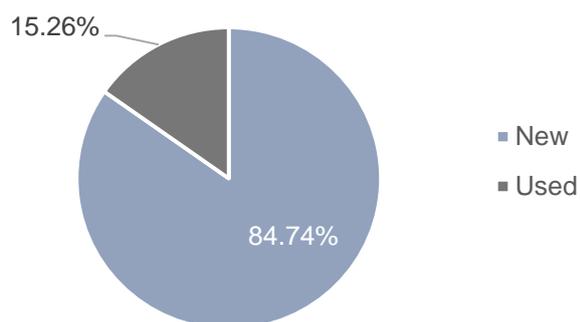
#### (2) Distribution by customer type

Customer type	Aggregate Discounted Lease Balance (EUR)	Aggregate Discounted Lease Balance %	Number of contracts	Number of contracts in %	Aggregate Discounted Contractual Residual Value (EUR)	Aggregate Discounted Contractual Residual Value %
Private Customers	416,306,320.63	64.71%	14,401	67.99%	243,358,685.45	67.98%
Commercial	192,033,432.70	29.85%	5,704	26.93%	95,637,558.40	26.72%
Self-Employed	34,960,077.63	5.43%	1,075	5.08%	18,988,211.58	5.30%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>



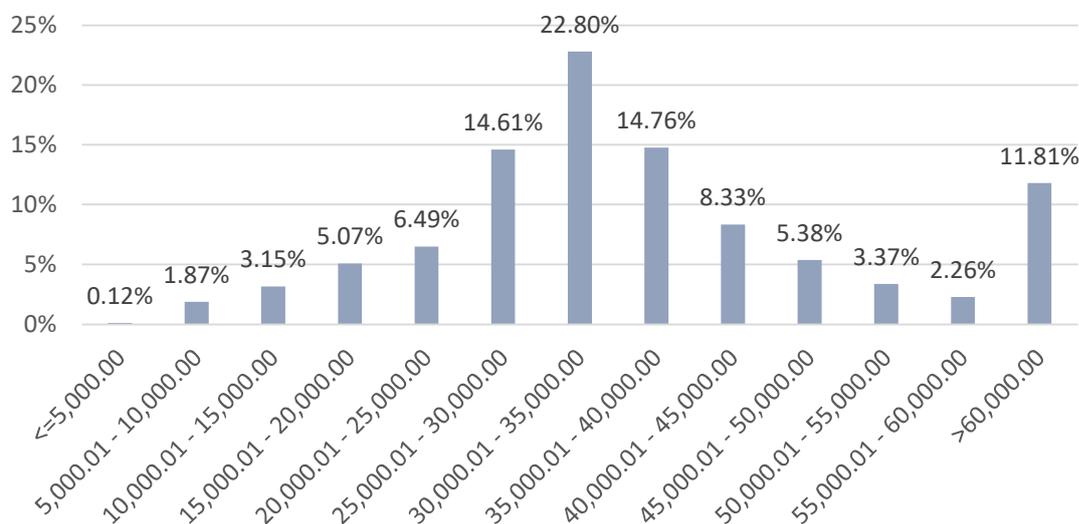
(3) *Distribution by car type*

<b>Car type</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
New	545,151,600.90	84.74%	17,485	82.55%	307,549,738.15	85.91%
Used	98,148,230.06	15.26%	3,695	17.45%	50,434,717.28	14.09%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>



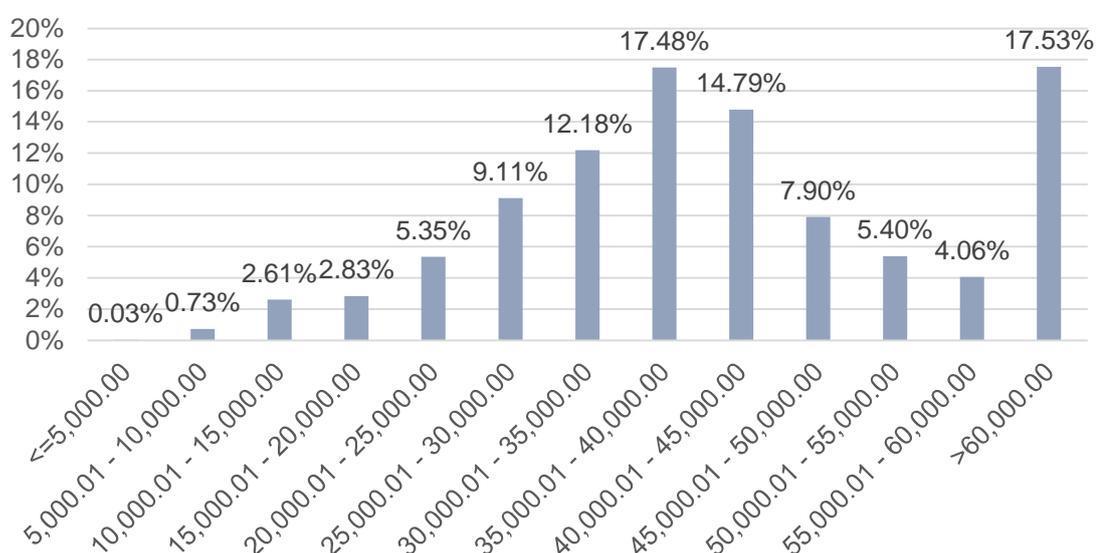
(4) *Distribution by current aggregate Discounted Lease Balance*

Aggregate Discounted Balance (EUR)	Aggregate Discounted Lease Balance (EUR)	Aggregate Discounted Lease Balance %	Number of contracts	Number of contracts in %	Aggregate Discounted Contractual Residual Value (EUR)	Aggregate Discounted Contractual Residual Value %
<=5,000.00	746,731.21	0.12%	202	0.95%	331,187.28	0.09%
5,000.01 - 10,000.00	12,013,828.65	1.87%	1,503	7.10%	6,820,506.96	1.91%
10,000.01 - 15,000.00	20,244,069.86	3.15%	1,635	7.72%	10,596,732.47	2.96%
15,000.01 - 20,000.00	32,611,704.75	5.07%	1,874	8.85%	17,829,852.66	4.98%
20,000.01 - 25,000.00	41,727,253.84	6.49%	1,848	8.73%	23,310,250.35	6.51%
25,000.01 - 30,000.00	94,011,675.18	14.61%	3,402	16.06%	55,821,921.96	15.59%
30,000.01 - 35,000.00	146,643,590.04	22.80%	4,513	21.31%	86,545,929.23	24.18%
35,000.01 - 40,000.00	94,941,301.29	14.76%	2,554	12.06%	53,563,200.75	14.96%
40,000.01 - 45,000.00	53,577,205.27	8.33%	1,267	5.98%	29,090,504.92	8.13%
45,000.01 - 50,000.00	34,587,004.59	5.38%	733	3.46%	18,479,964.80	5.16%
50,000.01 - 55,000.00	21,669,174.49	3.37%	415	1.96%	11,468,828.67	3.20%
55,000.01 - 60,000.00	14,567,788.05	2.26%	254	1.20%	7,290,805.79	2.04%
>60,000.00	75,958,503.74	11.81%	980	4.63%	36,834,769.59	10.29%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>
Min	257.39					
Max	161,395.64					
Average	30,372.99					



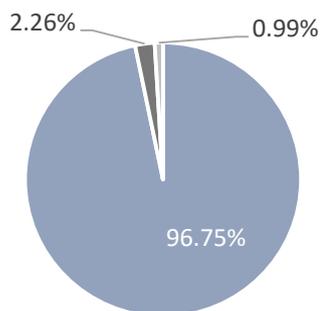
(5) *Distribution by aggregate original balance*

Aggregate original balance (EUR)	Aggregate original balance (EUR)	Aggregate original balance %	Number of contracts	Number of contracts in %	Aggregate original residual value balance (EUR)	Aggregate original residual value balance %
<=5,000.00	252,113.63	0.03%	56	0.26%	132,632	0.03%
5,000.01 - 10,000.00	5,562,571.25	0.73%	699	3.30%	3,180,448.83	0.75%
10,000.01 - 15,000.00	19,887,960.08	2.61%	1,599	7.55%	10,625,449.93	2.52%
15,000.01 - 20,000.00	21,602,970.19	2.83%	1,230	5.81%	11,969,278.92	2.84%
20,000.01 - 25,000.00	40,796,023.85	5.35%	1,788	8.44%	21,358,636.21	5.07%
25,000.01 - 30,000.00	69,543,275.78	9.11%	2,501	11.81%	41,241,375.00	9.79%
30,000.01 - 35,000.00	92,935,247.03	12.18%	2,864	13.52%	56,635,172.72	13.44%
35,000.01 - 40,000.00	133,417,723.30	17.48%	3,546	16.74%	78,655,844.24	18.67%
40,000.01 - 45,000.00	112,867,578.19	14.79%	2,678	12.64%	64,546,221.02	15.32%
45,000.01 - 50,000.00	60,300,818.84	7.90%	1,274	6.02%	33,371,536.26	7.92%
50,000.01 - 55,000.00	41,189,443.28	5.40%	787	3.72%	21,766,067.62	5.17%
55,000.01 - 60,000.00	31,011,462.95	4.06%	541	2.55%	15,653,049.82	3.72%
>60,000.00	133,808,609.88	17.53%	1,617	7.63%	62,121,543.18	14.75%
<b>Total</b>	<b>763,175,798.25</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>421,257,255.32</b>	<b>100.00%</b>



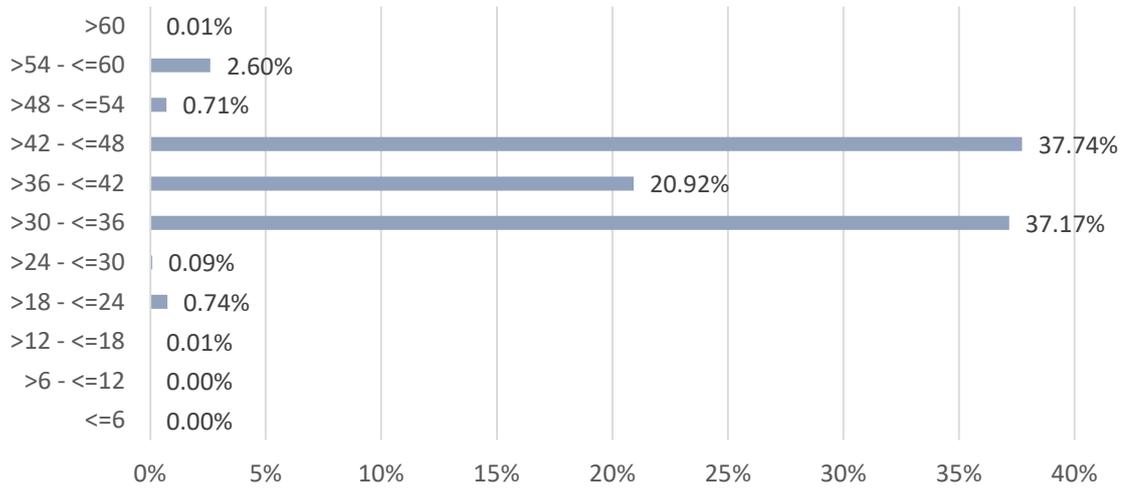
(6) *Distribution by contract per Obligor*

<b>Number of contracts per Obligor</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
1	622,404,187	96.75%	20,484	96.7%	347,129,521	97.0%
2	14,541,195	2.26%	456	2.2%	7,393,789	2.1%
>2	6,354,449	0.99%	240	1.1%	3,461,145	1.0%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.0%</b>	<b>21,180</b>	<b>100.0%</b>	<b>357,984,455.43</b>	<b>100.0%</b>



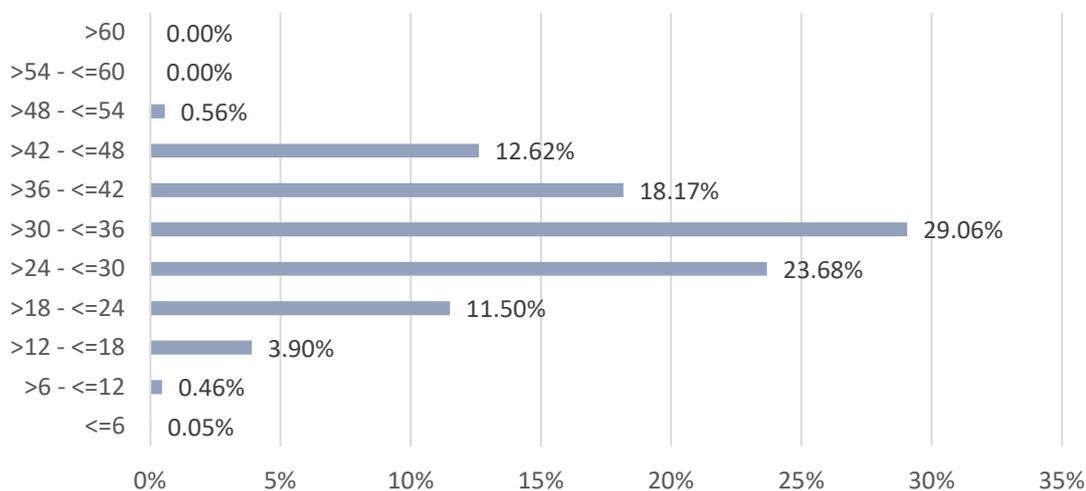
(7) *Distribution by original term (months)*

Original term (months)	Aggregate Discounted Lease Balance (EUR)	Aggregate Discounted Lease Balance %	Number of contracts	Number of contracts in %	Aggregate Discounted Contractual Residual Value (EUR)	Aggregate Discounted Contractual Residual Value %
<=6	0.00	0.00%	0	0.00%	0.00	0.00%
>6 - <=12	0.00	0.00%	0	0.00%	0.00	0.00%
>12 - <=18	56,605.80	0.01%	2	0.01%	27,662.98	0.01%
>18 - <=24	4,780,953.77	0.74%	187	0.88%	2,852,404.75	0.80%
>24 - <=30	553,783.91	0.09%	19	0.09%	263,183.06	0.07%
>30 - <=36	239,143,572.77	37.17%	8,786	41.48%	144,989,237.97	40.50%
>36 - <=42	134,598,122.83	20.92%	3,911	18.47%	79,825,453.37	22.30%
>42 - <=48	242,783,275.55	37.74%	7,594	35.85%	124,892,715.09	34.89%
>48 - <=54	4,575,756.81	0.71%	142	0.67%	1,961,759.61	0.55%
>54 - <=60	16,755,076.03	2.60%	537	2.54%	3,168,735.24	0.89%
>60	52,683.49	0.01%	2	0.01%	3,303.36	0.00%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>
Min	18.00					
Max	61.00					
Average	41.80					



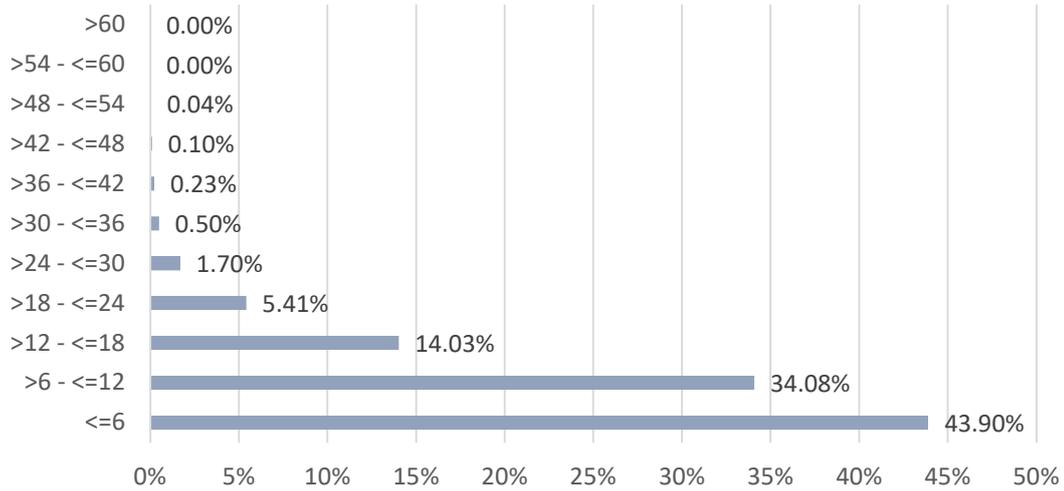
(8) *Distribution by remaining term (months)*

Remaining term (months)	Aggregate Discounted Lease Balance (EUR)	Aggregate Discounted Lease Balance %	Number of contracts	Number of contracts in %	Aggregate Discounted Contractual Residual Value (EUR)	Aggregate Discounted Contractual Residual Value %
<=6	308,795.72	0.05%	59	0.28%	155,836.74	0.04%
>6 - <=12	2,938,889.45	0.46%	219	1.03%	1,573,701.63	0.44%
>12 - <=18	25,090,418.86	3.90%	992	4.68%	15,726,266.49	4.39%
>18 - <=24	74,003,190.23	11.50%	2,867	13.54%	45,740,026.80	12.78%
>24 - <=30	152,336,033.92	23.68%	5,173	24.42%	91,078,336.64	25.44%
>30 - <=36	186,963,688.79	29.06%	6,054	28.58%	106,243,841.53	29.68%
>36 - <=42	116,862,629.82	18.17%	3,427	16.18%	58,294,812.23	16.28%
>42 - <=48	81,172,432.29	12.62%	2,313	10.92%	38,652,934.77	10.80%
>48 - <=54	3,623,751.88	0.56%	76	0.36%	518,698.60	0.14%
>54 - <=60	0.00	0.00%	0	0.00%	0.00	0.00%
>60	0.00	0.00%	0	0.00%	0.00	0.00%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>
Min	3.00					
Max	53.00					
Average	32.80					



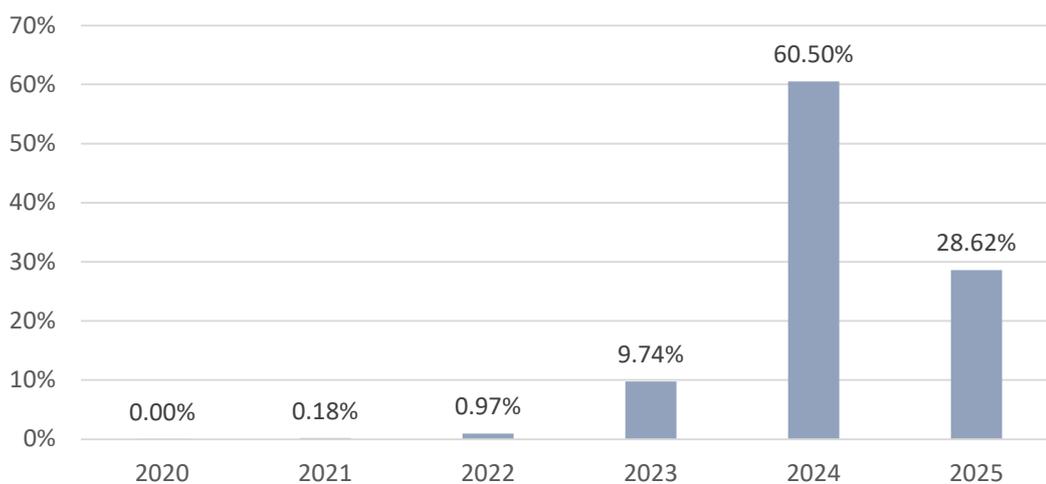
(9) *Distribution by seasoning (months)*

Seasoning (months)	Aggregate Discounted Lease Balance (EUR)	Aggregate Discounted Lease Balance %	Number of contracts	Number of contracts in %	Aggregate Discounted Contractual Residual Value (EUR)	Aggregate Discounted Contractual Residual Value %
<=6	282,416,185.62	43.90%	8,703	41.09%	154,326,072.01	43.11%
>6 - <=12	219,246,639.47	34.08%	7,123	33.63%	124,470,386.05	34.77%
>12 - <=18	90,232,014.51	14.03%	3,236	15.28%	51,813,861.66	14.47%
>18 - <=24	34,829,069.15	5.41%	1,276	6.02%	19,169,718.62	5.35%
>24 - <=30	10,921,735.70	1.70%	468	2.21%	5,624,725.34	1.57%
>30 - <=36	3,241,188.69	0.50%	182	0.86%	1,630,189.41	0.46%
>36 - <=42	1,489,904.46	0.23%	107	0.51%	541,346.29	0.15%
>42 - <=48	674,759.16	0.10%	53	0.25%	282,558.31	0.08%
>48 - <=54	241,357.28	0.04%	28	0.13%	122,761.98	0.03%
>54 - <=60	6,976.92	0.00%	4	0.02%	2,835.76	0.00%
>60	0.00	0.00%	0	0.00%	0.00	0.00%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>
Min	2.00					
Max	57.00					
Average	9.02					



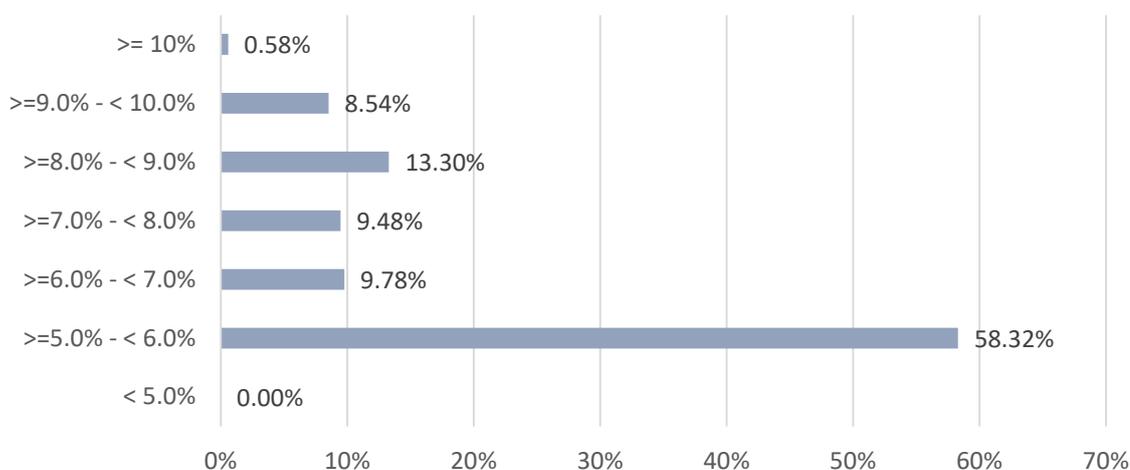
(10) *Distribution by year of origination*

<b>Year of origination</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
2020	11,940.76	0.00%	5	0.02%	5,545.13	0.00%
2021	1,132,180.35	0.18%	102	0.48%	491,898.52	0.14%
2022	6,229,220.46	0.97%	341	1.61%	2,998,858.32	0.84%
2023	62,653,493.76	9.74%	2,273	10.73%	34,649,553.93	9.68%
2024	389,191,864.63	60.50%	12,707	60.00%	220,697,468.74	61.65%
2025	184,081,131.00	28.62%	5,752	27.16%	99,141,130.79	27.69%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>



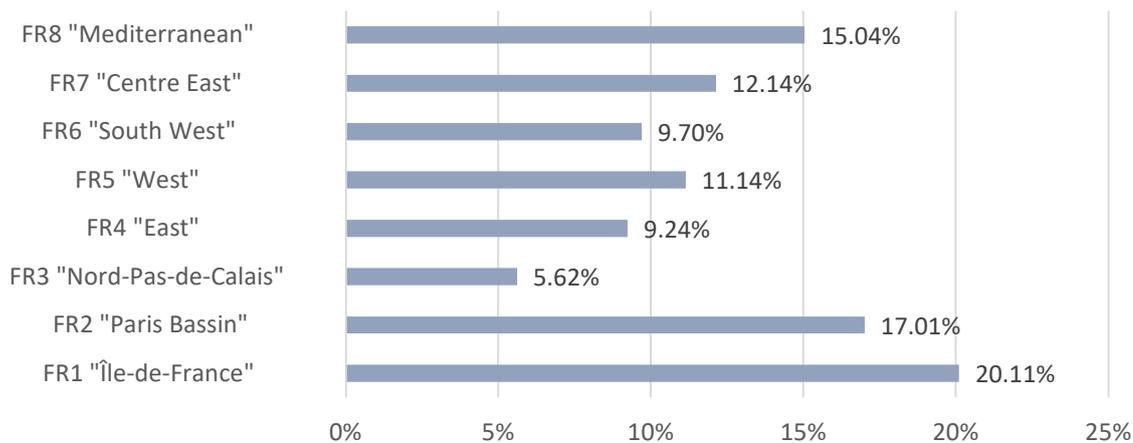
(11) *Distribution by Discount Rate*

<b>Discount Rate</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
< 5.0%	0.00	0.00%	0	0.00%	0.00	0.00%
>=5.0% - < 6.0%	375,161,421.20	58.32%	11,640	54.96%	217,737,329.35	60.82%
>=6.0% - < 7.0%	62,916,885.91	9.78%	2,180	10.29%	36,348,712.55	10.15%
>=7.0% - < 8.0%	60,972,361.50	9.48%	2,234	10.55%	34,566,335.07	9.66%
>=8.0% - < 9.0%	85,575,664.80	13.30%	3,102	14.65%	39,267,121.41	10.97%
>=9.0% - < 10.0%	54,928,532.83	8.54%	1,901	8.98%	28,019,458.26	7.83%
>= 10%	3,744,964.72	0.58%	123	0.58%	2,045,498.79	0.57%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>
Min	5.00%					
Max	12.50%					
Average	6.28%					



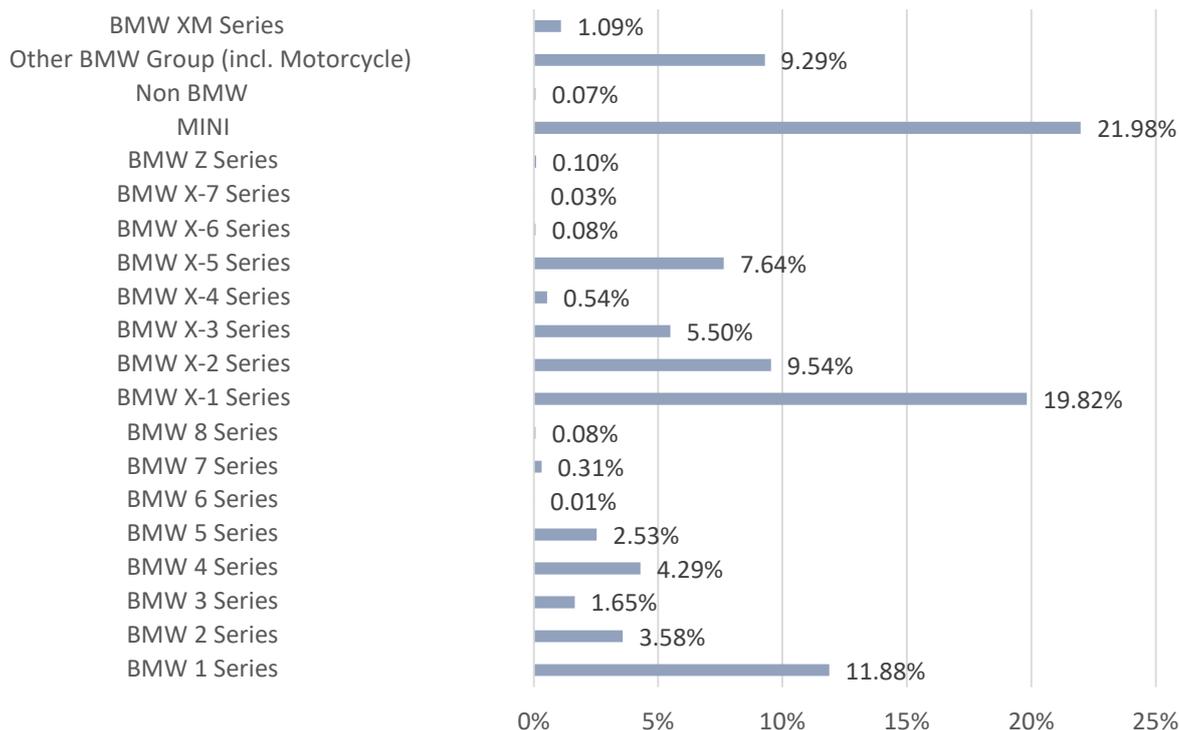
(12) *Distribution by region*

<b>Geographical distribution</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
FR1 "Île-de-France"	129,341,813.57	20.11%	4,623	21.83%	69,645,064.04	19.45%
FR2 "Paris Bassin"	109,423,242.64	17.01%	3,435	16.22%	60,059,041.41	16.78%
FR3 "Nord-Pas-de-Calais"	36,151,069.23	5.62%	1,143	5.40%	20,509,204.78	5.73%
FR4 "East"	59,453,024.30	9.24%	1,878	8.87%	33,218,947.49	9.28%
FR5 "West"	71,684,320.92	11.14%	2,252	10.63%	40,833,650.01	11.41%
FR6 "South West"	62,393,059.82	9.70%	2,058	9.72%	35,641,260.29	9.96%
FR7 "Centre East"	78,078,293.86	12.14%	2,479	11.70%	43,467,165.22	12.14%
FR8 "Mediterranean"	96,775,006.62	15.04%	3,312	15.64%	54,610,122.19	15.25%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>



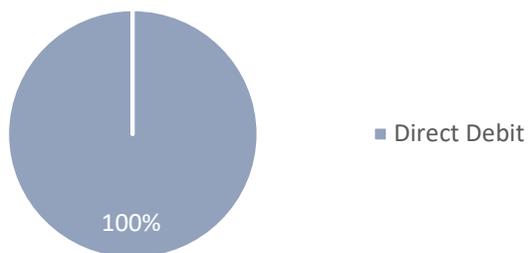
(13) *Distribution by vehicle class*

Vehicle class	Aggregate Discounted Lease Balance (EUR)	Aggregate Discounted Lease Balance %	Number of contracts	Number of contracts in %	Aggregate Discounted Contractual Residual Value (EUR)	Aggregate Discounted Contractual Residual Value %
BMW 1 Series	76,408,447.58	11.88%	2,641	12.47%	44,133,278.39	12.33%
BMW 2 Series	23,052,676.83	3.58%	744	3.51%	13,339,201.41	3.73%
BMW 3 Series	10,586,843.57	1.65%	272	1.28%	5,164,202.87	1.44%
BMW 4 Series	27,587,378.98	4.29%	639	3.02%	14,928,811.18	4.17%
BMW 5 Series	16,260,931.16	2.53%	277	1.31%	7,682,084.02	2.15%
BMW 6 Series	71,694.09	0.01%	2	0.01%	47,916.33	0.01%
BMW 7 Series	2,018,653.40	0.31%	24	0.11%	644,589.05	0.18%
BMW 8 Series	498,814.23	0.08%	9	0.04%	267,861.36	0.07%
BMW X-1 Series	127,528,825.99	19.82%	3,567	16.84%	73,170,926.00	20.44%
BMW X-2 Series	61,339,895.11	9.54%	1,675	7.91%	34,713,105.76	9.70%
BMW X-3 Series	35,369,970.57	5.50%	734	3.47%	19,138,603.76	5.35%
BMW X-4 Series	3,485,196.94	0.54%	83	0.39%	1,685,687.76	0.47%
BMW X-5 Series	49,125,092.53	7.64%	735	3.47%	23,746,581.40	6.63%
BMW X-6 Series	488,178.04	0.08%	10	0.05%	197,704.29	0.06%
BMW X-7 Series	170,201.08	0.03%	3	0.01%	92,745.34	0.03%
BMW Z Series	662,984.49	0.10%	17	0.08%	308,737.53	0.09%
MINI	141,403,052.63	21.98%	5,384	25.42%	83,812,525.57	23.41%
Non BMW	453,816.79	0.07%	13	0.06%	174,325.78	0.05%
Other BMW Group (incl. Motorcycle)	59,767,961.31	9.29%	4,282	20.22%	32,004,854.00	8.94%
BMW XM Series	7,019,215.64	1.09%	69	0.33%	2,730,713.63	0.76%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>



(14) *Distribution by payment type*

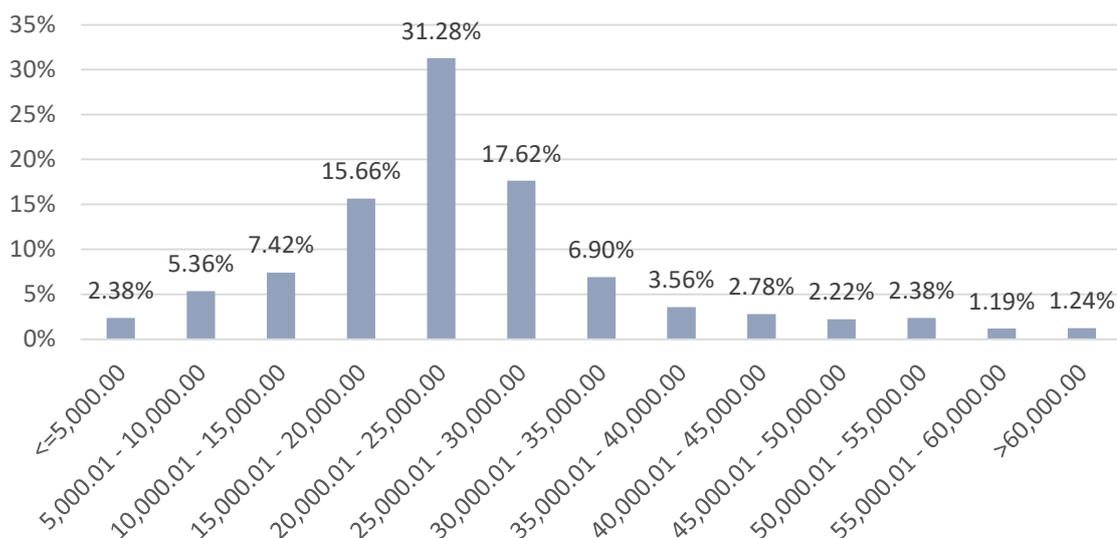
<u>Payment type</u>	<u>Aggregate Discounted Lease Balance (EUR)</u>	<u>Aggregate Discounted Lease Balance %</u>	<u>Number of contracts</u>	<u>Number of contracts in %</u>	<u>Aggregate Discounted Contractual Residual Value (EUR)</u>	<u>Aggregate Discounted Contractual Residual Value %</u>
Direct Debit	643,299,830.96	100.00%	21,180	100.00%	357,984,455.43	100.00%
Standing Order	0.00	0.00%	0	0.00%	0.00	0.00%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>



(15) *Distribution by Contractual Residual Value*

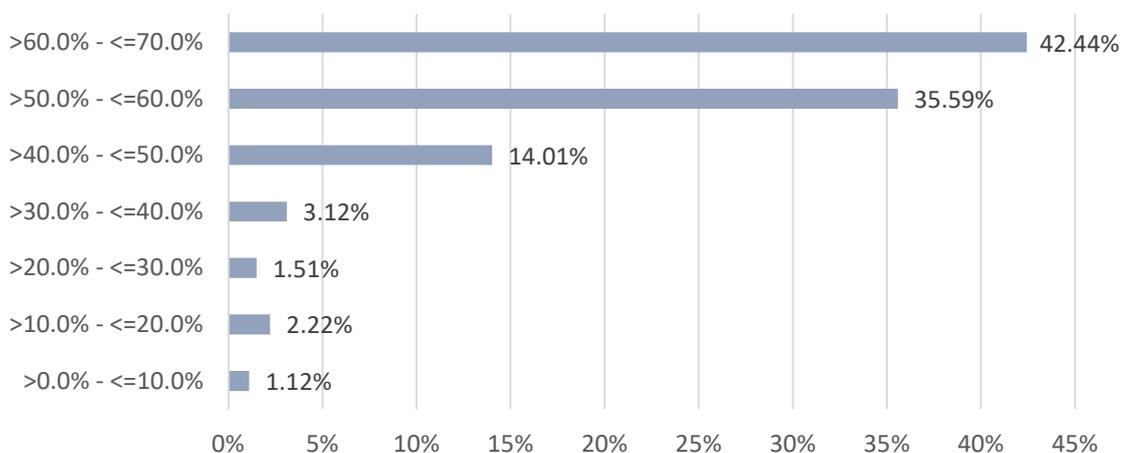
Contractual Residual Value	Aggregate Discounted Lease Balance (EUR)	Aggregate Discounted Lease Balance %	Number of contracts	Number of contracts in %	Aggregate Discounted Contractual Residual Value (EUR)	Aggregate Discounted Contractual Residual Value %
<=5,000.00	15,293,239	2.38%	1,307	6.17%	3,241,099	0.91%
5,000.01 - 10,000.00	34,508,175	5.36%	2,591	12.23%	16,041,267	4.48%
10,000.01 - 15,000.00	47,761,009	7.42%	2,386	11.27%	24,910,728	6.96%
15,000.01 - 20,000.00	100,745,133	15.66%	3,710	17.52%	56,015,648	15.65%
20,000.01 - 25,000.00	201,235,432	31.28%	6,109	28.84%	116,972,089	32.68%
25,000.01 - 30,000.00	113,372,248	17.62%	2,900	13.69%	67,044,475	18.73%
30,000.01 - 35,000.00	44,367,203	6.90%	940	4.44%	25,790,518	7.20%
35,000.01 - 40,000.00	22,903,324	3.56%	408	1.93%	13,033,361	3.64%
40,000.01 - 45,000.00	17,908,547	2.78%	281	1.33%	10,001,808	2.79%
45,000.01 - 50,000.00	14,258,522	2.22%	190	0.90%	7,654,841	2.14%
50,000.01 - 55,000.00	15,307,760	2.38%	190	0.90%	8,458,672	2.36%
55,000.01 - 60,000.00	7,665,565	1.19%	92	0.43%	4,548,597	1.27%
>60,000.00	7,973,675	1.24%	76	0.36%	4,271,352	1.19%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>

Min 66.17  
 Max 104,166.67  
 Average 24,617.00



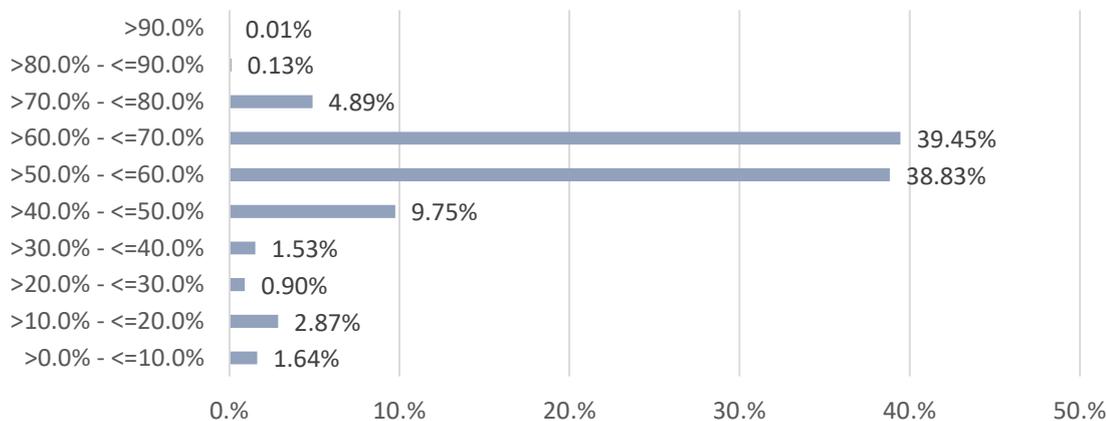
(16) *Distribution by Contractual Residual Value as a percentage of the current aggregate Discounted Lease Balance*

<b>Discounted Contractual Residual Value as % of current Discounted Lease Balance</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
>0.0% - <=10.0%	7,176,205.14	1.12%	297	1.40%	283,528.62	0.08%
>10.0% - <=20.0%	14,283,978.70	2.22%	433	2.04%	2,198,337.30	0.61%
>20.0% - <=30.0%	9,693,886.18	1.51%	360	1.70%	2,370,817.25	0.66%
>30.0% - <=40.0%	20,051,711.10	3.12%	557	2.63%	7,277,214.31	2.03%
>40.0% - <=50.0%	90,157,649.00	14.01%	2,610	12.32%	41,718,415.84	11.65%
>50.0% - <=60.0%	228,935,967.77	35.59%	7,324	34.58%	126,785,643.51	35.42%
>60.0% - <=70.0%	273,000,433.07	42.44%	9,599	45.32%	177,350,498.60	49.54%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>
Min	0.75%					
Max	70.00%					
Average	55.65%					



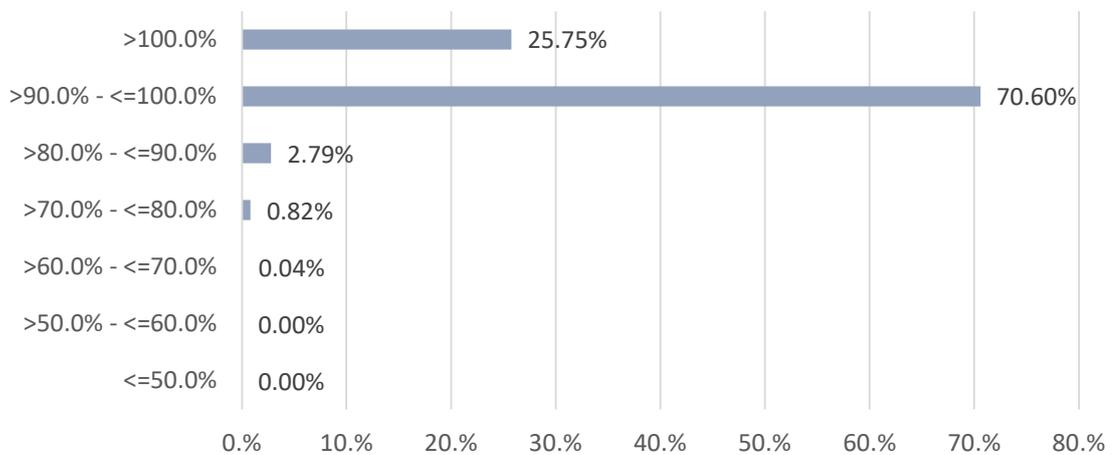
(17) *Distribution by Contractual Residual Value as a percentage of the original outstanding balance*

<b>Contractual Residual Value as % of original outstanding balance</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
>0.0% - <=10.0%	10,556,790.54	1.64%	517	2.44%	917,146.63	0.26%
>10.0% - <=20.0%	18,442,212.43	2.87%	672	3.17%	3,958,879.48	1.11%
>20.0% - <=30.0%	5,812,791.96	0.90%	216	1.02%	1,624,080.81	0.45%
>30.0% - <=40.0%	9,835,471.87	1.53%	280	1.32%	3,892,904.41	1.09%
>40.0% - <=50.0%	62,717,083.32	9.75%	1,831	8.64%	29,644,297.13	8.28%
>50.0% - <=60.0%	249,806,064.66	38.83%	8,091	38.20%	139,242,638.81	38.90%
>60.0% - <=70.0%	253,807,439.52	39.45%	8,402	39.67%	157,315,176.31	43.94%
>70.0% - <=80.0%	31,470,584.88	4.89%	1,143	5.40%	20,814,970.76	5.81%
>80.0% - <=90.0%	818,986.48	0.13%	27	0.13%	552,506.61	0.15%
>90.0%	32,405.30	0.01%	1	0.00%	21,854.48	0.01%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>
Min	0.98%					
Max	90.80%					
Average	56.50%					



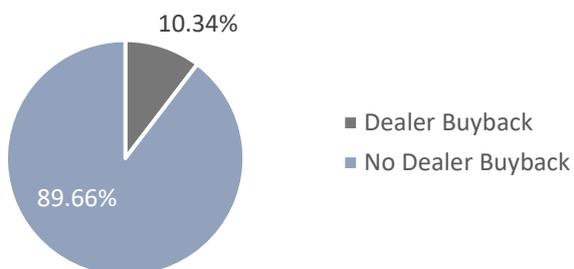
(18) *Distribution by original LTV*

Original LTV	Aggregate Discounted Lease Balance (EUR)	Aggregate Discounted Lease Balance %	Number of contracts	Number of contracts in %	Aggregate Discounted Contractual Residual Value (EUR)	Aggregate Discounted Contractual Residual Value %
<=50.0%	0.00	0.00%	0	0.00%	0.00	0.00%
>50.0% - <=60.0%	0.00	0.00%	0	0.00%	0.00	0.00%
>60.0% - <=70.0%	233,690.24	0.04%	13	0.06%	141,465.18	0.04%
>70.0% - <=80.0%	5,300,787.61	0.82%	236	1.11%	2,948,227.27	0.82%
>80.0% - <=90.0%	17,936,816.42	2.79%	554	2.62%	10,144,826.58	2.83%
>90.0% - <=100.0%	454,175,678.03	70.60%	14,297	67.50%	254,994,636.72	71.23%
>100.0%	165,652,858.66	25.75%	6,080	28.71%	89,755,299.68	25.07%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>
Min	61.00%					
Max	120.00%					
Weighted Average	99.61%					



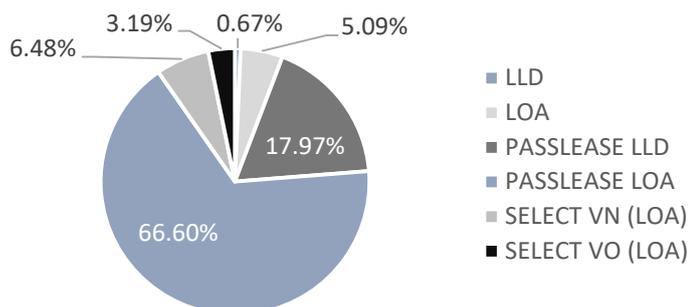
**(19) Distribution by Dealer Vehicle Buy Back Agreement**

<b>Dealer Buy Back Agreement</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
Dealer Buyback	66,489,560.87	10.34%	2,849	13.45%	37,638,816.66	10.51%
No Dealer Buyback	576,810,270.09	89.66%	18,331	86.55%	320,345,638.77	89.49%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>



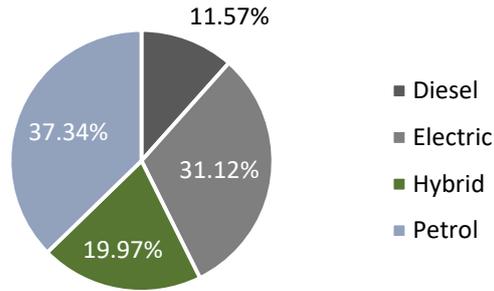
(20) *Distribution by product type*

<b>Product type</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
LLD	4,341,792.54	0.67%	99	0.47%	2,549,481.99	0.71%
LOA	32,722,444.64	5.09%	1,301	6.14%	5,983,632.90	1.67%
PASSLEASE LLD	115,619,635.34	17.97%	3,213	15.17%	68,233,241.32	19.06%
PASSLEASE LOA	428,468,190.11	66.60%	13,817	65.24%	246,128,764.55	68.75%
SELECT VN (LOA)	41,654,368.89	6.48%	1,926	9.09%	24,026,555.87	6.71%
SELECT VO (LOA)	20,493,399.44	3.19%	824	3.89%	11,062,778.80	3.09%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>



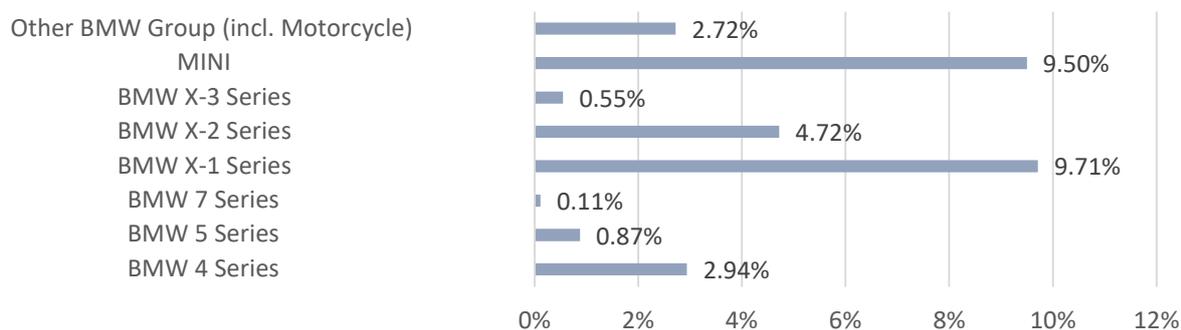
(21) *Distribution by fuel type*

<b>Fuel type</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
Diesel	74,409,392.78	11.57%	2,227	10.51%	39,624,724.92	11.07%
Electric	200,195,114.29	31.12%	6,931	32.72%	115,514,341.34	32.27%
Hybrid	128,494,516.24	19.97%	2,447	11.55%	65,231,006.46	18.22%
Petrol	240,200,807.65	37.34%	9,575	45.21%	137,614,382.71	38.44%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>



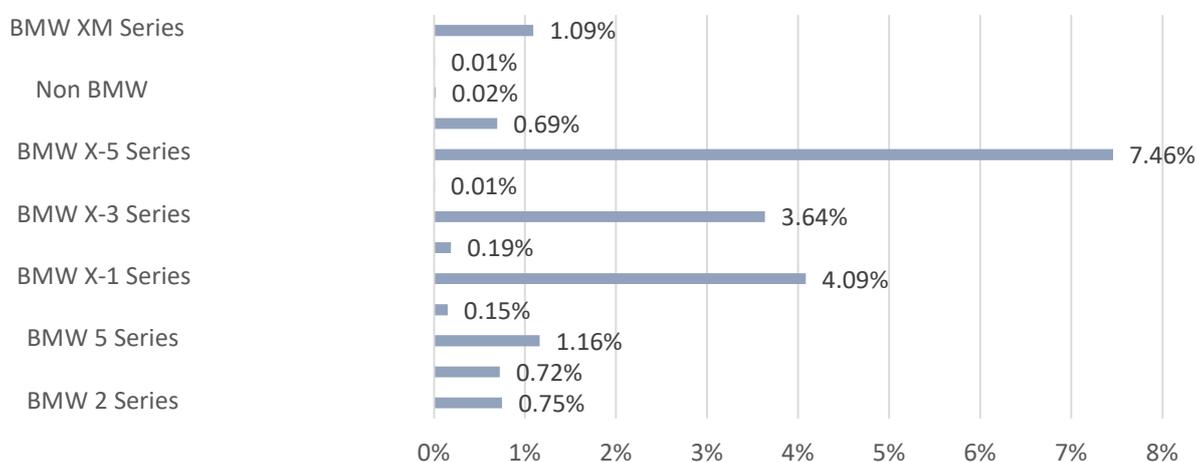
(22) *Distribution by vehicle class (electric vehicles)*

<b>Contractual Residual Value as % of original outstanding balance</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
BMW 4 Series	18,894,744.56	2.94%	438	2.07%	10,441,082.10	2.92%
BMW 5 Series	5,616,259.73	0.87%	94	0.44%	2,838,711.73	0.79%
BMW 7 Series	718,536.87	0.11%	8	0.04%	200,982.34	0.06%
BMW X-1 Series	62,487,512.81	9.71%	1,848	8.73%	36,711,720.39	10.26%
BMW X-2 Series	30,354,762.48	4.72%	856	4.04%	17,256,186.67	4.82%
BMW X-3 Series	3,529,052.21	0.55%	79	0.37%	2,051,805.47	0.57%
MINI	61,098,483.10	9.50%	2,329	11.00%	36,617,268.96	10.23%
Other BMW Group (incl. Motorcycle)	17,495,762.53	2.72%	1,279	6.04%	9,396,583.68	2.62%
<b>Total</b>	<b>200,195,114.29</b>	<b>31.12%</b>	<b>6,931</b>	<b>32.72%</b>	<b>115,514,341.34</b>	<b>32.27%</b>



(23) *Distribution by vehicle class (hybrid vehicles)*

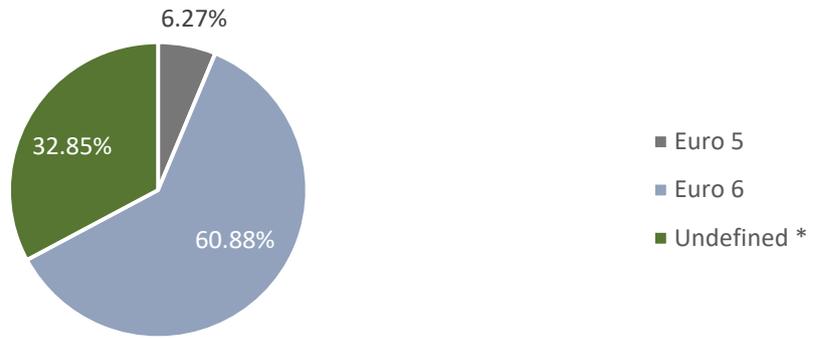
Vehicle class	Aggregate Discounted Lease Balance (EUR)	Aggregate Discounted Lease Balance %	Number of contracts	Number of contracts in %	Aggregate Discounted Contractual Residual Value (EUR)	Aggregate Discounted Contractual Residual Value %
BMW 2 Series	4,815,706.56	0.75%	137	0.65%	2,858,511.94	0.80%
BMW 3 Series	4,654,904.18	0.72%	121	0.57%	2,293,150.92	0.64%
BMW 5 Series	7,479,828.66	1.16%	108	0.51%	3,408,180.96	0.95%
BMW 7 Series	968,632.97	0.15%	12	0.06%	310,546.29	0.09%
BMW X-1 Series	26,281,374.12	4.09%	609	2.88%	14,693,998.60	4.10%
BMW X-2 Series	1,205,061.33	0.19%	46	0.22%	618,408.76	0.17%
BMW X-3 Series	23,392,029.45	3.64%	451	2.13%	12,532,360.52	3.50%
BMW X-4 Series	50,663.24	0.01%	2	0.01%	25,473.78	0.01%
BMW X-5 Series	47,969,686.29	7.46%	707	3.34%	23,237,073.29	6.49%
MINI	4,467,012.19	0.69%	182	0.86%	2,422,865.12	0.68%
Non BMW	119,749.05	0.02%	2	0.01%	51,106.12	0.01%
Other BMW Group (incl. Motorcycle)	70,652.56	0.01%	1	0.00%	48,616.53	0.01%
BMW XM Series	7,019,215.64	1.09%	69	0.33%	2,730,713.63	0.76%
<b>Total</b>	<b>128,494,516.24</b>	<b>19.97%</b>	<b>2,447</b>	<b>11.55%</b>	<b>65,231,006.46</b>	<b>18.22%</b>



(24) *Distribution by Euronorm*

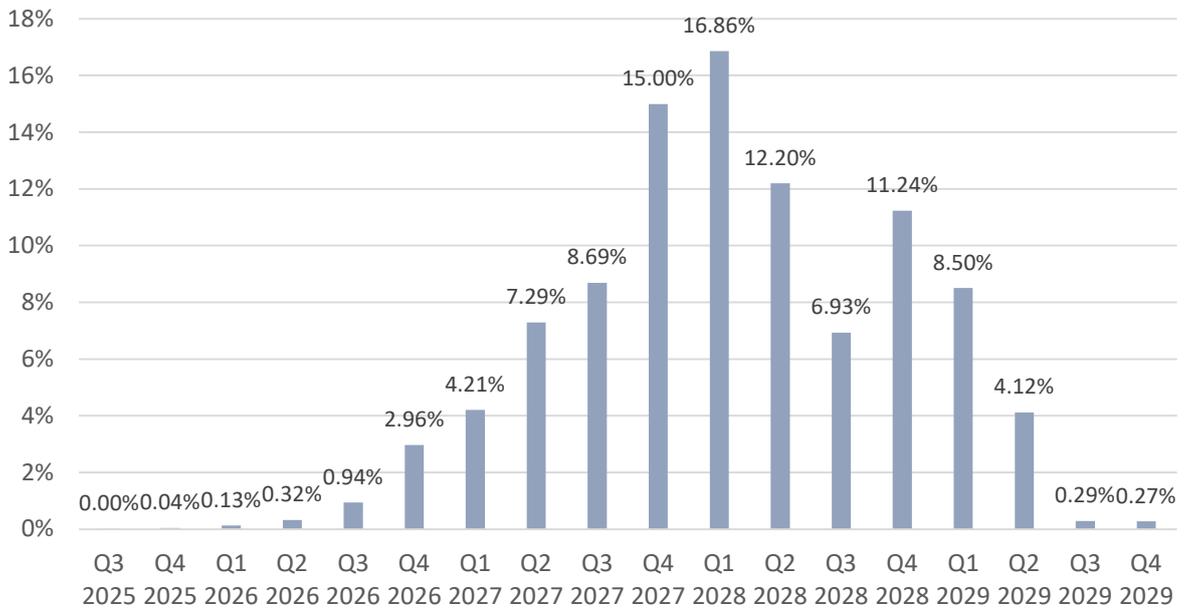
<b>Euronorm</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
Euro 5	40,306,101.95	6.27%	2,825	13.34%	21,607,990.36	6.04%
Euro 6	391,664,390.17	60.88%	10,977	51.83%	214,950,389.31	60.04%
Undefined *	211,329,338.84	32.85%	7,378	34.83%	121,426,075.76	33.92%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>

\* i.e. includes Electric Vehicles etc.



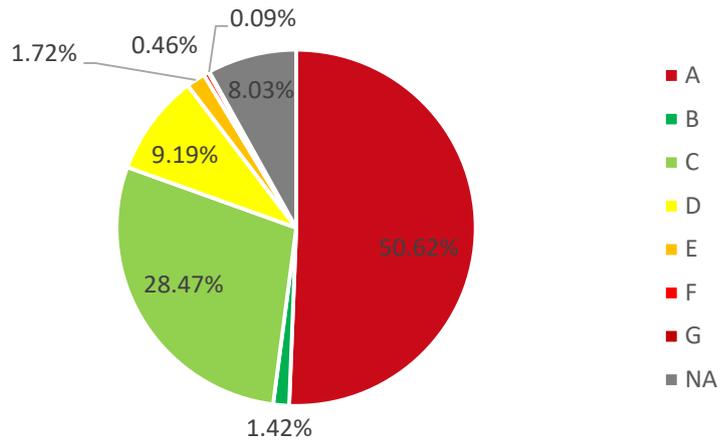
(25) *Distribution by maturity (quarter/year)*

<b>Maturity (quarter/year)</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
Q3 2025	22,373.63	0.00%	10.00	0.05%	9,347.03	0.00%
Q4 2025	286,422.09	0.04%	49.00	0.23%	146,489.71	0.04%
Q1 2026	862,262.68	0.13%	86.00	0.41%	413,612.51	0.12%
Q2 2026	2,076,626.77	0.32%	133.00	0.63%	1,160,089.12	0.32%
Q3 2026	6,039,833.04	0.94%	282.00	1.33%	3,669,401.83	1.03%
Q4 2026	19,050,585.82	2.96%	710.00	3.35%	12,056,864.66	3.37%
Q1 2027	27,075,875.11	4.21%	1,045.00	4.93%	16,817,625.32	4.70%
Q2 2027	46,927,315.12	7.29%	1,822.00	8.60%	28,922,401.48	8.08%
Q3 2027	55,870,707.13	8.69%	1,923.00	9.08%	34,272,647.23	9.57%
Q4 2027	96,465,326.79	15.00%	3,250.00	15.34%	56,805,689.41	15.87%
Q1 2028	108,480,005.77	16.86%	3,568.00	16.85%	62,645,289.08	17.50%
Q2 2028	78,483,683.02	12.20%	2,486.00	11.74%	43,598,552.45	12.18%
Q3 2028	44,579,544.85	6.93%	1,312.00	6.19%	22,756,673.54	6.36%
Q4 2028	72,283,084.97	11.24%	2,115.00	9.99%	35,538,138.69	9.93%
Q1 2029	54,693,244.24	8.50%	1,540.00	7.27%	26,374,560.90	7.37%
Q2 2029	26,479,188.05	4.12%	773.00	3.65%	12,278,373.87	3.43%
Q3 2029	1,867,708.49	0.29%	40.00	0.19%	261,529.43	0.07%
Q4 2029	1,756,043.39	0.27%	36	0.17%	257,169.17	0.07%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>



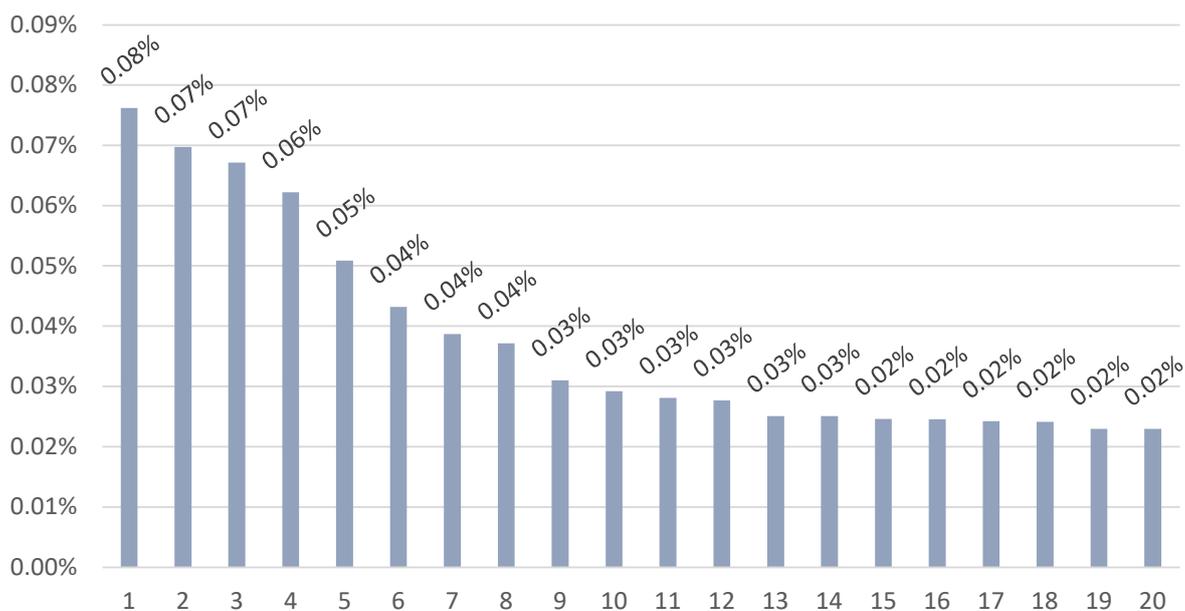
(26) *Distribution by EPCV (energy performance certificate value)*

<b>EPCV</b>	<b>Aggregate Discounted Lease Balance (EUR)</b>	<b>Aggregate Discounted Lease Balance %</b>	<b>Number of contracts</b>	<b>Number of contracts in %</b>	<b>Aggregate Discounted Contractual Residual Value (EUR)</b>	<b>Aggregate Discounted Contractual Residual Value %</b>
A	325,634,227.40	50.62%	9,315	43.98%	179,193,958.82	50.06%
B	9,148,069.73	1.42%	284	1.34%	4,842,708.44	1.35%
C	183,153,646.64	28.47%	6,110	28.85%	106,304,109.62	29.70%
D	59,133,567.77	9.19%	1,839	8.68%	32,942,163.26	9.20%
E	11,070,850.95	1.72%	286	1.35%	5,475,435.37	1.53%
F	2,952,596.55	0.46%	53	0.25%	1,378,169.07	0.38%
G	575,760.78	0.09%	8	0.04%	227,761.30	0.06%
NA	51,631,111.14	8.03%	3,285	15.51%	27,620,149.55	7.72%
<b>Total</b>	<b>643,299,830.96</b>	<b>100.00%</b>	<b>21,180</b>	<b>100.00%</b>	<b>357,984,455.43</b>	<b>100.00%</b>



(27) *Distribution by Obligor concentration*

Top 20 Obligors	Aggregate Discounted Lease Balance (EUR)	Aggregate Discounted Lease Balance %	Number of contracts	Number of contracts in %	Aggregate Discounted Contractual Residual Value (EUR)	Aggregate Discounted Contractual Residual Value %
1	490,192.37	0.08%	12	0.06%	267,404.57	0.07%
2	448,466.56	0.07%	13	0.06%	273,645.71	0.08%
3	431,910.84	0.07%	12	0.06%	267,297.16	0.07%
4	400,106.02	0.06%	12	0.06%	261,900.70	0.07%
5	327,083.02	0.05%	13	0.06%	199,945.36	0.06%
6	277,695.63	0.04%	3	0.01%	104,994.05	0.03%
7	248,873.28	0.04%	8	0.04%	150,708.02	0.04%
8	239,030.62	0.04%	9	0.04%	44,929.76	0.01%
9	199,578.18	0.03%	8	0.04%	115,982.64	0.03%
10	187,745.77	0.03%	3	0.01%	103,998.62	0.03%
11	180,726.01	0.03%	2	0.01%	105,372.41	0.03%
12	178,067.57	0.03%	2	0.01%	60,280.21	0.02%
13	161,435.66	0.03%	2	0.01%	92,589.39	0.03%
14	161,395.64	0.03%	1	0.00%	71,601.36	0.02%
15	158,328.52	0.02%	2	0.01%	93,049.00	0.03%
16	157,991.06	0.02%	1	0.00%	49,683.22	0.01%
17	155,678.02	0.02%	1	0.00%	19,836.35	0.01%
18	155,238.80	0.02%	5	0.02%	77,166.71	0.02%
19	147,779.85	0.02%	1	0.00%	84,775.91	0.02%
20	147,630.33	0.02%	3	0.01%	93,764.22	0.03%
<b>Total</b>	<b>4,854,953.75</b>	<b>0.75%</b>	<b>113</b>	<b>0.53%</b>	<b>2,538,925.37</b>	<b>0.71%</b>



## **Rundown Schedule**

This amortisation scenario of the pool as of 30 June 2025 is based on a CPR (constant rate of prepayment) of 0%, delinquencies and losses of 0% and residual value losses of 0%. The amortisation of the Purchased Receivables 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.

### **2. Historical performance data**

The historical performance data set out hereafter relate to the portfolio of auto lease receivables granted by the Seller.

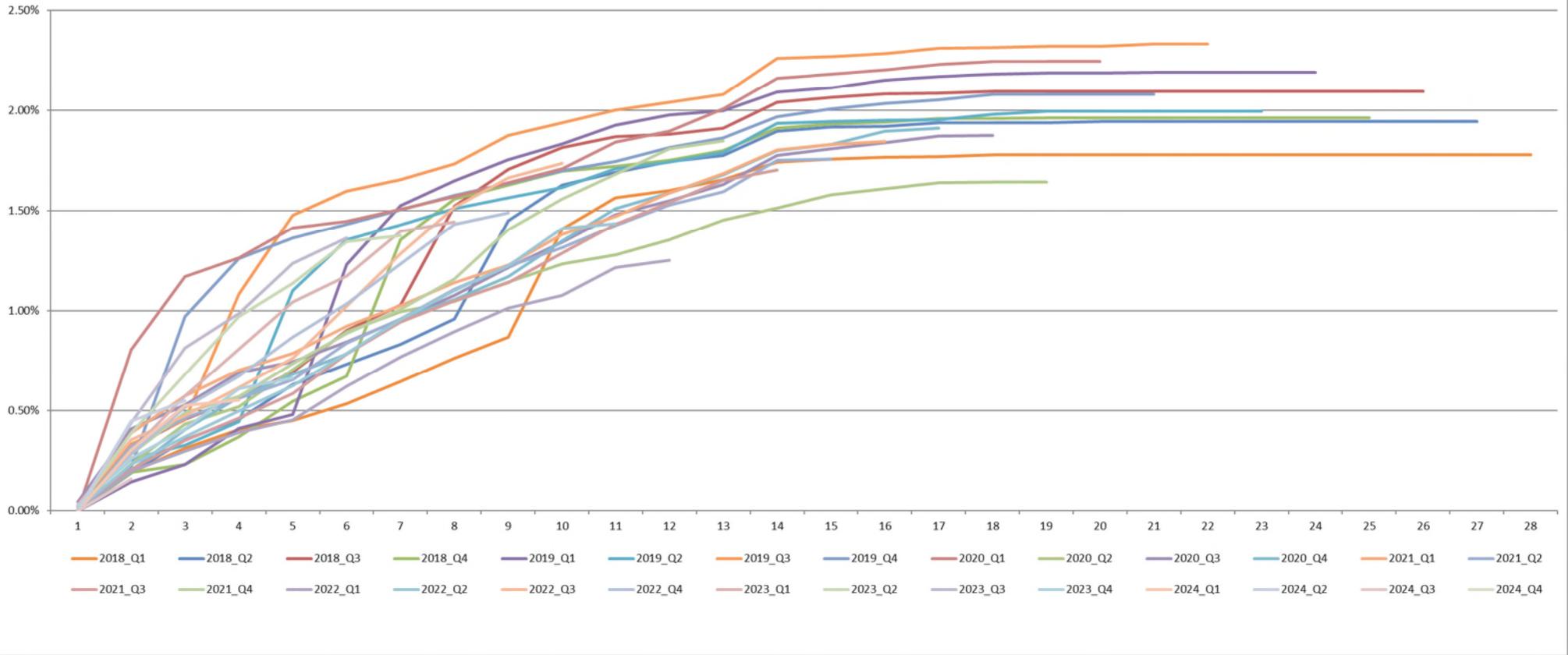
#### ***(1) Gross loss rate (total portfolio)***

For a generation of receivables (being all receivables originated in the same quarter), the cumulative gross loss rate (i.e. before realisation of the leased vehicles) in respect of a given quarter since origination is calculated as the ratio of (i) the cumulative defaulted amount recorded between the quarter when such lease contracts were originated and the relevant quarter since origination and (ii) the sum of the initial outstanding amount of such lease contracts at origination.

### CUMULATIVE QUARTERLY GROSS LOSS RATES – TOTAL

Quarter of Origination	Number of Months after Origination	Number of Months after Origination																												
		Originated Amount	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
2018_Q1	322,865,618	0.00%	0.19%	0.31%	0.41%	0.45%	0.54%	0.65%	0.76%	0.87%	1.41%	1.57%	1.60%	1.66%	1.74%	1.76%	1.77%	1.77%	1.78%	1.78%	1.78%	1.78%	1.78%	1.78%	1.78%	1.78%	1.78%	1.78%	1.78%	1.78%
2018_Q2	343,661,621	0.00%	0.19%	0.35%	0.46%	0.63%	0.73%	0.83%	0.96%	1.45%	1.63%	1.69%	1.74%	1.78%	1.90%	1.92%	1.92%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%
2018_Q3	303,649,990	0.03%	0.32%	0.46%	0.56%	0.69%	0.90%	1.03%	1.52%	1.71%	1.81%	1.87%	1.88%	1.91%	2.04%	2.06%	2.08%	2.09%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
2018_Q4	374,649,649	0.00%	0.19%	0.23%	0.37%	0.55%	0.67%	1.35%	1.56%	1.63%	1.70%	1.72%	1.75%	1.80%	1.91%	1.93%	1.94%	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%
2019_Q1	307,790,029	0.00%	0.14%	0.23%	0.41%	0.48%	1.23%	1.53%	1.65%	1.76%	1.83%	1.93%	1.98%	2.00%	2.09%	2.11%	2.15%	2.17%	2.18%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%
2019_Q2	319,370,833	0.03%	0.26%	0.33%	0.44%	1.10%	1.35%	1.43%	1.51%	1.57%	1.62%	1.71%	1.74%	1.79%	1.94%	1.95%	1.95%	1.95%	1.98%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2019_Q3	285,611,308	0.02%	0.33%	0.45%	1.08%	1.48%	1.60%	1.66%	1.73%	1.88%	1.94%	2.00%	2.04%	2.08%	2.26%	2.27%	2.28%	2.28%	2.31%	2.31%	2.32%	2.32%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%
2019_Q4	383,426,892	0.00%	0.22%	0.97%	1.26%	1.36%	1.43%	1.51%	1.58%	1.64%	1.70%	1.75%	1.82%	1.86%	1.97%	2.01%	2.03%	2.05%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%
2020_Q1	254,746,701	0.00%	0.80%	1.17%	1.26%	1.41%	1.45%	1.51%	1.57%	1.64%	1.71%	1.84%	1.90%	2.01%	2.16%	2.18%	2.20%	2.23%	2.24%	2.24%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
2020_Q2	292,002,519	0.00%	0.23%	0.43%	0.52%	0.71%	0.90%	1.00%	1.05%	1.14%	1.23%	1.28%	1.36%	1.45%	1.51%	1.58%	1.61%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%
2020_Q3	378,778,106	0.04%	0.41%	0.53%	0.69%	0.75%	0.84%	0.96%	1.08%	1.22%	1.34%	1.48%	1.55%	1.63%	1.78%	1.81%	1.84%	1.87%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%
2020_Q4	442,895,559	0.00%	0.20%	0.41%	0.57%	0.68%	0.78%	0.96%	1.06%	1.17%	1.35%	1.51%	1.59%	1.68%	1.80%	1.83%	1.90%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%
2021_Q1	383,854,758	0.02%	0.39%	0.57%	0.70%	0.79%	0.92%	1.03%	1.14%	1.23%	1.38%	1.47%	1.59%	1.69%	1.80%	1.83%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%
2021_Q2	416,962,370	0.00%	0.32%	0.46%	0.56%	0.66%	0.84%	0.96%	1.11%	1.22%	1.32%	1.43%	1.53%	1.59%	1.75%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%
2021_Q3	329,987,718	0.01%	0.21%	0.35%	0.46%	0.59%	0.79%	0.94%	1.05%	1.14%	1.29%	1.43%	1.54%	1.65%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
2021_Q4	412,372,551	0.00%	0.28%	0.49%	0.57%	0.74%	0.89%	1.01%	1.16%	1.41%	1.56%	1.68%	1.81%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%
2022_Q1	325,524,856	0.00%	0.20%	0.30%	0.39%	0.45%	0.62%	0.77%	0.90%	1.01%	1.08%	1.22%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
2022_Q2	364,025,554	0.01%	0.23%	0.37%	0.50%	0.62%	0.79%	0.96%	1.10%	1.23%	1.41%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%
2022_Q3	327,520,437	0.03%	0.36%	0.47%	0.62%	0.76%	1.02%	1.28%	1.52%	1.66%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%
2022_Q4	463,485,603	0.01%	0.28%	0.52%	0.67%	0.87%	1.03%	1.23%	1.43%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%
2023_Q1	415,669,979	0.00%	0.30%	0.57%	0.81%	1.04%	1.17%	1.40%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%
2023_Q2	441,507,807	0.01%	0.39%	0.68%	0.97%	1.14%	1.34%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%
2023_Q3	437,103,044	0.01%	0.44%	0.81%	0.99%	1.24%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%
2023_Q4	653,843,336	0.03%	0.26%	0.41%	0.61%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
2024_Q1	433,056,920	0.00%	0.30%	0.53%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%
2024_Q2	386,908,775	0.00%	0.45%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%
2024_Q3	276,856,460	0.00%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%
2024_Q4	377,110,133	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Cumulative quarterly gross loss rates - Total



(2) *Net losses (all leasing)*

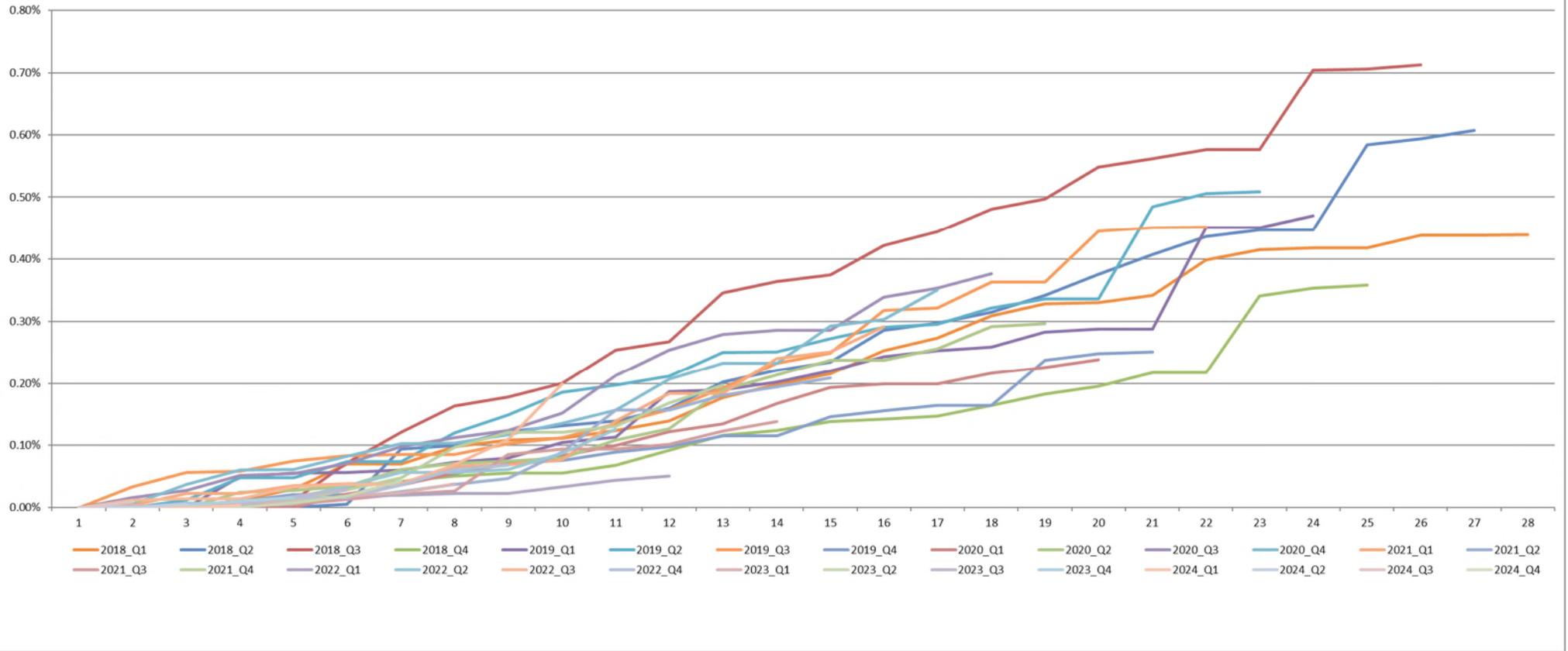
Note on net loss data – Net losses (all leasing)

For a generation of leasing contracts for net losses (all leasing) (being all leasing contracts originated during the same quarter), the cumulative net loss rate in respect of a quarter since quarter of origination is calculated as the ratio of: (i) the cumulative net loss amount recorded between the quarter when such leasing contracts were originated and the relevant quarter of the loss booking and (ii) the sum of the initial outstanding contract value of such leasing contracts at origination.

### CUMULATIVE QUARTERLY NET LOSS RATES – ALL LEASING

Quarter of Origination	Number of Months after Origination Originated Amount	Number of Months after Origination																														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28			
2018_Q1	322,865,618	0.00%	0.00%	0.00%	0.01%	0.03%	0.07%	0.07%	0.10%	0.11%	0.11%	0.12%	0.14%	0.18%	0.20%	0.22%	0.25%	0.27%	0.31%	0.33%	0.33%	0.34%	0.40%	0.41%	0.42%	0.42%	0.44%	0.44%	0.44%			
2018_Q2	343,661,621	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.09%	0.10%	0.12%	0.13%	0.14%	0.16%	0.20%	0.22%	0.23%	0.29%	0.30%	0.31%	0.34%	0.38%	0.41%	0.44%	0.45%	0.45%	0.58%	0.59%	0.61%	0.44%			
2018_Q3	303,819,990	0.00%	0.00%	0.00%	0.00%	0.01%	0.07%	0.12%	0.16%	0.18%	0.20%	0.25%	0.27%	0.35%	0.36%	0.37%	0.42%	0.44%	0.48%	0.50%	0.55%	0.56%	0.58%	0.58%	0.70%	0.71%	0.71%					
2018_Q4	374,649,649	0.00%	0.00%	0.00%	0.01%	0.02%	0.03%	0.04%	0.05%	0.06%	0.06%	0.07%	0.09%	0.12%	0.12%	0.14%	0.14%	0.15%	0.16%	0.18%	0.20%	0.22%	0.22%	0.34%	0.35%	0.36%	0.71%					
2019_Q1	307,790,029	0.00%	0.00%	0.00%	0.05%	0.06%	0.06%	0.06%	0.07%	0.08%	0.10%	0.11%	0.19%	0.19%	0.20%	0.22%	0.24%	0.25%	0.26%	0.28%	0.29%	0.29%	0.29%	0.45%	0.45%	0.47%						
2019_Q2	319,370,833	0.00%	0.00%	0.01%	0.05%	0.05%	0.07%	0.07%	0.12%	0.15%	0.19%	0.20%	0.21%	0.25%	0.25%	0.29%	0.29%	0.30%	0.32%	0.34%	0.34%	0.34%	0.48%	0.51%	0.51%							
2019_Q3	285,611,308	0.00%	0.03%	0.06%	0.06%	0.08%	0.08%	0.09%	0.09%	0.10%	0.11%	0.13%	0.16%	0.19%	0.23%	0.25%	0.32%	0.32%	0.36%	0.36%	0.44%	0.45%	0.45%									
2019_Q4	383,426,892	0.00%	0.00%	0.00%	0.01%	0.02%	0.02%	0.04%	0.05%	0.07%	0.08%	0.09%	0.10%	0.12%	0.12%	0.15%	0.16%	0.16%	0.16%	0.24%	0.25%	0.25%										
2020_Q1	254,746,701	0.00%	0.00%	0.00%	0.00%	0.02%	0.04%	0.06%	0.07%	0.08%	0.10%	0.12%	0.13%	0.17%	0.19%	0.20%	0.20%	0.22%	0.23%	0.24%												
2020_Q2	292,002,519	0.00%	0.00%	0.00%	0.02%	0.03%	0.03%	0.06%	0.07%	0.07%	0.08%	0.11%	0.13%	0.19%	0.21%	0.24%	0.24%	0.26%	0.29%	0.30%												
2020_Q3	378,778,106	0.00%	0.02%	0.03%	0.05%	0.05%	0.07%	0.10%	0.11%	0.12%	0.15%	0.21%	0.25%	0.28%	0.29%	0.29%	0.34%	0.35%	0.38%													
2020_Q4	442,895,559	0.00%	0.01%	0.04%	0.06%	0.06%	0.08%	0.10%	0.10%	0.12%	0.14%	0.16%	0.21%	0.23%	0.23%	0.29%	0.30%	0.35%														
2021_Q1	383,854,758	0.00%	0.00%	0.02%	0.02%	0.03%	0.04%	0.04%	0.07%	0.07%	0.08%	0.14%	0.18%	0.18%	0.24%	0.25%	0.29%															
2021_Q2	416,962,270	0.00%	0.00%	0.01%	0.01%	0.01%	0.02%	0.03%	0.04%	0.05%	0.09%	0.16%	0.16%	0.18%	0.19%	0.21%																
2021_Q3	329,987,718	0.00%	0.00%	0.00%	0.01%	0.01%	0.02%	0.03%	0.03%	0.03%	0.09%	0.09%	0.10%	0.12%	0.14%																	
2021_Q4	412,372,551	0.00%	0.00%	0.00%	0.00%	0.01%	0.03%	0.05%	0.10%	0.12%	0.13%	0.17%	0.20%																			
2022_Q1	325,524,856	0.00%	0.00%	0.00%	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%	0.03%	0.04%	0.05%																			
2022_Q2	364,025,554	0.00%	0.00%	0.01%	0.01%	0.01%	0.03%	0.06%	0.06%	0.06%	0.09%	0.13%																				
2022_Q3	327,520,437	0.00%	0.01%	0.01%	0.01%	0.03%	0.04%	0.04%	0.07%	0.11%	0.20%																					
2022_Q4	463,485,603	0.00%	0.00%	0.00%	0.01%	0.02%	0.02%	0.04%	0.06%	0.07%																						
2023_Q1	415,669,979	0.00%	0.00%	0.00%	0.01%	0.01%	0.02%	0.02%	0.04%																							
2023_Q2	441,507,807	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.04%																								
2023_Q3	437,103,044	0.00%	0.00%	0.00%	0.00%	0.02%	0.03%																									
2023_Q4	653,843,336	0.00%	0.00%	0.00%	0.01%	0.02%																										
2024_Q1	433,056,920	0.00%	0.00%	0.00%	0.00%																											
2024_Q2	386,908,775	0.00%	0.00%	0.01%																												
2024_Q3	276,856,460	0.00%	0.01%																													
2024_Q4	377,110,133	0.00%																														

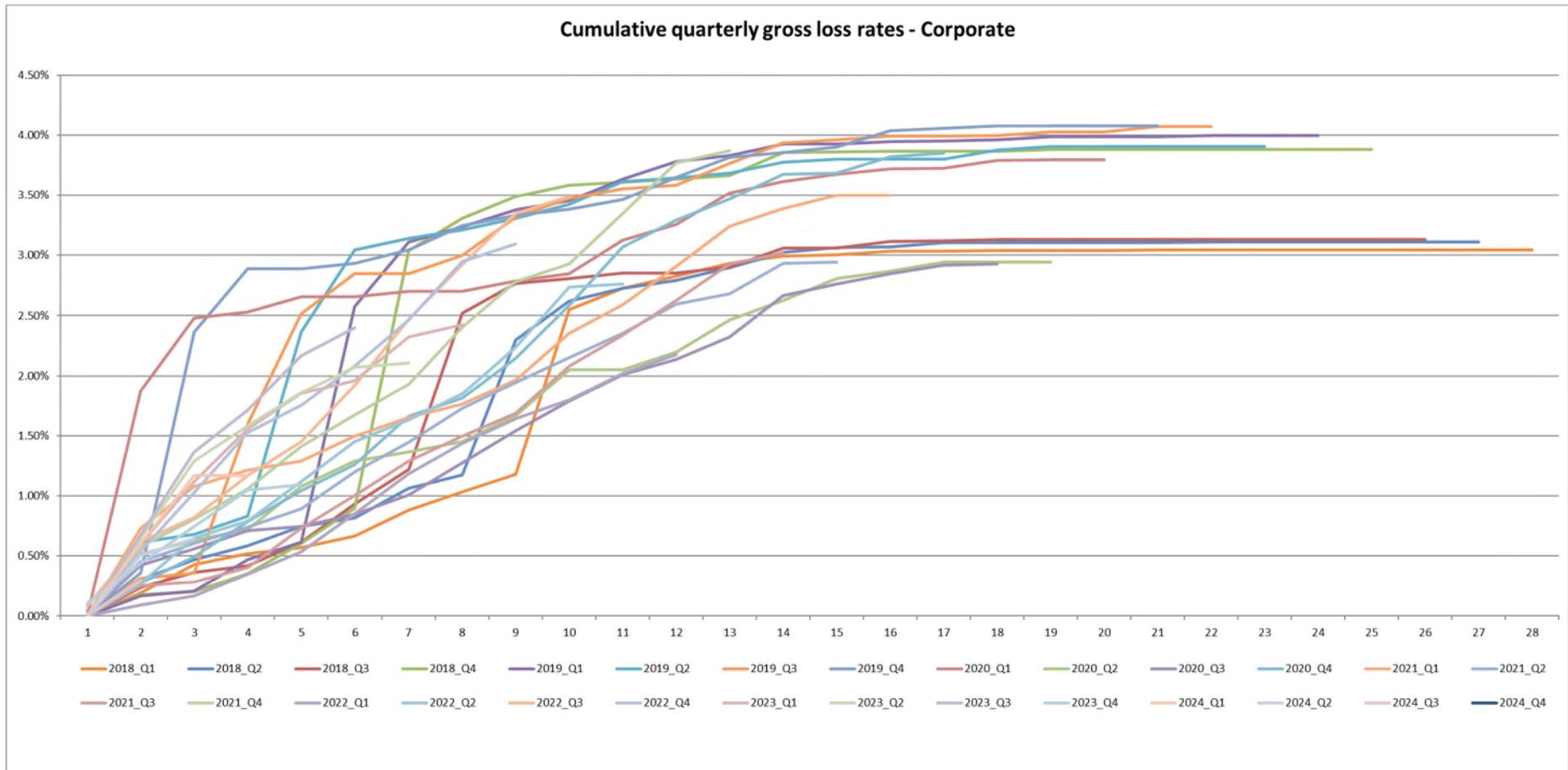
Cumulative quarterly net loss rates - Total



**(3) Gross loss rate (corporate customers)**

For a generation of receivables (being all receivables originated for commercial customers in the same quarter), the cumulative gross loss rate (i.e. before realisation of the leased vehicles) in respect of a given quarter since origination is calculated as the ratio of: (i) the cumulative defaulted amount recorded between the quarter when such lease contracts were originated and the relevant quarter since origination and (ii) the sum of the initial outstanding amount of such lease contracts at origination.





Note on gross loss data - Corporate Customers:  
 Corporate Customers are defined as being a company

**(4) Net losses (corporate customers)**

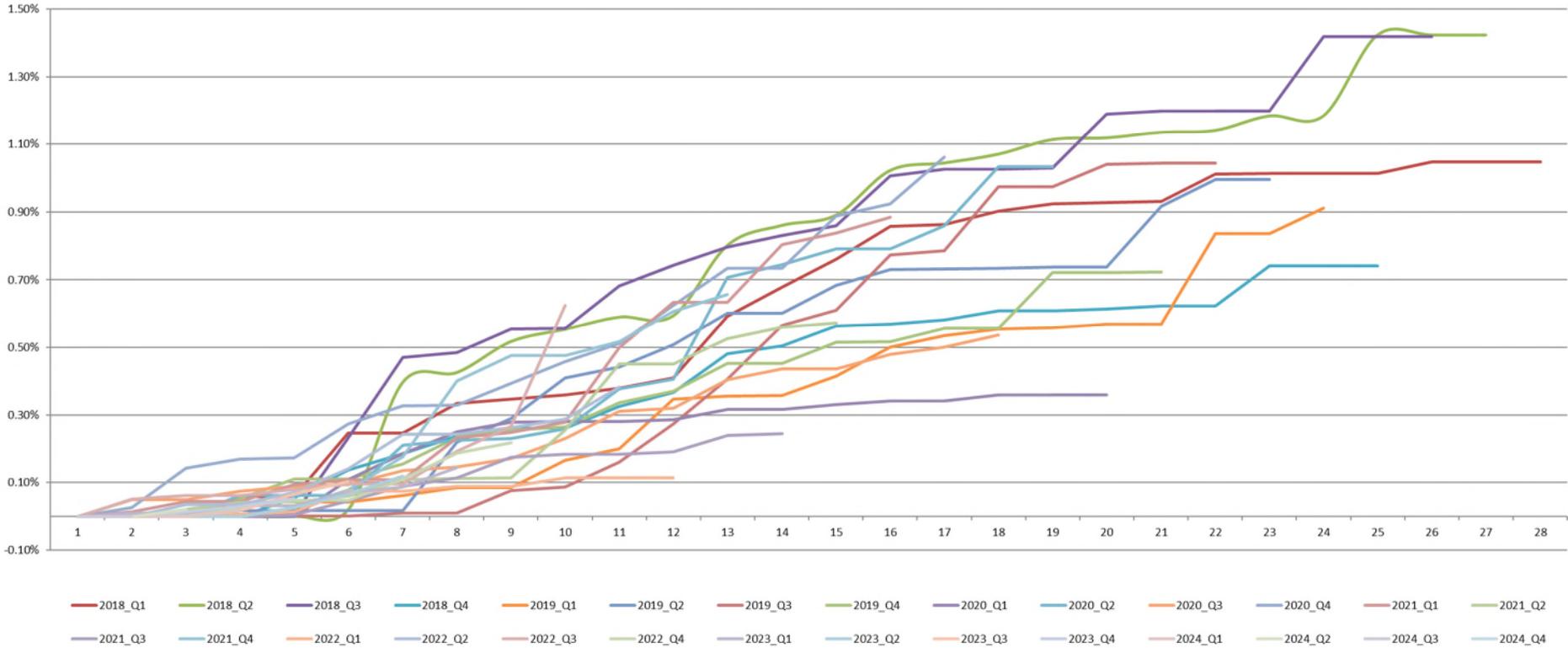
Note on net loss data – Net losses (corporate customers)

For a generation of leasing contracts for net losses (corporate customers) (being all leasing contracts originated during the same quarter), the cumulative net loss rate in respect of a quarter since quarter of origination is calculated as the ratio of: (i) the cumulative net loss amount recorded between the quarter when such leasing contracts were originated and the relevant quarter of the loss booking and (ii) the sum of the initial outstanding contract value of such leasing contracts at origination.

**CUMULATIVE QUARTERLY NET LOSS RATES – CORPORATE CUSTOMERS**

Quarter of Origination	Number of Months after Origination Originated Amount	Number of Months after Origination																											
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
2018_Q1	65,125,711	0.00%	0.00%	0.00%	0.06%	0.06%	0.25%	0.25%	0.33%	0.35%	0.36%	0.38%	0.41%	0.59%	0.68%	0.76%	0.86%	0.86%	0.90%	0.92%	0.93%	0.93%	1.01%	1.01%	1.01%	1.01%	1.05%	1.05%	1.05%
2018_Q2	69,917,356	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.40%	0.43%	0.52%	0.55%	0.59%	0.59%	0.80%	0.86%	0.89%	1.02%	1.04%	1.07%	1.11%	1.12%	1.14%	1.14%	1.18%	1.18%	1.42%	1.42%	1.42%	
2018_Q3	61,198,700	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%	0.47%	0.48%	0.56%	0.56%	0.68%	0.74%	0.80%	0.83%	0.86%	1.01%	1.03%	1.03%	1.03%	1.19%	1.20%	1.20%	1.20%	1.42%	1.42%	1.42%	1.42%	
2018_Q4	70,135,301	0.00%	0.00%	0.00%	0.00%	0.05%	0.14%	0.19%	0.24%	0.26%	0.26%	0.33%	0.37%	0.48%	0.51%	0.56%	0.57%	0.58%	0.61%	0.61%	0.61%	0.62%	0.62%	0.74%	0.74%	0.74%	0.74%	0.74%	
2019_Q1	63,825,742	0.00%	0.00%	0.00%	0.04%	0.04%	0.04%	0.06%	0.08%	0.08%	0.17%	0.20%	0.35%	0.35%	0.36%	0.42%	0.50%	0.54%	0.55%	0.56%	0.57%	0.57%	0.57%	0.84%	0.84%	0.91%	0.91%	0.91%	
2019_Q2	64,093,640	0.00%	0.00%	0.00%	0.02%	0.02%	0.02%	0.02%	0.22%	0.29%	0.41%	0.44%	0.51%	0.60%	0.60%	0.68%	0.73%	0.73%	0.73%	0.74%	0.74%	0.92%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
2019_Q3	56,016,976	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.08%	0.09%	0.16%	0.27%	0.41%	0.57%	0.61%	0.77%	0.79%	0.97%	0.97%	0.97%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	
2019_Q4	72,420,797	0.00%	0.00%	0.00%	0.05%	0.11%	0.11%	0.15%	0.23%	0.25%	0.26%	0.34%	0.37%	0.45%	0.45%	0.52%	0.52%	0.56%	0.56%	0.56%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	
2020_Q1	49,834,550	0.00%	0.00%	0.00%	0.00%	0.00%	0.11%	0.19%	0.25%	0.28%	0.28%	0.28%	0.29%	0.32%	0.32%	0.33%	0.34%	0.34%	0.34%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	
2020_Q2	52,166,193	0.00%	0.00%	0.00%	0.06%	0.06%	0.06%	0.21%	0.23%	0.23%	0.26%	0.38%	0.41%	0.71%	0.74%	0.79%	0.79%	0.86%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	
2020_Q3	77,465,463	0.00%	0.05%	0.05%	0.07%	0.09%	0.09%	0.14%	0.15%	0.17%	0.23%	0.31%	0.32%	0.40%	0.44%	0.44%	0.48%	0.50%	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%	
2020_Q4	94,995,894	0.00%	0.03%	0.14%	0.17%	0.17%	0.27%	0.33%	0.33%	0.39%	0.46%	0.51%	0.62%	0.73%	0.73%	0.89%	0.92%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	
2021_Q1	82,852,317	0.00%	0.01%	0.04%	0.04%	0.09%	0.11%	0.11%	0.11%	0.23%	0.25%	0.28%	0.50%	0.63%	0.63%	0.80%	0.84%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	
2021_Q2	89,451,739	0.00%	0.00%	0.02%	0.04%	0.04%	0.06%	0.11%	0.11%	0.11%	0.11%	0.26%	0.45%	0.53%	0.56%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	
2021_Q3	64,813,753	0.00%	0.00%	0.00%	0.00%	0.01%	0.05%	0.09%	0.11%	0.17%	0.18%	0.18%	0.18%	0.19%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	
2021_Q4	83,029,314	0.00%	0.00%	0.00%	0.00%	0.03%	0.08%	0.18%	0.40%	0.48%	0.48%	0.48%	0.52%	0.61%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	
2022_Q1	61,074,049	0.00%	0.01%	0.01%	0.01%	0.01%	0.07%	0.07%	0.09%	0.09%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	
2022_Q2	77,168,709	0.00%	0.00%	0.03%	0.03%	0.07%	0.14%	0.24%	0.24%	0.26%	0.29%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	
2022_Q3	73,430,225	0.00%	0.05%	0.06%	0.06%	0.08%	0.10%	0.10%	0.19%	0.27%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	
2022_Q4	103,736,134	0.00%	0.00%	0.00%	0.03%	0.05%	0.05%	0.11%	0.19%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	
2023_Q1	106,711,938	0.00%	0.01%	0.01%	0.03%	0.03%	0.07%	0.09%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	
2023_Q2	111,707,767	0.00%	0.00%	0.00%	0.00%	0.03%	0.07%	0.07%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	
2023_Q3	122,693,825	0.00%	0.00%	0.00%	0.02%	0.06%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	
2023_Q4	168,170,722	0.00%	0.00%	0.01%	0.03%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
2024_Q1	93,829,065	0.00%	0.00%	0.00%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	
2024_Q2	100,285,221	0.00%	0.00%	0.00%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	
2024_Q3	68,714,017	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
2024_Q4	86,199,999	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

Cumulative quarterly net loss rates - Corporate



**(5) Gross loss rates (private and professional customers)**

For a generation of receivables (being all receivables originated for private Lessees in the same quarter), the cumulative gross loss rate (i.e. before realisation of the leased vehicles) in respect of a given quarter since origination is calculated as the ratio of: (i) the cumulative defaulted amount recorded between the quarter when such lease contracts were originated and the relevant quarter since origination and (ii) the sum of the initial outstanding amount of such lease contracts at origination.

Please note that for the purpose of historical performance analysis, the Seller included receivables originated with self-employed and liberal professions (normally classified in the commercial category for accounting purposes) in the private category as those receivables perform similarly to receivables originated with private debtors.

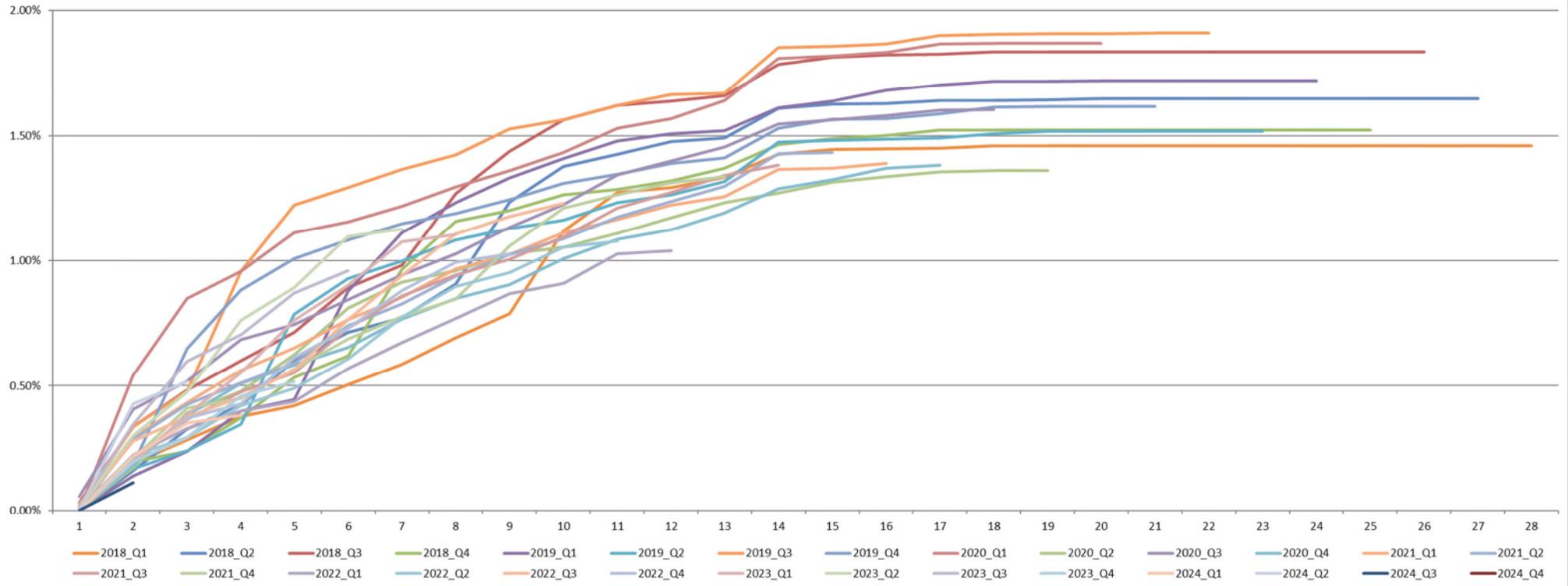
**CUMULATIVE QUARTERLY GROSS LOSS RATES – PRIVATE AND PROFESSIONAL CUSTOMERS**

Quarter of Origination	Number of Months after Origination	Originated Amount	Number of Months after Origination																											
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
2018_Q1	257,739,907	0.00%	0.19%	0.28%	0.38%	0.42%	0.50%	0.59%	0.69%	0.79%	1.12%	1.27%	1.29%	1.33%	1.43%	1.44%	1.45%	1.45%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%
2018_Q2	273,744,265	0.00%	0.16%	0.33%	0.42%	0.60%	0.71%	0.77%	0.91%	1.23%	1.38%	1.43%	1.48%	1.49%	1.61%	1.63%	1.63%	1.64%	1.64%	1.64%	1.65%	1.65%	1.65%	1.65%	1.65%	1.65%	1.65%	1.65%	1.65%	1.65%
2018_Q3	242,621,290	0.03%	0.34%	0.48%	0.60%	0.71%	0.89%	0.98%	1.27%	1.44%	1.56%	1.62%	1.64%	1.66%	1.78%	1.81%	1.82%	1.83%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%
2018_Q4	304,514,348	0.00%	0.20%	0.24%	0.37%	0.53%	0.62%	0.97%	1.16%	1.20%	1.26%	1.29%	1.32%	1.37%	1.46%	1.49%	1.50%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.84%
2019_Q1	243,964,287	0.00%	0.14%	0.24%	0.40%	0.45%	0.88%	1.11%	1.23%	1.33%	1.41%	1.48%	1.51%	1.52%	1.61%	1.64%	1.68%	1.70%	1.72%	1.72%	1.72%	1.72%	1.72%	1.72%	1.72%	1.72%	1.72%	1.72%	1.72%	1.72%
2019_Q2	255,277,194	0.03%	0.17%	0.24%	0.35%	0.79%	0.93%	1.00%	1.08%	1.13%	1.16%	1.23%	1.26%	1.32%	1.47%	1.48%	1.49%	1.49%	1.51%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%
2019_Q3	229,594,332	0.02%	0.34%	0.48%	0.96%	1.22%	1.29%	1.36%	1.42%	1.53%	1.56%	1.62%	1.66%	1.67%	1.85%	1.86%	1.87%	1.90%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%
2019_Q4	311,006,095	0.00%	0.18%	0.65%	0.88%	1.01%	1.08%	1.15%	1.19%	1.24%	1.31%	1.35%	1.39%	1.41%	1.53%	1.57%	1.57%	1.59%	1.61%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%
2020_Q1	204,912,152	0.00%	0.54%	0.85%	0.96%	1.11%	1.16%	1.22%	1.30%	1.36%	1.43%	1.53%	1.57%	1.64%	1.81%	1.82%	1.83%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%
2020_Q2	239,836,326	0.00%	0.17%	0.39%	0.48%	0.63%	0.81%	0.92%	0.96%	1.03%	1.06%	1.11%	1.17%	1.23%	1.27%	1.31%	1.34%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%
2020_Q3	301,312,643	0.06%	0.40%	0.52%	0.69%	0.74%	0.84%	0.94%	1.03%	1.13%	1.23%	1.34%	1.40%	1.45%	1.55%	1.56%	1.58%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
2020_Q4	347,899,665	0.00%	0.18%	0.38%	0.51%	0.58%	0.65%	0.77%	0.85%	0.90%	1.01%	1.08%	1.12%	1.19%	1.29%	1.32%	1.37%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%
2021_Q1	301,002,441	0.02%	0.29%	0.43%	0.56%	0.65%	0.76%	0.85%	0.97%	1.03%	1.11%	1.16%	1.22%	1.26%	1.37%	1.37%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%
2021_Q2	327,510,530	0.00%	0.29%	0.42%	0.51%	0.59%	0.74%	0.83%	0.94%	1.03%	1.09%	1.17%	1.24%	1.30%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%
2021_Q3	265,173,965	0.02%	0.20%	0.37%	0.48%	0.55%	0.73%	0.86%	0.94%	1.01%	1.10%	1.21%	1.27%	1.34%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%
2021_Q4	329,343,237	0.00%	0.21%	0.41%	0.45%	0.57%	0.69%	0.78%	0.85%	1.06%	1.21%	1.26%	1.31%	1.34%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%
2022_Q1	264,450,806	0.00%	0.22%	0.33%	0.40%	0.44%	0.57%	0.67%	0.77%	0.87%	0.91%	1.03%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%
2022_Q2	286,856,845	0.01%	0.22%	0.29%	0.42%	0.49%	0.61%	0.77%	0.90%	0.95%	1.06%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%
2022_Q3	254,090,212	0.01%	0.28%	0.37%	0.46%	0.56%	0.76%	0.94%	1.11%	1.18%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%
2022_Q4	359,749,468	0.01%	0.21%	0.37%	0.43%	0.61%	0.73%	0.88%	0.99%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%
2023_Q1	308,958,041	0.00%	0.19%	0.38%	0.55%	0.76%	0.90%	1.08%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%
2023_Q2	329,800,040	0.01%	0.30%	0.47%	0.76%	0.89%	1.10%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%
2023_Q3	314,409,219	0.01%	0.34%	0.60%	0.70%	0.87%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%
2023_Q4	485,672,614	0.00%	0.20%	0.29%	0.46%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%
2024_Q1	339,227,855	0.00%	0.22%	0.35%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%
2024_Q2	286,623,553	0.00%	0.43%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%
2024_Q3	208,142,443	0.00%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
2024_Q4	290,910,134	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note on gross loss data - Private and professional customers:

Private and professional customers are defined as being either private individuals, self-employed individuals, or liberal professionals.

Cumulative quarterly gross loss rates - Private



**(6) Net losses (private and professional customers)**

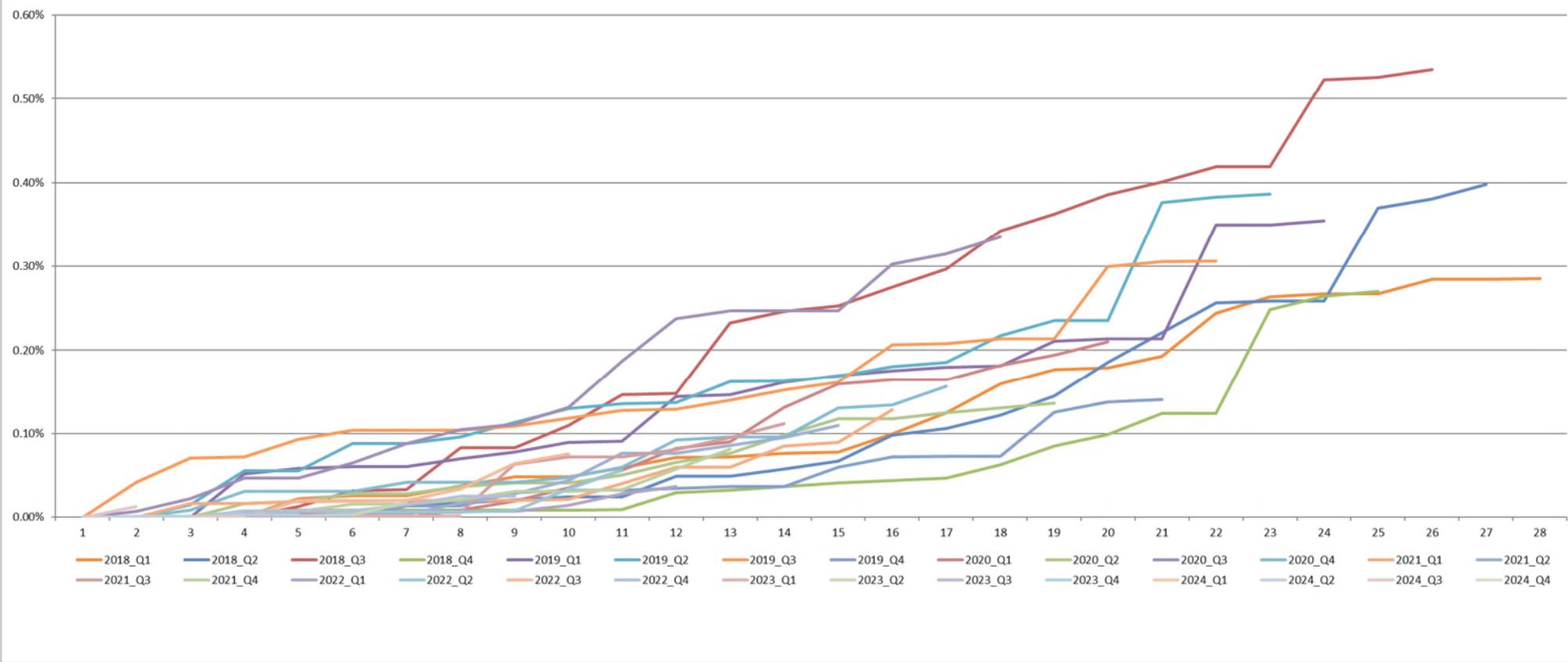
Note on net loss data - Net losses (private and professional customers)

For a generation of leasing contracts for net losses (private and professional customers) (being all leasing contracts originated during the same quarter), the cumulative net loss rate in respect of a quarter since quarter of origination is calculated as the ratio of: (i) the cumulative net loss amount recorded between the quarter when such leasing contracts were originated and the relevant quarter of the loss booking and (ii) the sum of the initial outstanding contract value of such leasing contracts at origination.

**CUMULATIVE QUARTERLY NET LOSS RATES – PRIVATE AND PROFESSIONAL CUSTOMERS**

Quarter of Origination	Number of Months after Origination Originated Amount	Number of Months after Origination																										
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
2018_Q1	257,739,907	0.00%	0.00%	0.00%	0.00%	0.02%	0.03%	0.03%	0.04%	0.05%	0.05%	0.06%	0.07%	0.07%	0.08%	0.08%	0.10%	0.12%	0.16%	0.18%	0.19%	0.24%	0.26%	0.27%	0.27%	0.28%	0.28%	0.29%
2018_Q2	273,744,265	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%	0.02%	0.02%	0.02%	0.05%	0.05%	0.06%	0.07%	0.10%	0.11%	0.12%	0.15%	0.19%	0.22%	0.26%	0.26%	0.26%	0.37%	0.38%	0.40%
2018_Q3	242,621,290	0.00%	0.00%	0.00%	0.00%	0.01%	0.03%	0.03%	0.08%	0.08%	0.11%	0.15%	0.15%	0.23%	0.25%	0.25%	0.27%	0.30%	0.34%	0.36%	0.39%	0.40%	0.42%	0.42%	0.52%	0.53%	0.54%	
2018_Q4	304,514,348	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.03%	0.03%	0.04%	0.04%	0.04%	0.05%	0.06%	0.08%	0.10%	0.12%	0.12%	0.25%	0.26%	0.27%	0.54%		
2019_Q1	243,964,287	0.00%	0.00%	0.00%	0.05%	0.06%	0.06%	0.06%	0.07%	0.08%	0.09%	0.09%	0.14%	0.15%	0.16%	0.17%	0.18%	0.18%	0.18%	0.21%	0.21%	0.21%	0.35%	0.35%	0.35%			
2019_Q2	255,277,194	0.00%	0.00%	0.01%	0.06%	0.06%	0.09%	0.09%	0.10%	0.11%	0.13%	0.14%	0.14%	0.16%	0.17%	0.18%	0.19%	0.22%	0.24%	0.24%	0.38%	0.38%	0.39%					
2019_Q3	229,594,332	0.00%	0.04%	0.07%	0.07%	0.09%	0.10%	0.10%	0.10%	0.11%	0.12%	0.13%	0.13%	0.14%	0.15%	0.16%	0.21%	0.21%	0.21%	0.21%	0.30%	0.31%	0.31%					
2019_Q4	311,006,095	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.03%	0.03%	0.03%	0.04%	0.06%	0.07%	0.07%	0.07%	0.13%	0.14%	0.14%	0.19%	0.21%						
2020_Q1	204,912,152	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.04%	0.06%	0.08%	0.09%	0.13%	0.16%	0.16%	0.16%	0.18%	0.19%	0.21%								
2020_Q2	239,836,326	0.00%	0.00%	0.00%	0.02%	0.02%	0.03%	0.03%	0.04%	0.04%	0.05%	0.07%	0.08%	0.10%	0.12%	0.12%	0.12%	0.13%	0.14%									
2020_Q3	301,312,643	0.00%	0.01%	0.02%	0.05%	0.05%	0.06%	0.09%	0.10%	0.11%	0.13%	0.19%	0.24%	0.25%	0.25%	0.30%	0.31%	0.33%										
2020_Q4	347,899,665	0.00%	0.00%	0.01%	0.03%	0.03%	0.04%	0.04%	0.04%	0.05%	0.06%	0.09%	0.10%	0.10%	0.13%	0.13%	0.16%											
2021_Q1	301,002,441	0.00%	0.00%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.04%	0.06%	0.06%	0.09%	0.09%	0.13%												
2021_Q2	327,510,530	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.03%	0.04%	0.08%	0.08%	0.09%	0.11%														
2021_Q3	265,173,965	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.06%	0.07%	0.08%	0.09%	0.11%															
2021_Q4	329,343,237	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.02%	0.02%	0.03%	0.03%	0.06%	0.08%															
2022_Q1	264,450,806	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.03%	0.04%																
2022_Q2	286,856,845	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.03%	0.06%																
2022_Q3	254,090,212	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%	0.02%	0.03%	0.06%	0.08%																	
2022_Q4	359,749,468	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%																		
2023_Q1	308,958,041	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%																			
2023_Q2	329,800,040	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%																				
2023_Q3	314,409,219	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%																					
2023_Q4	485,672,614	0.00%	0.00%	0.00%	0.00%	0.00%																						
2024_Q1	339,227,855	0.00%	0.00%	0.00%	0.00%																							
2024_Q2	286,623,553	0.00%	0.00%	0.00%																								
2024_Q3	208,142,443	0.00%	0.01%																									
2024_Q4	290,910,134	0.00%																										

Cumulative quarterly net loss rates - Private



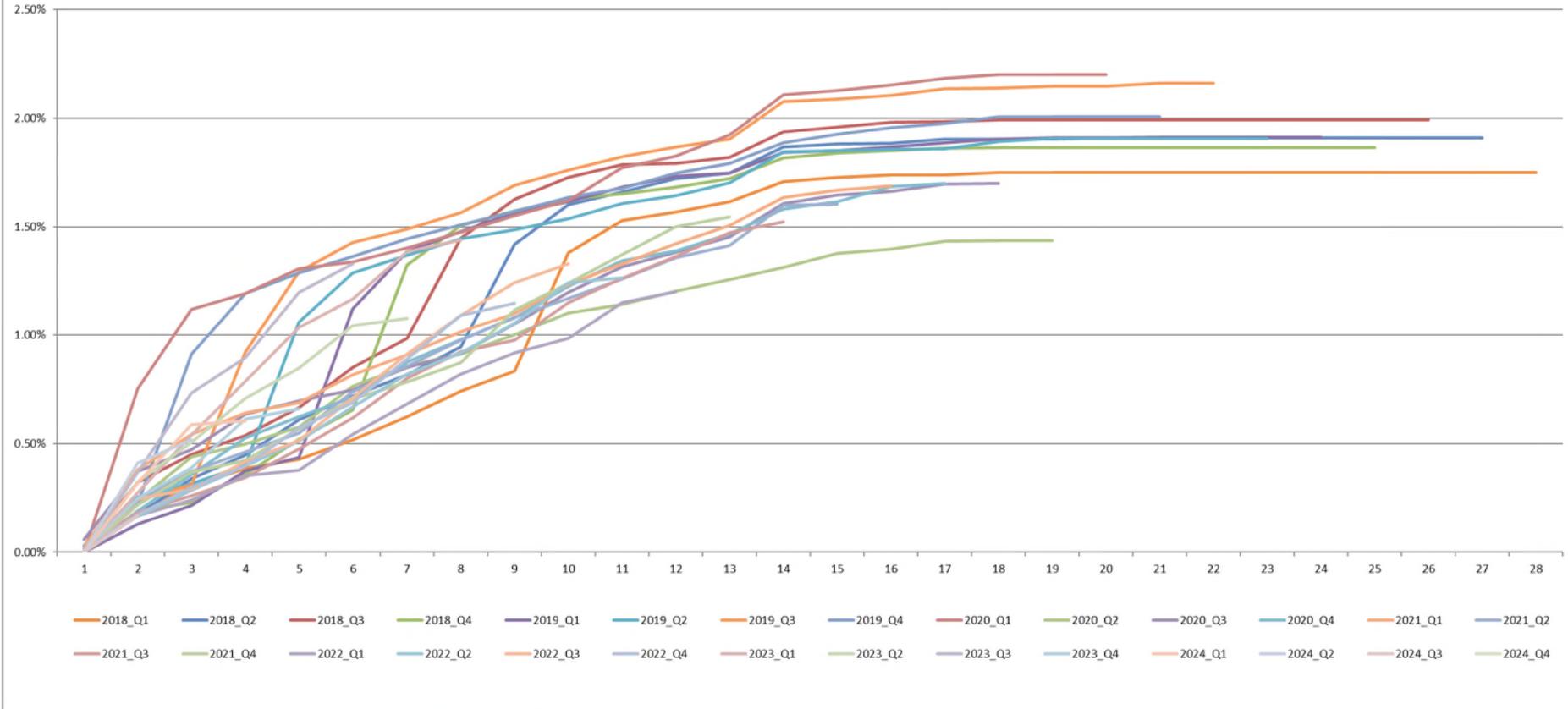
**(7) Gross loss rates (new car Lessees)**

For a generation of receivables (being all receivables originated for new car Lessees in the same quarter), the cumulative gross loss rate (i.e. before realisation of the leased vehicles) in respect of a given quarter since origination is calculated as the ratio of: (i) the cumulative defaulted amount recorded between the quarter when such lease contracts were originated and the relevant quarter since origination and (ii) the sum of the initial outstanding amount of such lease contracts at origination.

**CUMULATIVE QUARTERLY GROSS LOSS RATES – NEW CARS**

Quarter of Origination	Originated Amount	Number of Months after Origination																											
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
2018_Q1	291,902,630	0.00%	0.19%	0.30%	0.39%	0.43%	0.52%	0.62%	0.74%	0.83%	1.38%	1.53%	1.57%	1.62%	1.71%	1.73%	1.74%	1.74%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
2018_Q2	309,382,980	0.00%	0.17%	0.34%	0.45%	0.61%	0.72%	0.82%	0.95%	1.42%	1.60%	1.66%	1.72%	1.75%	1.87%	1.88%	1.89%	1.90%	1.90%	1.90%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%
2018_Q3	274,140,464	0.03%	0.32%	0.45%	0.54%	0.67%	0.85%	0.98%	1.45%	1.63%	1.73%	1.79%	1.79%	1.82%	1.94%	1.96%	1.98%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.91%
2018_Q4	337,328,573	0.00%	0.19%	0.23%	0.36%	0.52%	0.66%	1.32%	1.51%	1.57%	1.63%	1.65%	1.68%	1.72%	1.82%	1.84%	1.85%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%
2019_Q1	272,037,928	0.00%	0.13%	0.22%	0.38%	0.44%	1.12%	1.39%	1.48%	1.57%	1.61%	1.68%	1.73%	1.75%	1.84%	1.85%	1.87%	1.89%	1.90%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%
2019_Q2	276,392,607	0.03%	0.26%	0.32%	0.40%	1.06%	1.29%	1.37%	1.44%	1.49%	1.54%	1.61%	1.64%	1.70%	1.85%	1.85%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%
2019_Q3	247,973,963	0.01%	0.24%	0.31%	0.92%	1.29%	1.43%	1.49%	1.57%	1.69%	1.76%	1.82%	1.87%	1.90%	2.08%	2.09%	2.11%	2.14%	2.14%	2.15%	2.15%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%
2019_Q4	347,129,661	0.00%	0.22%	0.91%	1.19%	1.29%	1.36%	1.45%	1.51%	1.57%	1.64%	1.68%	1.75%	1.79%	1.89%	1.93%	1.96%	1.98%	2.01%	2.01%	2.01%	2.01%	2.01%	2.01%	2.01%	2.01%	2.01%	2.01%	2.01%
2020_Q1	210,342,915	0.00%	0.75%	1.12%	1.19%	1.31%	1.34%	1.40%	1.48%	1.55%	1.62%	1.77%	1.83%	1.92%	2.11%	2.13%	2.15%	2.18%	2.18%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
2020_Q2	236,425,044	0.00%	0.24%	0.44%	0.50%	0.58%	0.76%	0.86%	0.91%	1.00%	1.10%	1.14%	1.20%	1.26%	1.31%	1.38%	1.40%	1.43%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%
2020_Q3	286,429,312	0.06%	0.37%	0.47%	0.64%	0.70%	0.75%	0.85%	0.92%	1.05%	1.20%	1.32%	1.38%	1.45%	1.61%	1.65%	1.66%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
2020_Q4	360,498,464	0.00%	0.19%	0.36%	0.53%	0.62%	0.71%	0.88%	0.98%	1.08%	1.23%	1.34%	1.39%	1.47%	1.58%	1.61%	1.69%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
2021_Q1	308,287,407	0.02%	0.38%	0.54%	0.64%	0.69%	0.82%	0.91%	1.02%	1.10%	1.23%	1.33%	1.42%	1.51%	1.64%	1.67%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%
2021_Q2	335,618,292	0.00%	0.24%	0.37%	0.46%	0.55%	0.74%	0.86%	0.98%	1.08%	1.17%	1.26%	1.36%	1.41%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
2021_Q3	255,529,275	0.02%	0.18%	0.26%	0.34%	0.48%	0.62%	0.80%	0.92%	0.98%	1.15%	1.26%	1.36%	1.47%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%
2021_Q4	320,882,726	0.00%	0.22%	0.37%	0.42%	0.57%	0.71%	0.78%	0.87%	1.12%	1.24%	1.37%	1.50%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%
2022_Q1	253,890,998	0.00%	0.17%	0.24%	0.35%	0.38%	0.54%	0.68%	0.82%	0.92%	0.99%	1.15%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
2022_Q2	285,332,462	0.01%	0.16%	0.28%	0.40%	0.51%	0.67%	0.82%	0.92%	1.06%	1.24%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%
2022_Q3	250,289,720	0.00%	0.25%	0.29%	0.42%	0.51%	0.71%	0.91%	1.09%	1.24%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%
2022_Q4	364,041,110	0.01%	0.17%	0.30%	0.40%	0.57%	0.69%	0.89%	1.09%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%
2023_Q1	317,302,330	0.00%	0.27%	0.54%	0.79%	1.04%	1.17%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%
2023_Q2	329,770,809	0.00%	0.32%	0.51%	0.71%	0.85%	1.04%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%
2023_Q3	333,483,759	0.00%	0.37%	0.73%	0.90%	1.20%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%
2023_Q4	543,333,231	0.01%	0.25%	0.39%	0.61%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
2024_Q1	350,015,176	0.00%	0.32%	0.59%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
2024_Q2	355,435,938	0.00%	0.41%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%
2024_Q3	252,727,503	0.00%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%
2024_Q4	347,618,340	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Cumulative quarterly gross loss rates - New cars



(8) *Net losses (new car Lessees)*

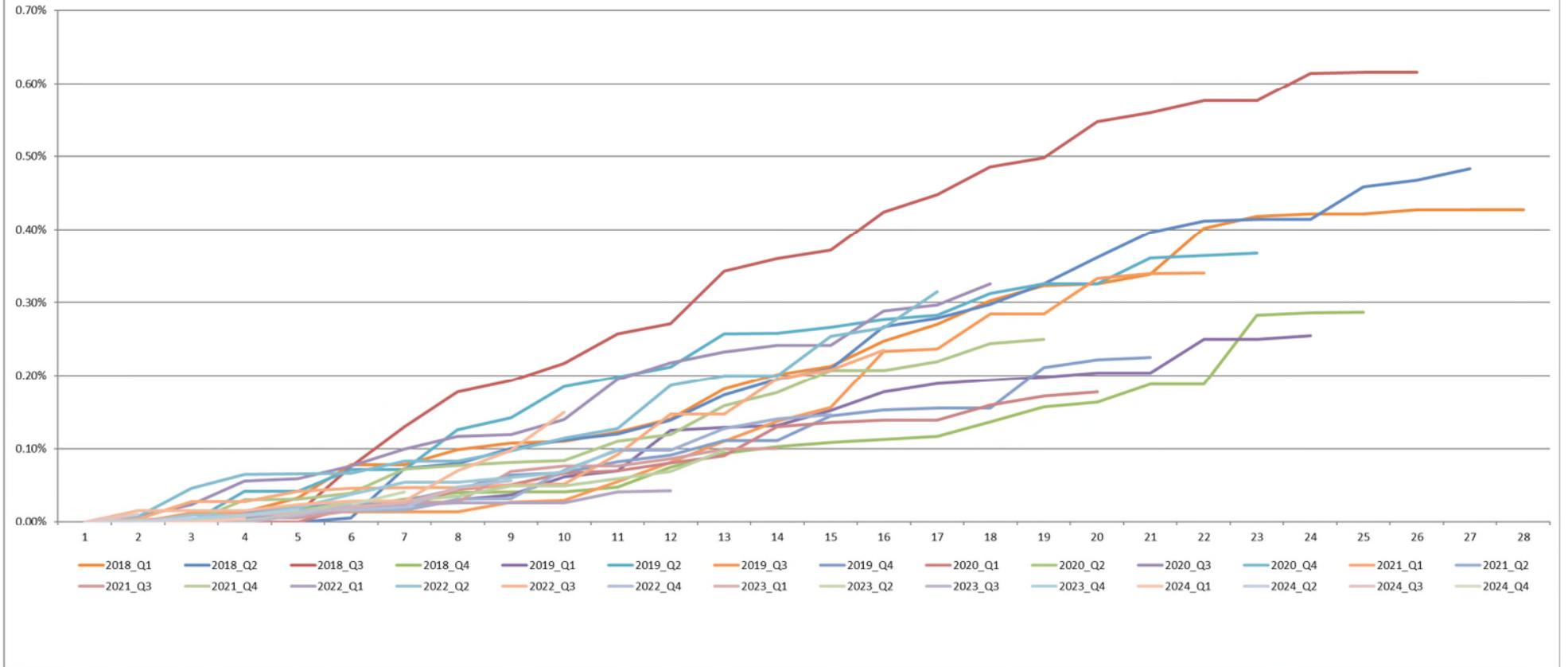
Note on net loss data - Net losses (new car Lessees)

For a generation of leasing contracts for net losses (new car Lessees) (being all leasing contracts originated during the same quarter), the cumulative net loss rate in respect of a quarter since quarter of origination is calculated as the ratio of: (i) the cumulative net loss amount recorded between the quarter when such leasing contracts were originated and the relevant quarter of the loss booking and (ii) the sum of the initial outstanding contract value of such leasing contracts at origination.

### CUMULATIVE QUARTERLY NET LOSS RATES – NEW CARS

Quarter of Origination	Number of Months after Origination	Number of Months after Origination																											
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
2018_Q1	251,902,630	0.00%	0.00%	0.00%	0.01%	0.03%	0.08%	0.08%	0.10%	0.11%	0.11%	0.12%	0.14%	0.18%	0.20%	0.21%	0.25%	0.27%	0.30%	0.32%	0.33%	0.34%	0.40%	0.42%	0.42%	0.42%	0.43%	0.43%	0.43%
2018_Q2	309,382,980	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.07%	0.08%	0.10%	0.11%	0.12%	0.14%	0.17%	0.19%	0.21%	0.27%	0.28%	0.30%	0.33%	0.36%	0.40%	0.41%	0.41%	0.41%	0.46%	0.47%	0.48%	
2018_Q3	274,140,464	0.00%	0.00%	0.00%	0.00%	0.01%	0.08%	0.13%	0.18%	0.19%	0.22%	0.26%	0.27%	0.34%	0.36%	0.37%	0.42%	0.45%	0.49%	0.50%	0.55%	0.56%	0.58%	0.58%	0.61%	0.62%	0.62%		
2018_Q4	337,328,573	0.00%	0.00%	0.00%	0.01%	0.02%	0.02%	0.03%	0.04%	0.04%	0.04%	0.05%	0.07%	0.09%	0.10%	0.11%	0.11%	0.12%	0.14%	0.16%	0.16%	0.19%	0.19%	0.28%	0.29%	0.29%			
2019_Q1	272,037,928	0.00%	0.00%	0.00%	0.01%	0.02%	0.02%	0.02%	0.03%	0.04%	0.06%	0.07%	0.12%	0.13%	0.13%	0.15%	0.18%	0.19%	0.19%	0.20%	0.20%	0.20%	0.25%	0.25%	0.25%				
2019_Q2	276,392,607	0.00%	0.00%	0.00%	0.04%	0.04%	0.07%	0.07%	0.13%	0.14%	0.18%	0.20%	0.21%	0.26%	0.26%	0.27%	0.28%	0.28%	0.31%	0.33%	0.33%	0.36%	0.36%	0.37%					
2019_Q3	247,973,963	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.03%	0.03%	0.05%	0.08%	0.11%	0.14%	0.16%	0.23%	0.24%	0.28%	0.28%	0.33%	0.34%	0.34%						
2019_Q4	347,129,661	0.00%	0.00%	0.00%	0.01%	0.02%	0.02%	0.03%	0.04%	0.06%	0.07%	0.08%	0.09%	0.11%	0.11%	0.14%	0.15%	0.15%	0.15%	0.21%	0.22%	0.23%							
2020_Q1	210,342,915	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%	0.04%	0.05%	0.07%	0.07%	0.08%	0.09%	0.13%	0.14%	0.14%	0.14%	0.16%	0.17%	0.18%								
2020_Q2	236,425,044	0.00%	0.00%	0.00%	0.03%	0.03%	0.04%	0.07%	0.08%	0.08%	0.08%	0.11%	0.12%	0.16%	0.18%	0.21%	0.21%	0.22%	0.24%	0.25%									
2020_Q3	286,429,312	0.00%	0.01%	0.02%	0.06%	0.06%	0.08%	0.10%	0.12%	0.12%	0.14%	0.19%	0.22%	0.23%	0.24%	0.24%	0.29%	0.30%	0.33%										
2020_Q4	360,498,464	0.00%	0.01%	0.05%	0.06%	0.07%	0.07%	0.08%	0.08%	0.10%	0.11%	0.13%	0.19%	0.20%	0.20%	0.25%	0.27%	0.31%											
2021_Q1	308,287,407	0.00%	0.00%	0.03%	0.03%	0.04%	0.05%	0.05%	0.05%	0.05%	0.05%	0.09%	0.15%	0.15%	0.20%	0.21%	0.24%												
2021_Q2	335,618,292	0.00%	0.00%	0.00%	0.01%	0.01%	0.02%	0.02%	0.03%	0.03%	0.07%	0.10%	0.10%	0.13%	0.14%	0.15%													
2021_Q3	255,529,275	0.00%	0.00%	0.00%	0.01%	0.01%	0.02%	0.03%	0.03%	0.07%	0.08%	0.08%	0.09%	0.10%	0.10%														
2021_Q4	320,882,726	0.00%	0.00%	0.00%	0.00%	0.01%	0.03%	0.03%	0.04%	0.05%	0.05%	0.06%	0.07%	0.10%															
2022_Q1	253,890,998	0.00%	0.00%	0.00%	0.01%	0.01%	0.02%	0.02%	0.03%	0.03%	0.03%	0.04%	0.04%																
2022_Q2	285,332,462	0.00%	0.00%	0.01%	0.01%	0.02%	0.04%	0.05%	0.05%	0.06%	0.07%	0.10%																	
2022_Q3	250,289,720	0.00%	0.02%	0.02%	0.02%	0.02%	0.03%	0.03%	0.07%	0.10%	0.15%																		
2022_Q4	364,041,110	0.00%	0.00%	0.00%	0.01%	0.02%	0.02%	0.02%	0.05%	0.06%																			
2023_Q1	317,302,330	0.00%	0.00%	0.00%	0.01%	0.01%	0.02%	0.03%	0.04%																				
2023_Q2	329,770,809	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.04%																					
2023_Q3	333,483,759	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%																						
2023_Q4	543,333,231	0.00%	0.00%	0.00%	0.01%	0.02%																							
2024_Q1	350,015,176	0.00%	0.00%	0.00%	0.00%																								
2024_Q2	355,435,938	0.00%	0.00%	0.01%																									
2024_Q3	252,727,503	0.00%	0.01%																										
2024_Q4	347,618,340	0.00%																											

Cumulative quarterly net loss rates - New cars



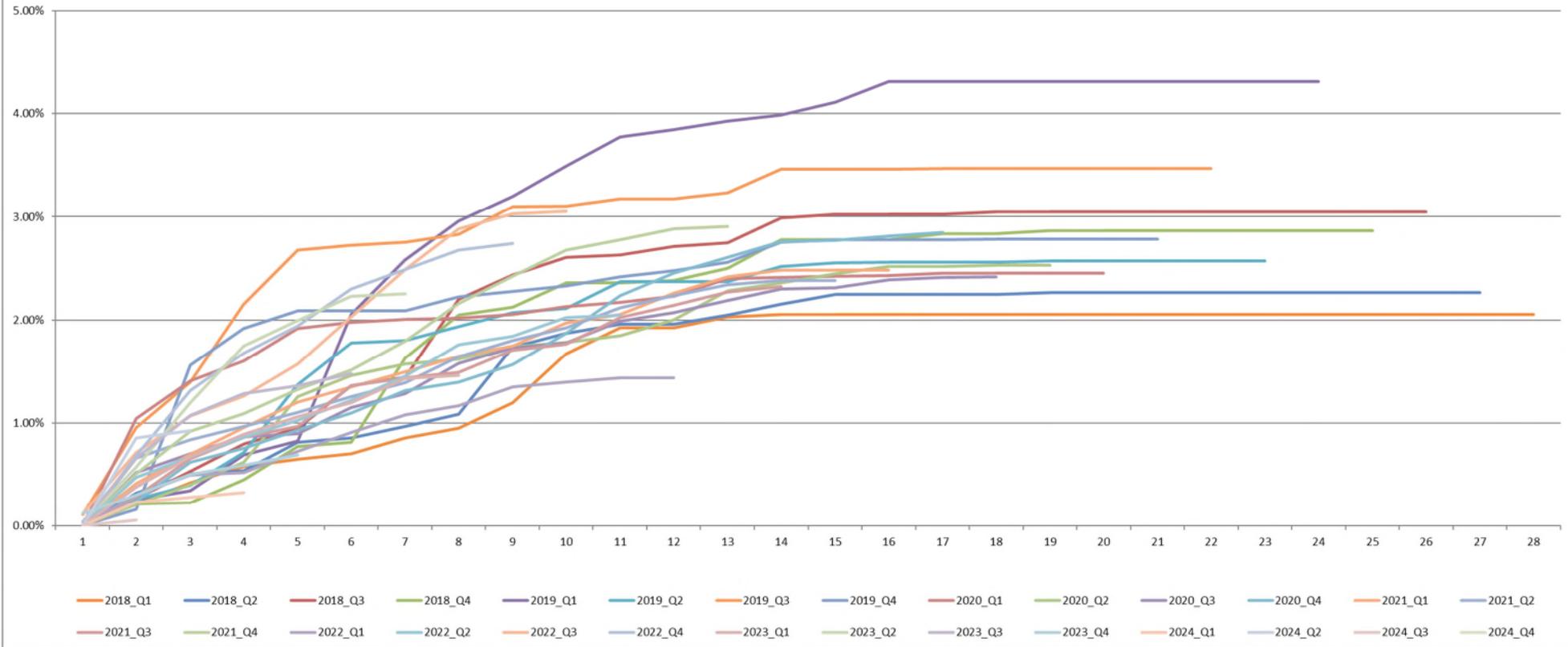
**(9) Gross loss rates (used car Lessees)**

For a generation of receivables (being all receivables originated for used car Lessees in the same quarter), the cumulative gross loss rate (i.e. before realisation of the leased vehicles) in respect of a given quarter since origination is calculated as the ratio of: (i) the cumulative defaulted amount recorded between the quarter when such lease contracts were originated and the relevant quarter since origination and (ii) the sum of the initial outstanding amount of such lease contracts at origination.

**CUMULATIVE QUARTERLY GROSS LOSS RATES – USED CARS**

Quarter of Origination	Number of Months after Origination	Originated Amount	Number of Months after Origination																											
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
2018_Q1	30,962,988	0.00%	0.21%	0.42%	0.58%	0.65%	0.70%	0.85%	0.95%	1.20%	1.67%	1.93%	1.93%	2.03%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%
2018_Q2	34,278,641	0.00%	0.32%	0.51%	0.54%	0.81%	0.86%	0.96%	1.09%	1.74%	1.87%	1.96%	1.96%	2.05%	2.15%	2.25%	2.25%	2.25%	2.25%	2.25%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%
2018_Q3	29,679,526	0.00%	0.27%	0.53%	0.80%	0.95%	1.36%	1.44%	2.20%	2.43%	2.60%	2.63%	2.71%	2.75%	2.99%	3.02%	3.02%	3.02%	3.04%	3.04%	3.04%	3.04%	3.04%	3.04%	3.04%	3.04%	3.04%	3.04%	3.04%	3.04%
2018_Q4	37,321,077	0.00%	0.21%	0.23%	0.45%	0.77%	0.81%	1.63%	2.05%	2.13%	2.36%	2.36%	2.38%	2.50%	2.78%	2.78%	2.78%	2.83%	2.83%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%
2019_Q1	35,752,101	0.00%	0.26%	0.35%	0.69%	0.82%	2.05%	2.58%	2.96%	3.20%	3.49%	3.78%	3.85%	3.93%	3.99%	4.11%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%
2019_Q2	42,978,226	0.00%	0.26%	0.40%	0.72%	1.37%	1.78%	1.80%	1.94%	2.07%	2.11%	2.37%	2.37%	2.37%	2.52%	2.55%	2.56%	2.56%	2.56%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%
2019_Q3	37,637,344	0.11%	0.95%	1.40%	2.16%	2.68%	2.72%	2.75%	2.83%	3.10%	3.11%	3.18%	3.18%	3.24%	3.46%	3.46%	3.46%	3.46%	3.47%	3.47%	3.47%	3.47%	3.47%	3.47%	3.47%	3.47%	3.47%	3.47%	3.47%	3.47%
2019_Q4	36,297,231	0.00%	0.16%	1.56%	1.92%	2.09%	2.09%	2.09%	2.22%	2.28%	2.33%	2.42%	2.48%	2.56%	2.75%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%
2020_Q1	44,403,786	0.00%	1.05%	1.41%	1.60%	1.92%	1.98%	2.01%	2.02%	2.05%	2.13%	2.17%	2.23%	2.40%	2.41%	2.43%	2.43%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%
2020_Q2	55,577,475	0.00%	0.21%	0.40%	0.62%	1.25%	1.46%	1.57%	1.62%	1.74%	1.78%	1.85%	2.00%	2.28%	2.36%	2.45%	2.52%	2.52%	2.52%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%
2020_Q3	92,348,794	0.00%	0.52%	0.70%	0.87%	0.90%	1.15%	1.28%	1.58%	1.73%	1.78%	1.99%	2.07%	2.19%	2.30%	2.31%	2.39%	2.41%	2.41%	2.42%	2.42%	2.42%	2.42%	2.42%	2.42%	2.42%	2.42%	2.42%	2.42%	2.42%
2020_Q4	82,397,095	0.00%	0.25%	0.62%	0.76%	0.93%	1.10%	1.32%	1.40%	1.57%	1.87%	2.24%	2.46%	2.61%	2.76%	2.77%	2.81%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
2021_Q1	75,567,351	0.00%	0.41%	0.70%	0.95%	1.20%	1.35%	1.50%	1.65%	1.75%	1.97%	2.05%	2.26%	2.42%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%
2021_Q2	81,343,978	0.00%	0.66%	0.84%	0.97%	1.10%	1.25%	1.39%	1.64%	1.80%	1.92%	2.12%	2.23%	2.34%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%
2021_Q3	74,458,443	0.00%	0.28%	0.66%	0.86%	0.97%	1.36%	1.44%	1.49%	1.71%	1.77%	2.02%	2.14%	2.27%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%	2.33%
2021_Q4	91,489,824	0.00%	0.51%	0.92%	1.09%	1.32%	1.51%	1.80%	2.16%	2.42%	2.68%	2.78%	2.88%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%
2022_Q1	71,633,858	0.00%	0.30%	0.50%	0.52%	0.72%	0.91%	1.08%	1.16%	1.35%	1.39%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%
2022_Q2	78,693,092	0.00%	0.47%	0.67%	0.86%	1.03%	1.22%	1.45%	1.76%	1.84%	2.03%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%
2022_Q3	77,230,717	0.12%	0.71%	1.07%	1.26%	1.57%	2.03%	2.49%	2.88%	3.03%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%
2022_Q4	99,444,492	0.00%	0.68%	1.31%	1.68%	1.94%	2.30%	2.49%	2.67%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%
2023_Q1	98,367,648	0.00%	0.38%	0.67%	0.89%	1.06%	1.20%	1.43%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%
2023_Q2	111,736,998	0.04%	0.57%	1.19%	1.75%	2.00%	2.23%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
2023_Q3	103,619,285	0.04%	0.66%	1.07%	1.28%	1.36%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%
2023_Q4	110,510,105	0.12%	0.30%	0.50%	0.59%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%
2024_Q1	83,041,744	0.00%	0.23%	0.28%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%
2024_Q2	31,472,836	0.00%	0.85%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%
2024_Q3	24,128,957	0.00%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
2024_Q4	29,491,793	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Cumulative quarterly gross loss rates - Used cars



**(10) Net losses (used cars)**

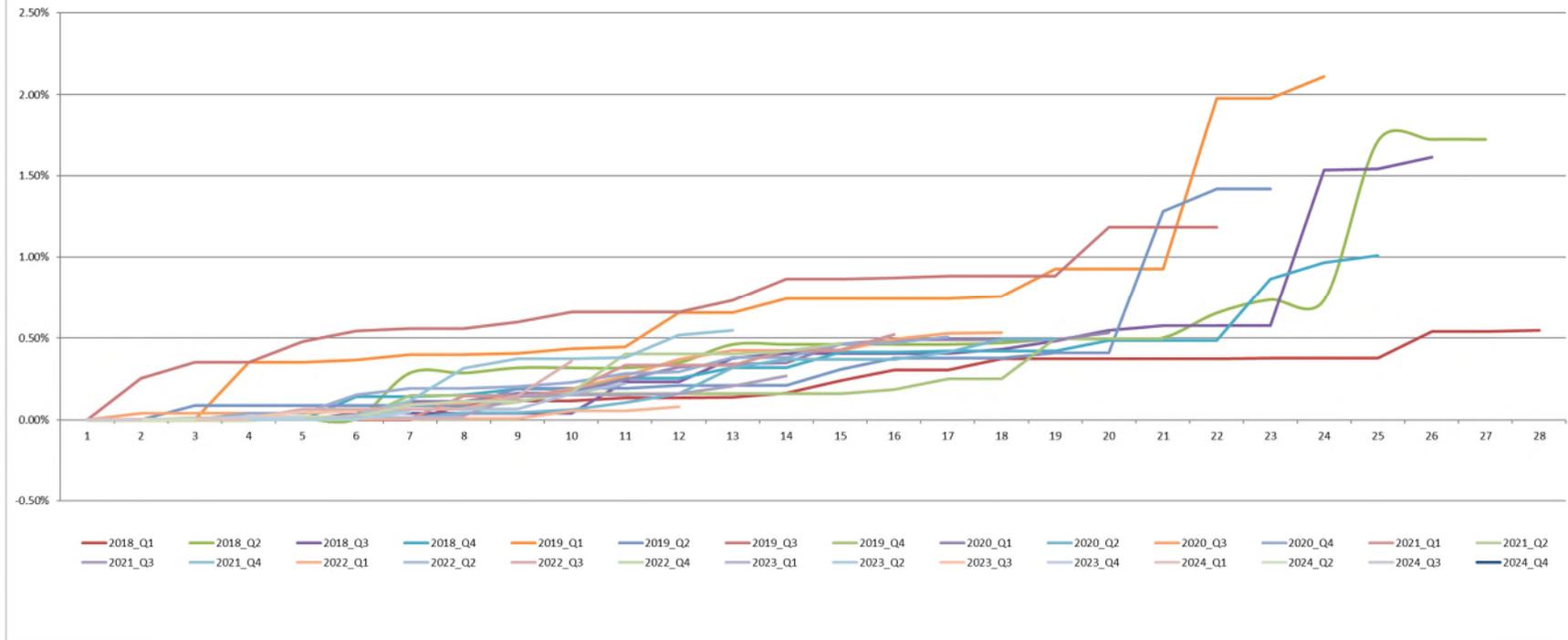
Note on net loss data - Net losses (used cars)

For a generation of leasing contracts for net losses (used cars) (being all leasing contracts originated during the same quarter), the cumulative net loss rate in respect of a quarter since quarter of origination is calculated as the ratio of: (i) the cumulative net loss amount recorded between the quarter when such leasing contracts were originated and the relevant quarter of the loss booking and (ii) the sum of the initial outstanding contract value of such leasing contracts at origination.

### CUMULATIVE QUARTERLY NET LOSS RATES – USED CARS

Quarter of Origination	Originated Amount	Number of Months after Origination																											
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
2018_Q1	30,962,988	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.12%	0.12%	0.13%	0.13%	0.14%	0.16%	0.24%	0.31%	0.31%	0.37%	0.37%	0.37%	0.37%	0.37%	0.38%	0.38%	0.38%	0.54%	0.54%	0.55%
2018_Q2	34,278,641	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.29%	0.29%	0.32%	0.32%	0.32%	0.35%	0.46%	0.46%	0.46%	0.46%	0.46%	0.47%	0.49%	0.49%	0.50%	0.65%	0.74%	0.74%	1.71%	1.72%	1.72%	
2018_Q3	29,679,526	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.04%	0.04%	0.04%	0.04%	0.23%	0.23%	0.38%	0.41%	0.41%	0.41%	0.41%	0.43%	0.48%	0.55%	0.57%	0.57%	1.53%	1.54%	1.61%			
2018_Q4	37,321,077	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.14%	0.15%	0.19%	0.19%	0.25%	0.25%	0.32%	0.32%	0.41%	0.41%	0.42%	0.42%	0.42%	0.49%	0.49%	0.49%	0.86%	0.97%	1.01%			
2019_Q1	35,752,101	0.00%	0.00%	0.00%	0.35%	0.35%	0.37%	0.40%	0.40%	0.41%	0.44%	0.45%	0.65%	0.65%	0.74%	0.74%	0.74%	0.74%	0.75%	0.93%	0.93%	0.93%	1.98%	1.98%	2.11%				
2019_Q2	42,978,226	0.00%	0.00%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.19%	0.19%	0.19%	0.21%	0.21%	0.21%	0.31%	0.38%	0.38%	0.38%	0.41%	0.41%	1.28%	1.42%	1.42%					
2019_Q3	37,637,344	0.00%	0.25%	0.35%	0.35%	0.48%	0.54%	0.56%	0.56%	0.60%	0.66%	0.66%	0.66%	0.73%	0.87%	0.87%	0.87%	0.88%	0.88%	0.88%	1.18%	1.18%	1.18%						
2019_Q4	36,297,231	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.15%	0.15%	0.16%	0.16%	0.16%	0.16%	0.16%	0.18%	0.25%	0.25%	0.49%	0.49%	0.49%	0.49%							
2020_Q1	44,403,786	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.11%	0.11%	0.16%	0.16%	0.25%	0.32%	0.34%	0.35%	0.46%	0.49%	0.49%	0.49%	0.49%	0.53%								
2020_Q2	55,577,475	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.04%	0.04%	0.06%	0.11%	0.16%	0.32%	0.37%	0.37%	0.41%	0.49%	0.49%										
2020_Q3	92,346,794	0.00%	0.04%	0.04%	0.04%	0.04%	0.05%	0.09%	0.10%	0.14%	0.19%	0.27%	0.37%	0.42%	0.42%	0.49%	0.53%	0.53%											
2020_Q4	82,397,095	0.00%	0.00%	0.00%	0.04%	0.04%	0.15%	0.19%	0.19%	0.20%	0.23%	0.28%	0.29%	0.38%	0.38%	0.46%	0.47%	0.47%											
2021_Q1	75,567,351	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.15%	0.15%	0.18%	0.33%	0.33%	0.33%	0.42%	0.43%	0.52%												
2021_Q2	81,343,978	0.00%	0.00%	0.01%	0.01%	0.01%	0.02%	0.06%	0.06%	0.11%	0.17%	0.40%	0.40%	0.40%	0.42%	0.47%													
2021_Q3	74,458,443	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.14%	0.15%	0.15%	0.16%	0.21%	0.27%														
2021_Q4	91,489,824	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.12%	0.31%	0.37%	0.37%	0.38%	0.52%	0.55%															
2022_Q1	71,633,858	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.06%	0.06%	0.08%																
2022_Q2	78,693,092	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.07%	0.07%	0.07%	0.07%	0.16%	0.22%																
2022_Q3	77,230,717	0.00%	0.00%	0.01%	0.01%	0.07%	0.07%	0.07%	0.07%	0.15%	0.36%																		
2022_Q4	99,444,492	0.00%	0.00%	0.00%	0.02%	0.02%	0.02%	0.09%	0.11%	0.11%																			
2023_Q1	98,367,648	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%	0.02%																				
2023_Q2	111,736,998	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.05%																					
2023_Q3	103,619,285	0.00%	0.00%	0.00%	0.02%	0.05%																							
2023_Q4	110,510,105	0.00%	0.00%	0.00%	0.01%	0.01%																							
2024_Q1	83,041,744	0.00%	0.00%	0.00%	0.00%																								
2024_Q2	31,472,836	0.00%	0.00%	0.00%																									
2024_Q3	24,128,957	0.00%	0.00%																										
2024_Q4	29,491,793	0.00%																											

Cumulative quarterly net loss rates - Used cars



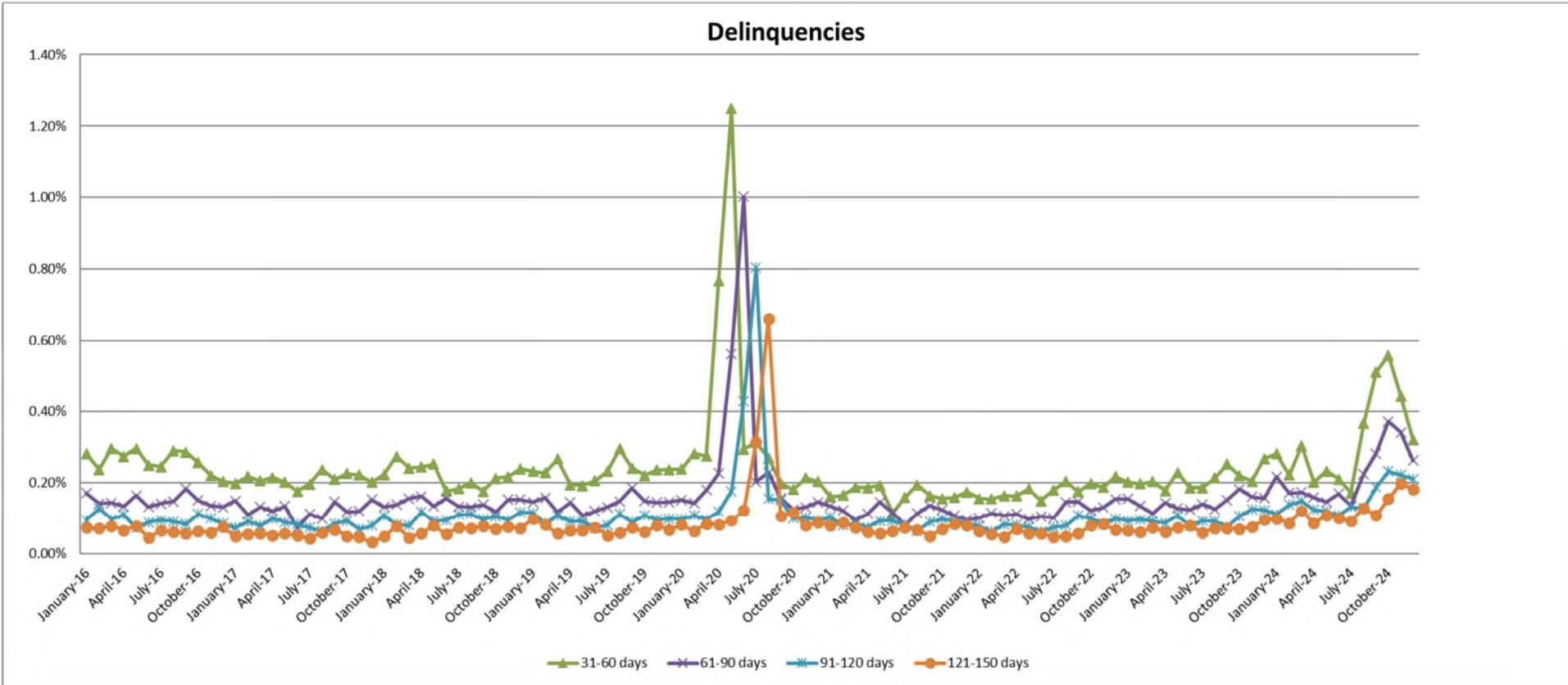
**(II) Delinquencies**

At a given month, the delinquency ratio is calculated as the ratio of:

- (a) the delinquent lease receivables (all overdue and future due instalments and the residual value); and
- (b) the total aggregate lease balance (instalments and residual value) of BMW Finance lease portfolio.

<b>Month of observation</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>91-120 days</b>	<b>121-150 days</b>
Jan 2016	0.28%	0.17%	0.09%	0.07%
Feb 2016	0.24%	0.14%	0.13%	0.07%
March 2016	0.30%	0.14%	0.10%	0.08%
Apr 2016	0.27%	0.13%	0.11%	0.07%
May 2016	0.30%	0.16%	0.07%	0.08%
June 2016	0.25%	0.13%	0.09%	0.05%
July 2016	0.25%	0.14%	0.09%	0.07%
Aug 2016	0.29%	0.15%	0.09%	0.06%
Sept 2016	0.29%	0.18%	0.08%	0.06%
Oct 2016	0.26%	0.15%	0.11%	0.06%
Nov 2016	0.22%	0.14%	0.10%	0.06%
Dec 2016	0.20%	0.13%	0.09%	0.08%
Jan 2017	0.20%	0.15%	0.07%	0.05%
Feb 2017	0.22%	0.11%	0.09%	0.06%
March 2017	0.21%	0.13%	0.08%	0.06%
Apr 2017	0.21%	0.12%	0.10%	0.05%
May 2017	0.20%	0.13%	0.09%	0.06%
June 2017	0.18%	0.07%	0.08%	0.05%
July 2017	0.20%	0.11%	0.07%	0.04%
Aug 2017	0.24%	0.10%	0.06%	0.06%
Sept 2017	0.21%	0.15%	0.08%	0.07%
Oct 2017	0.23%	0.12%	0.09%	0.05%
Nov 2017	0.22%	0.12%	0.07%	0.05%
Dec 2017	0.20%	0.15%	0.08%	0.03%
Jan 2018	0.22%	0.13%	0.11%	0.05%
Feb 2018	0.27%	0.14%	0.08%	0.08%
March 2018	0.24%	0.16%	0.08%	0.05%
Apr 2018	0.24%	0.16%	0.12%	0.06%
May 2018	0.25%	0.13%	0.09%	0.08%
June 2018	0.18%	0.16%	0.09%	0.06%
July 2018	0.18%	0.13%	0.11%	0.07%
Aug 2018	0.20%	0.13%	0.11%	0.07%
Sept 2018	0.18%	0.14%	0.10%	0.08%
Oct 2018	0.21%	0.12%	0.10%	0.07%
Nov 2018	0.22%	0.15%	0.09%	0.08%
Dec 2018	0.24%	0.15%	0.12%	0.07%
Jan 2019	0.23%	0.15%	0.11%	0.10%
Feb 2019	0.23%	0.16%	0.09%	0.08%
March 2019	0.27%	0.12%	0.11%	0.06%
Apr 2019	0.19%	0.14%	0.09%	0.07%
May 2019	0.19%	0.11%	0.09%	0.07%
June 2019	0.21%	0.12%	0.07%	0.07%
July 2019	0.23%	0.13%	0.08%	0.05%
Aug 2019	0.30%	0.15%	0.11%	0.06%
Sept 2019	0.24%	0.18%	0.09%	0.07%
Oct 2019	0.22%	0.15%	0.11%	0.06%
Nov 2019	0.24%	0.15%	0.10%	0.08%
Dec 2019	0.24%	0.15%	0.10%	0.07%
Jan 2020	0.24%	0.15%	0.10%	0.08%
Feb 2020	0.28%	0.14%	0.11%	0.06%
March 2020	0.28%	0.18%	0.10%	0.08%
Apr 2020	0.77%	0.23%	0.12%	0.08%
May 2020	1.25%	0.56%	0.18%	0.09%
June 2020	0.29%	1.00%	0.43%	0.12%
July 2020	0.31%	0.20%	0.80%	0.31%
Aug 2020	0.27%	0.23%	0.15%	0.66%
Sept 2020	0.20%	0.16%	0.15%	0.11%
Oct 2020	0.18%	0.13%	0.10%	0.12%
Nov 2020	0.21%	0.13%	0.10%	0.08%
Dec 2020	0.20%	0.15%	0.09%	0.09%
Jan 2021	0.16%	0.13%	0.10%	0.08%
Feb 2021	0.16%	0.12%	0.08%	0.09%
March 2021	0.19%	0.10%	0.08%	0.07%
Apr 2021	0.19%	0.11%	0.07%	0.06%
May 2021	0.19%	0.15%	0.09%	0.06%

June 2021	0.12%	0.11%	0.09%	0.06%
July 2021	0.16%	0.08%	0.08%	0.07%
Aug 2021	0.19%	0.11%	0.06%	0.07%
Sept 2021	0.16%	0.14%	0.09%	0.05%
Oct 2021	0.16%	0.12%	0.10%	0.07%
Nov 2021	0.16%	0.11%	0.09%	0.08%
Dec 2021	0.17%	0.10%	0.09%	0.08%
Jan 2022	0.16%	0.10%	0.08%	0.06%
Feb 2022	0.15%	0.11%	0.06%	0.06%
March 2022	0.16%	0.11%	0.08%	0.05%
Apr 2022	0.16%	0.11%	0.08%	0.07%
May 2022	0.18%	0.10%	0.08%	0.06%
June 2022	0.15%	0.10%	0.06%	0.06%
July 2022	0.18%	0.10%	0.07%	0.05%
Aug 2022	0.20%	0.15%	0.08%	0.05%
Sept 2022	0.17%	0.15%	0.11%	0.06%
Oct 2022	0.20%	0.12%	0.10%	0.08%
Nov 2022	0.19%	0.13%	0.08%	0.08%
Dec 2022	0.22%	0.15%	0.10%	0.07%
Jan 2023	0.20%	0.15%	0.09%	0.07%
Feb 2023	0.20%	0.13%	0.10%	0.06%
March 2023	0.20%	0.11%	0.09%	0.07%
Apr 2023	0.18%	0.14%	0.09%	0.06%
May 2023	0.23%	0.13%	0.11%	0.07%
June 2023	0.19%	0.12%	0.08%	0.08%
July 2023	0.19%	0.14%	0.09%	0.06%
Aug 2023	0.21%	0.13%	0.09%	0.07%
Sept 2023	0.25%	0.15%	0.08%	0.07%
Oct 2023	0.22%	0.18%	0.11%	0.07%
Nov 2023	0.20%	0.16%	0.13%	0.08%
Dec 2023	0.27%	0.16%	0.12%	0.10%
Jan 2024	0.28%	0.22%	0.11%	0.10%
Feb 2024	0.22%	0.17%	0.14%	0.09%
March 2024	0.30%	0.17%	0.15%	0.12%
Apr 2024	0.20%	0.16%	0.12%	0.09%
May 2024	0.23%	0.15%	0.12%	0.11%
June 2024	0.21%	0.17%	0.11%	0.10%
July 2024	0.17%	0.14%	0.13%	0.09%
Aug 2024	0.37%	0.22%	0.13%	0.13%
Sept 2024	0.51%	0.28%	0.19%	0.11%
Oct 2024	0.56%	0.37%	0.23%	0.16%
Nov 2024	0.44%	0.34%	0.22%	0.20%
Dec 2024	0.32%	0.26%	0.21%	0.18%



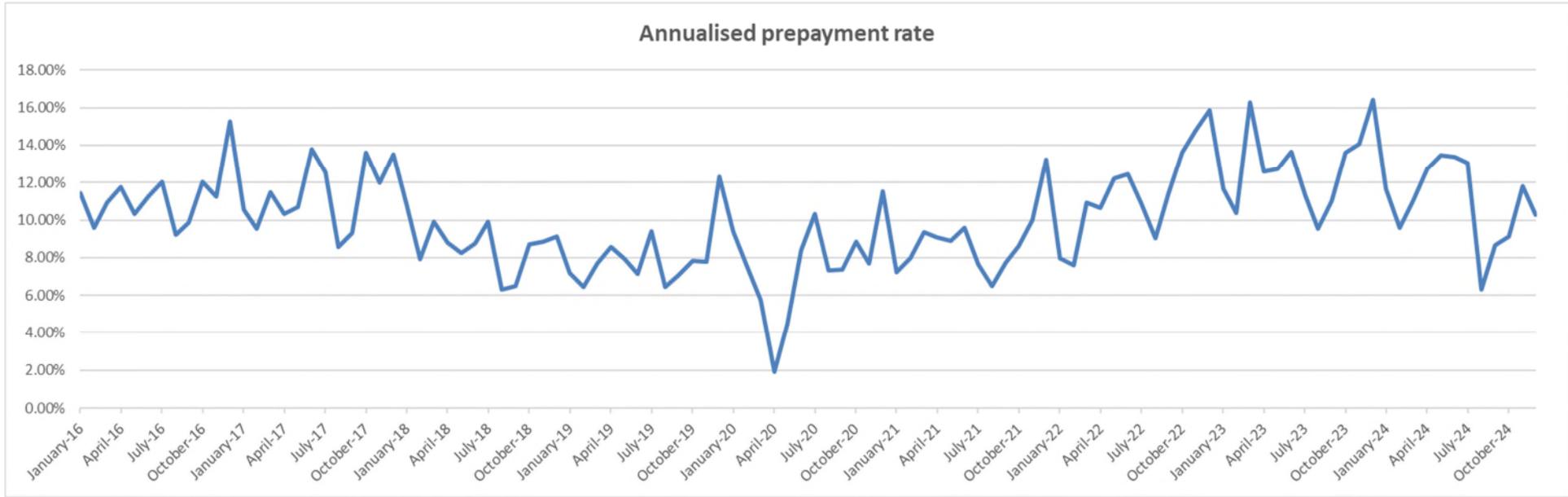
**(12) Annualised prepayments**

At a given month, the annualised prepayment rate is calculated by multiplying the monthly prepayment rate by twelve (12). The monthly prepayment rate is calculated as the ratio of:

- (a) the aggregate lease balance of all lease receivables (instalments and the residual value) prepaid during the respective month (i.e. damage, theft, conversion, continuance, amicably); and
- (b) the total aggregate lease balance (instalments and the residual value) of BMW Finance lease portfolio.

<b>Period</b>	<b>Annualised prepayment rate</b>
January-16	11.43%
February-16	9.57%
March-16	10.92%
April-16	11.74%
May-16	10.33%
June-16	11.22%
July-16	12.05%
August-16	9.22%
September-16	9.84%
October-16	12.03%
November-16	11.23%
December-16	15.25%
January-17	10.55%
February-17	9.55%
March-17	11.49%
April-17	10.33%
May-17	10.68%
June-17	13.80%
July-17	12.56%
August-17	8.56%
September-17	9.32%
October-17	13.59%
November-17	11.97%
December-17	13.52%
January-18	10.88%
February-18	7.93%
March-18	9.92%
April-18	8.79%
May-18	8.24%
June-18	8.75%
July-18	9.91%
August-18	6.32%
September-18	6.49%
October-18	8.72%
November-18	8.84%
December-18	9.14%
January-19	7.20%
February-19	6.45%
March-19	7.69%
April-19	8.55%
May-19	7.94%
June-19	7.12%
July-19	9.41%
August-19	6.46%
September-19	7.07%
October-19	7.85%
November-19	7.78%
December-19	12.30%
January-20	9.42%
February-20	7.54%
March-20	5.76%
April-20	1.91%
May-20	4.47%
June-20	8.40%
July-20	10.34%
August-20	7.32%
September-20	7.38%

October-20	8.85%
November-20	7.71%
December-20	11.51%
January-21	7.23%
February-21	7.95%
March-21	9.34%
April-21	9.08%
May-21	8.88%
June-21	9.57%
July-21	7.64%
August-21	6.48%
September-21	7.76%
October-21	8.63%
November-21	10.02%
December-21	13.22%
January-22	7.98%
February-22	7.62%
March-22	10.92%
April-22	10.65%
May-22	12.20%
June-22	12.45%
July-22	10.81%
August-22	9.05%
September-22	11.41%
October-22	13.59%
November-22	14.78%
December-22	15.86%
January-23	11.67%
February-23	10.37%
March-23	16.28%
April-23	12.60%
May-23	12.75%
June-23	13.66%
July-23	11.35%
August-23	9.53%
September-23	11.01%
October-23	13.59%
November-23	14.05%
December-23	16.41%
January-24	11.68%
February-24	9.59%
March-24	11.04%
April-24	12.71%
May-24	13.46%
June-24	13.36%
July-24	13.05%
August-24	6.31%
September-24	8.65%
October-24	9.14%
November-24	11.78%
December-24	10.26%



<b>Average annualised prepayment rate</b>	10.17%
<b>Maximum</b>	16.41%
<b>Minimum</b>	1.91%

## CREDIT AND COLLECTION POLICY

The following is a description of the Credit and Collection Policy.

### **Description of rating system and risk management**

All credit applications in the financing business are subject to various integrity and plausibility checks as well as sophisticated rating procedures involving standardised credit processes. The rating system used by BMW Finance was first implemented for private borrowers in 2004 and for corporate borrowers in 2006. The scorecards were updated in 2015 and are continuously monitored with regard to the ability to predict potential defaults. An automated system combines external information provided by the applicant, the Banque de France blacklist and the embargo list, internal data from previous credit performances (via optimised statistical models and algorithms, differing by customer types), credit agencies for corporate borrowers and other sources. The result is a rating figure which reflects the applicant's creditworthiness.

A probability of default is assigned to the potential obligor based upon their credit rating figure, which along with the "**Loss Given Default**" determines the "**Expected Loss**". BMW Finance's historical default data and recovery rates are used to derive the probabilities of default and the Loss Given Default figure.

The credit rating, the Expected Loss and various policy rules, including the debt servicing calculation, provide the basis for the credit decision i.e. determining responsibilities and competencies as well as approving or rejecting the credit application, and whether any additional collateral should be provided by the potential obligor.

The expected value of the financed vehicle upon maturity of the contract is determined based upon internal expertise as well as statistical methodology based on internal data. It is subject to ongoing assessment and monitoring for the entire duration of the contract in order to identify any potential loss in the remarketing process at an early stage.

Several methods are used to measure and manage the risks of the existing financing portfolio of BMW Finance. For example, "**Value at Risk**" which indicates the maximum loss within the portfolio at a specific probability over a certain period of time is calculated on a regular basis.

### **Residual value setting**

#### *Base Residual Value setting (SF Base)*

The residual value setting is calculated by the Base Residual Value (the "**SF Base**") which is the expected fair market value of the vehicle to be realised upon termination of the contract (excluding any commercial interests). In order to determine the SF Base, BMW Finance analyses the internal remarketing sales performance, other variables that affect the SF Base, such as ageing, life cycle, mileage, volume, catalogue price and relevant macroeconomic factors and expert opinion on local competition, product substance, and remarketing performance factors. The SF Base is updated quarterly and continues throughout the duration of the contract.

#### *Contractual Residual Value (CRV)*

The Contractual Residual Value is the published residual value, i.e. the expected book value of the vehicle at the end of the lease, and is the basis for calculating the monthly instalments of the Lessee. The Contractual Residual Value is equal to or above the SF Base and any difference in price is granted and subsidised by BMW Finance or any third party such as a dealer.

#### *Portfolio evaluation*

Over the life cycle of a contract, the residual value assumptions are continually updated through monitoring the portfolio, periodically calculating the "**Adjusted Market Prognosis**" (AMP) and reviewing the expected return ratio for the vehicles. This allows the determination of realised residual value gains or losses and for the calculation of "**Standard Residual Value Risk Costs**" to be calculated, whilst supporting any disposal strategies and end of lease processes.

## Remarketing process

Long-term lease with buy back option (LOA): If the customer decides not to exercise the buy back option and if any dealer buy back does not occur, BMW Finance remarketing process will apply.

Long-term lease without purchase option (LLD): If dealer buy back does not occur BMW Finance remarketing process will apply.

The remarketing process is conducted by the National Sales Company BMW France S.A. on behalf of BMW Finance. The framework of the remarketing process is defined as the "**Remarketing Cascade**" and consists of the following steps (the "**Sales Channels**"):

- *Landing/Originating Dealer*: The vehicle is offered to the landing dealer to whom the customer returned the vehicle at the end of the contract;
- *Dealer Organisation*: If the landing dealer does not want to buy the vehicle, then it is offered to the BMW/MINI dealers that are part of the dealer network via the dedicated web-based platform;
- *Independent Dealers*: after a period of exclusivity for the BMW/MINI network, the web-based platform offers the vehicles to independent dealers in addition to the BMW/MINI dealers;
- *Auction Channel*: If the vehicle is not sold to the dealer network it is offered through the online auction market via authorised auctioneers. Independent dealers or BMW/MINI dealers can participate in such online auctions.

BMW Finance monitors all the Sale Channels through the following defined Key Performance Indicators (KPI's):

- DTS: Days To Sell (average time to sell vehicles)
- DIS: Days In Stock (average age of stock)
- Sales Performance: Sales results against fair market value ("**Côte Argus**")
- Level of Stock: Number of vehicles in stock

In addition, the sales results are analysed on a monthly basis per channel and per model of vehicle ("**Volume Rebate**") permitting a steering of prices.

## Termination of lease contracts

The termination of a lease contract by BMW Finance is possible, in particular, but not limited to any of the following situations:

Default of payment:

- Private customers and companies: At least four (4) instalments are not or only partially paid.

Due to important reasons, including but not limited to:

- Worsening of assets of debtor or co-debtor;
- Lapse, theft or destruction of collateral;
- If the debtor is deceased and the heirs do not demonstrate legitimisation or have a low degree of creditworthiness that is not covered by guarantees or other collateral;
- If the debtor or co-debtor has made untrue statements in connection with the contract or has failed to state relevant facts;

- If the debtor or co-debtor moved abroad permanently;
- Over-indebtedness;
- Bankruptcies;
- If the customer continues to commit serious breaches of the contract in spite of written requests to desist or if the customer fails to remedy immediately any effects of such breaches of the contract.

Termination of the contract by the customer, in particular, but not limited to:

- The full amount of the contract is settled and paid early;
- Early termination is requested: after the first year for LOA contracts and with the agreement of BMW Finance; and at any time with three (3) months prior notice for LLD contracts. Early termination fees may apply in such circumstances;
- As a result of important reasons as per detailed above.

### **Collections/recovery**

The lease application includes a clause authorising BMW Finance to debit the payments as they become due, directly from the debtors bank account. Debtors typically make use of the direct debit system offered by BMW Finance upon entering a contract. This procedure ensures that BMW Finance promptly receives amounts due. Customers who no longer authorise direct debit may give standing orders (wire transfers) to their banks or write cheques.

Within the Single Euro Payments Area (SEPA), any bank mandate is automatically applied to the first direct debit. BMW Finance receives the full amount of the instalments paid by direct debit after every payment on its bank accounts. Retail finance contracts are subject to monthly payments in advance (i.e. at the beginning of the period) for the long-term lease with purchase option (LOA) and long-term lease without purchase option (LLD). The due date for the monthly instalments can be chosen by the customer after the completion of the application.

In the event that the direct debiting orders of BMW Finance are not honoured, the bank will inform BMW Finance that the payment has been rejected. Within SEPA, the direct debit is automatically re-executed after five (5) days as a second payment attempt. If the second attempt fails, reminder notices are immediately and automatically sent out to the customer. A payment is only considered as having been missed when a direct debit following the reminder notice is also rejected.

The process of handling payment reminders is fully automated and supported by separate IT systems. The employees of the collections/recovery department of BMW Finance are authorised to grant justified payment extensions in exceptional cases. Any such extensions are closely monitored and reviewed.

If the second direct debit is rejected again or the customer is not using a direct debit, the collection department responds by means of an outbound call to the customer within two (2) days.

For technical rejections caused by incorrect or insufficient data (e.g. incorrect bank details, unusable account details, closed accounts) a letter is sent to the customer in addition to the outbound call, including a new IBAN request form. An alert is issued to the collection and recovery department for information and monitoring purposes. Non-Technical Unpaid (NTU) payments refer to missed payments that indicate that the customer's bank account is no longer in credit or that the customer has requested that its bank should not pay BMW Finance. NTU could arise for legal reasons (e.g. bankruptcy) or because of insufficient funds.

If within this period the customer does not provide sufficient feedback, the collection process is initiated. Another outbound call is made by the collections and recovery department and a stronger reminder letter is generally sent to the customer setting another payment deadline. The entire process is supported by an outbound telephone campaign to customers managed by BMW Finance. If the account is still not settled, a reminder letter is sent to the customer advising that a notification to the Banque de France will be sent in case of non-payment within the

advised payment term. In such cases, all private customers with NTU payments are reported to the Banque de France upon the earlier of (i) the second missed payment or (ii) when hostile termination is initiated. The customer is then registered on the official credit blacklist of the Banque de France.

If the customer returns the vehicle voluntarily to BMW Finance before the recovery process starts, the internal remarketing process begins. BMW Finance's provider, Macadam, issues an expert opinion regarding the vehicle's current status and pricing is carried out by the internal remarketing department. In such cases, all vehicles are either auctioned or sold via the remarketing process of BMW France S.A. After the sale of the vehicle, the final invoice under the lease contract is sent to the customer with the request to pay any remaining debt if applicable.

Upon non-payment of the fourth instalment (or before, in certain cases such as vehicle damage or theft) more robust collection methods are initiated (registered letters are sent to customers and outbound calls are made to warn of consequences of recovery actions to be taken). If payment due and payable to BMW Finance is still not forthcoming, and if such amount is over €250, hostile termination is initiated after the "four (4) eyes" principle.

Cases that go to hostile termination are managed externally by our current provider for recovery process, Crédit Agricole Consumer Finance, with the aim of making recoveries within thirty (30) days. There is always an amicable recovery attempt by the bailiff at first, before going to court to obtain appropriate titles with law enforcement.

Once the contract reaches hostile termination, the system does not revert to normal payment status. The contract status in the system is permanently in the recovery phase.

If the customer does not voluntarily return the vehicle within the term stated in the termination letter, a forced repossession court order is generated through the recovery process. The bailiff mandated by Crédit Agricole Consumer Finance will then collect the vehicle from the customer.

In the event that the vehicle is successfully repossessed during the recovery process, the bailiff mandated by Crédit Agricole Consumer Finance will proceed with the evaluation of the current status of the vehicle and pricing with the Crédit Agricole Consumer Finance remarketing team. The Crédit Agricole Consumer Finance remarketing team will then sell the vehicle by way of an online or physical auction in respect of the majority of used vehicles.

Once all options for recovering the full amount of the debt have been exhausted, the contract typically goes into write-off. Crédit Agricole Consumer Finance submits proposals for debts to be written off on a monthly basis for BMW Finance's approval. All losses of €1,000 or more must be signed off by both the local finance department and the operations department in accordance with the "four (4) eyes" principle.

Upon BMW Finance writing off a debt, there is a six (6) month standstill period. After that period, Crédit Agricole Consumer Finance can reactivate the recovery process for the outstanding amount if the debtor's situation improves.

## THE FCT

### Legal Framework

Bavarian Sky French Auto Leases 5 is a French *fonds commun de titrisation* established by the Management Company on the Signing Date. The sole purpose of Bavarian Sky French Auto Leases 5 is to be exposed to credit risks by acquiring auto receivables from the BMW Group and issuing debt securities. The FCT is established in accordance with the provisions of articles L. 214-167 to L. 214-175-8, articles L. 214-180 to L. 214-186 and articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code, the relevant provisions of the AMF General Regulations and by its Issuer Regulations. The FCT is governed by the above provisions of the French Monetary and Financial Code and by its Issuer Regulations.

The Management Company acts in the name and on behalf of the FCT. The FCT does not have a separate legal personality. The FCT is neither subject to the provisions of the French Civil Code relating to the co-ownership (*rules of indivision*) nor to the provisions of articles 1871 to 1873 of the French Civil Code relating to partnerships (*societes en participation*). The FCT has no place of registration, no registration number, no telephone number and no website. The FCT has no share capital. The FCT has neither memorandum nor articles of association.

No meeting or resolution of the FCT is required for the issuance of the Notes or the Units. The creation and issue of such asset-backed securities will be made in accordance with the laws and regulations applicable to debt securitisation funds (*fonds commun de titrisation*).

Upon subscription or purchase of any Note, its holder will be automatically and without any further formality (*de plein droit*) bound by the provisions of the Issuer Regulations, as amended from time to time. As a consequence, each holder of a Note is deemed to have full knowledge of the operation of the FCT, and in particular, of the characteristics of the Receivables purchased by the FCT, of the terms and conditions of the Notes and of the identity of the parties participating in the management of the FCT.

### Issuer Regulations

The Issuer will be established by the Management Company pursuant to the Issuer Regulations to be entered into on or before the Issue Date.

Pursuant to articles L. 214-168, I, L. 214-175-1, I, R. 214-217 1° and 2° and R. 214-223 of the French Monetary and Financial Code and the terms of the Issuer Regulations, the purpose of the Issuer is to (a) be exposed to credit risks by acquiring, from the Seller, the Purchased Receivables arising from the Underlying Agreements entered into with Obligors and (b) finance in full and hedge such risks by (i) issuing the Units and the Notes, (ii) entering into the Swap Agreement and (iii) borrowing sums under the conditions set out in the Subordinated Loan Agreement and the Issuer Regulations, it being understood that the Management Company has not been involved in the arrangement of the structuring of the FCT.

The proceeds of the issue of the Notes and the Units will be used by the Management Company to purchase the Purchased Receivables which will be allocated exclusively to the Issuer by the Management Company.

The Issuer will not issue any additional notes or units after the Issue Date.

### General description of the assets of the Issuer

The assets of the Issuer mainly comprise the Purchased Receivables assigned to the Issuer, on the Issue Date, by the Seller pursuant to the Lease Receivables Purchase Agreement.

The assets of the Issuer also include:

- (a) any Ancillary Rights attached to the Purchased Receivables;
- (b) the amounts credited to the Issuer Account and the Counterparty Downgrade Collateral Account;

- (c) any Swap Incoming Cashflow and any other amount to be received, as the case may be, from the Swap Counterparty under the Swap Agreement; and
- (d) any other rights transferred or attributed to the Issuer under the terms of the Transaction Documents.

The securitised assets backing the issue of the Class A Notes, the Class B Notes and the Class C Notes have, at the date of approval of this Offering Circular, characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes.

#### **Allocation of the cash flows generated by the assets of the Issuer**

The cash flows generated by the assets of the Issuer are allocated by the Management Company exclusively to the payment of all amounts due in connection with the Issuer, pursuant to the applicable Priority of Payments.

#### **Funding and hedging strategy of the Issuer**

In accordance with articles R. 214-217, 2° and R. 214-223 of the French Monetary and Financial Code and pursuant to the Issuer Regulations, the funding strategy (*stratégie de financement*) of the Issuer is to issue the Notes and the Units, and to borrow sums under the Subordinated Loan Agreement. The proceeds of which will be applied to purchase from the Seller the of the Purchased Receivables which will be allocated exclusively to the Issuer by the Management Company on the Issue Date.

In accordance with article R. 214-217, 2° and article R. 214-224 of the French Monetary and Financial Code and pursuant to the Issuer Regulations, the Issuer may implement its hedging strategy (*stratégie de couverture*) in order to hedge its interest rate exposure under the Notes by entering into a Swap Agreement with the Swap Counterparty.

#### **Litigation**

The Issuer has not been and is not involved in any governmental, legal or arbitration proceedings that may have any material adverse effect on the financial position of the Issuer. The Management Company is not aware that any such proceedings or arbitration proceedings are imminent or threatening, which could adversely affect the Issuer's business, results of operations or financial condition. This statement is valid from the date of the establishment of the Issuer.

#### **Limitations and waiver of recourse**

Without prejudice to the obligations and rights of the Issuer, the Unitholders and, as applicable, the Noteholders have no direct recourse, whatsoever, to the debtors of the Receivables purchased by the Issuer.

In addition, the holders of the Units and the Notes expressly and irrevocably:

- (a) acknowledge that their rights over the assets of the Issuer are limited under the terms and conditions of the Issuer Regulations; and
- (b) waive all their rights of recourse against the Issuer with respect to its contractual liability.

Pursuant to the provisions of the Issuer Regulations, the Management Company will expressly and irrevocably undertake, upon the conclusion of any agreement in the name and on behalf of the Issuer and with any third party with respect to the Issuer, to ensure that such third party expressly and irrevocably:

- (i) waives all its rights of recourse against the Issuer in the terms set out in paragraph (b) above or, failing which,
- (ii) acknowledges that its rights against the Issuer are limited to the assets allocated to it.

#### **Issuer's indebtedness statement**

The Issuer's indebtedness when it is established; taking into account the issue of the Notes and the Units, will be as follows:

<b>Indebtedness on the Issue Date, subject to, and taking into account of, the issue of the Notes and the Units</b>	<b>€</b>
Class A Notes	500,000,000.00
Class B Notes	68,900,000.00
Class C Notes	74,400,000.00
Units	300.00
Subordinated Loan	5,150,000.00
<b>Total Indebtedness</b>	<b>648,450,300.00</b>

### **Financial position and prospects**

There has been no material adverse change in the financial position or prospects of the Issuer since the incorporation of the Issuer.

### **Statutory Auditor**

The statutory auditor of the Issuer is PriceWaterhouseCoopers Audit.

PriceWaterhouseCoopers Audit is a member of *La Compagnie Nationale des Commissaires aux Comptes (CNCC)*.

In accordance with article L. 214-185 of the French Monetary and Financial Code and following approval by the AMF, the statutory auditor of the Issuer is appointed for six (6) financial years by the board of directors, the manager or the executive board of the Management Company. It will perform the audits required by applicable laws and regulations, certify, where applicable, that the accounts are accurate and verify that the information contained in each Annual Activity Report and Semi-Annual Activity Report is reliable. It will inform the AMF and the Management Company of any irregularities and errors that it discovers in the course of its duties. It will verify the periodic information given to the Noteholders and the Unitholders by the Management Company and prepare an annual report on the accounts of the Issuer for the attention of the Noteholders and the Unitholders.

The financial statements of the Issuer, generally, will be prepared in accordance with the recommendations of the French *Conseil National de la Comptabilité* (the National Accounting Board) as set out in its *avis* no. no. 2016-02 dated 11 March 2016 relating to the annual statements of securitisation (*règlement n° 2016-02 du 11 mars 2016 relatif aux comptes annuels des organismes de titrisation de l'Autorité des normes comptables*).

The Unitholders have the rights attributed to shareholders by articles L. 214-185 of the French Monetary and Financial Code and articles L. 821-49 and L. 225-231 of the French Commercial Code. Accordingly, in accordance with article L. 225-231 of the French Commercial Code, the Unitholders are entitled to request the revocation of the statutory auditor of the Issuer.

There has been no material adverse change in the financial position or prospects of the Issuer since the incorporation of the Issuer.

### **Purchased Receivables and income**

The Purchased Receivables will be recorded on the Issuer's balance sheet at their nominal value. The potential difference between the purchase price and the nominal value of the receivables, whether positive or negative, will be carried in an adjustment account on the asset side of the balance sheet. This difference will be carried forward on a *pro rata* and *pari passu* basis of the amortisation of the Purchased Receivables.

The interest on the Purchased Receivables will be recorded in the income statement, *pro rata temporis*. The accrued and overdue interest will appear on the asset side of the balance sheet in an apportioned receivables account.

Delinquencies or defaults on the receivables existing as at the Issue Date are recorded in an adjustment account on the asset side of the balance sheet. This amount will be carried forward on a temporary *pro rata* basis over a period of twelve (12) months.

The Purchased Receivables that are accelerated by the Servicer pursuant to the terms and conditions of the Servicing Agreement and in accordance with the Credit and Collection Policy will be accounted for as a loss in the account for defaulted assets.

#### **Issued Notes and income**

The Notes and the Units will be recorded at their nominal value and disclosed separately in the liability side of the balance sheet. Any potential differences, whether positive or negative, between the issuance price and the nominal value of the Notes be recorded in an adjustment account on the liability side of the balance sheet. These differences will be carried forward on a *pro rata* and *pari passu* basis of the amortisation of the Purchased Receivables.

The interest due with respect to the Notes will be recorded in the income statement *pro rata temporis*. The accrued and overdue interest will appear on the liability side of the balance sheet in an apportioned Liabilities account.

#### **Expenses, fees and income related to the operation of the Issuer**

The various fees and income paid to the Transaction Parties will be recorded, as expenses, in the accounts *pro rata temporis* over the accounting period.

All costs related to the establishment of the Issuer will be borne by the Seller.

#### **Swap Agreement**

The interest received and paid pursuant to the Swap Agreement will be recorded at its net value in the income statement. The accrued interest to be paid or to be received will be recorded in the income statement *pro rata temporis*. The accrued interest to be paid or to be received will be recorded, with respect to the Swap Agreement, on the liability side of the balance sheet, where applicable, on an apportioned liabilities account (*compte de créances ou de dettes rattachées*).

#### **Amount standing to the credit of the Cash Reserve Ledger**

The amount standing to the credit of the Cash Reserve Ledger will be recorded to the credit of the Cash Reserve Ledger on the liability side of the balance sheet.

#### **Amount standing to the credit of the Commingling Reserve Ledger**

The amount standing to the credit of the Commingling Reserve Ledger will be recorded to the credit of the Issuer Account on the liability side of the balance sheet.

#### **Amount standing to the credit of the Performance Reserve Ledger**

The amount standing to the credit of the Performance Reserve Ledger will be recorded to the credit of the Issuer Account on the liability side of the balance sheet.

#### **Income amounts credited to the Issuer Account**

The income generated from the investment of amounts credited to the Issuer Account will be recorded in the income statement *pro rata temporis* (excluding interests earned on the Issuer Account).

#### **Income**

The net income will be posted to a retained earnings account.

### **Liquidation Surplus**

The Liquidation Surplus will consist of the income arising from the liquidation of the Issuer and the retained earnings.

### **Duration of the accounting periods**

Each accounting period of the Issuer will be twelve (12) months and begin on 1 January and end on 31 December, save for the first accounting period of the Issuer which will begin on the Issue Date and end on 31 December 2025.

### **Accounting information in relation to the Issuer**

The accounting information with respect to the Issuer will be provided by the Management Company, under the supervision of the Custodian, in its Annual Activity Report and half-yearly activity report, pursuant to the applicable accounting standards. The accounts will be subject to certification by the statutory auditor of the Issuer.

The Management Company will publish information relating to the Issuer in accordance with the then current and applicable accounting rules and practices.

### **Annual Activity Report**

Within four (4) months after the end of each financial year, the Management Company will prepare and publish, in accordance with the then current and applicable accounting rules and practices and under the supervision of the Custodian, an Annual Activity Report which will include:

1. The annual accounting documents, with their certification notice by the statutory auditor.

The accounting documents are the following:

- (a) the inventory of the assets of the Issuer including:
    - (i) the inventory of the portfolios of the Purchased Receivables of the Issuer;
    - (ii) the inventory of any other assets purchased by, and financial contracts entered into by, the Issuer; and
    - (iii) the amounts credited to the Issuer Account and their distribution;
  - (b) the annual accounts including:
    - (i) the Issuer's balance sheet;
    - (ii) the Issuer's income statement; and
    - (iii) the appendix describing the accounting methods applied and, if appropriate, a detailed report on the debts of the Issuer and the guarantees received.
2. A report including:
    - (a) the amount and proportion of all fees and expenses borne by the Issuer during the financial year;
    - (b) the amounts credited to the Issuer Account by reference to the assets of the Issuer;
    - (c) a description of the transactions carried out by the Issuer during the course of the financial year; and

- (d) information relating to the Purchased Receivables, to any other assets owned by, and any financial contracts entered into by, the Issuer and the Notes issued by the Issuer.
3. any changes made to the rating reports on the Notes and to the main features of this Offering Circular and any event which may have an impact on the Notes.

The statutory auditor will certify that the information contained in the Annual Activity Report is true and accurate.

### **Semi-Annual Activity Report**

Within three (3) months after the end of the first half of the financial year, the Management Company will prepare and publish, in accordance with the then current and applicable accounting rules and practices and under the supervision of the Custodian, a Semi-Annual Activity Report which will include:

1. The financial statements prepared by the Management Company mentioning their review by the statutory auditor; these financial statements will be prepared on a half-yearly basis including the inventory of the assets as specified in paragraph 1(a) above and the statement as to the Liabilities;
2. A description of the transactions carried out by the Issuer during the course of the first half of the financial year;
3. The information specified in paragraphs 2(b) and 2(d) of the above section entitled "Annual Activity Report"; and
4. Any changes made to the rating reports on the Notes and to the main features of this Offering Circular and any event which may have an impact on the Notes issued by the Issuer.

The statutory auditor will certify that the information contained in the Semi-Annual Activity Report is true and accurate.

The Annual Activity Report and the Semi-Annual Activity Report and any other information documentation published by the Management Company with respect to the Issuer will be provided to the Noteholders upon request. Such reports will also be available on the internet website of the Management Company ([www.iqeq.com](http://www.iqeq.com)).

### **Additional information**

The Management Company will publish on its internet website, or through any other means that it deems appropriate, any information regarding the Seller, the Servicer, the Purchased Receivables, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders.

The Management Company will prepare and provide to the Custodian the Annual Activity Report and the Semi-Annual Activity Report. The Management Company will prepare and provide to the Seller the Monthly Activity Report.

Any additional information will be published by the Management Company as often as it deems appropriate according to the circumstances affecting the Issuer and under its responsibility.

### **Liquidation**

The Management Company, acting in the name and on behalf of the Issuer, may declare the dissolution of the Issuer and liquidate the Issuer in one single transaction in the case of the occurrence of any of the following events (each a "**Issuer Liquidation Event**"):

- (a) the liquidation of the Issuer is in the interests of the Unitholders and Noteholders; or
- (b) the Seller exercises the Clean-Up Call Option; or

- (c) the Notes and the Units issued by the Issuer are held by a single holder and such holder requests the liquidation of the Issuer; or
- (d) the Notes and the Units issued by the Issuer are held solely by the Seller and the Seller requests the liquidation of the Issuer; or
- (e) pursuant to Article L. 214-175-2 III of the French Monetary and Financial Code, in the event of termination of the Custodian Agreement, the inability of the Management Company to appoint a replacement custodian at the end of the notice period provided for in the Custodian Agreement, being a "**Custodian Non-replacement Event**".

On the Issuer Liquidation Date:

- (a) the Noteholders will be repaid all amounts owing to them on the immediately succeeding Payment Date subject to and in accordance with the applicable Priority of Payments;
- (b) any amount standing to the credit of the Cash Reserve Ledger will be released and retransferred directly to the Seller;
- (c) any amount standing to the credit of the Commingling Reserve Ledger will be released and retransferred directly to the Seller as part of item (o) of the Pre-Enforcement Priority of Payments or item (n) of the Post-Enforcement Priority of Payments; and
- (d) any amount standing to the credit of the Performance Reserve Ledger will be released and retransferred directly to the Seller as part of item (o) of the Pre-Enforcement Priority of Payments or item (n) of the Post-Enforcement Priority of Payments.

The Management Company, pursuant to the provisions of the Issuer Regulations, will be responsible for the liquidation procedure in the event of any liquidation of the Issuer. In this respect, it has full authority to dispose of the assets of the Issuer, to pay the Noteholders and the potential creditors in accordance with the applicable Priority of Payments and to distribute any Liquidation Surplus.

Following the occurrence of a Custodian Non-replacement Event, the Custodian will continue to perform its duties until completion (*clôture*) of the liquidation of the Issuer.

The statutory auditor and the Custodian will continue to exercise their duties until the completion of the liquidation procedure of the Issuer.

The Liquidation Surplus, if any, will be attributed to the Seller with the exception of the principal amount owing to holders of the Units as a final payment in principal and interest in respect of the Units on a *pro rata* and *pari passu* basis.

### **Clean-Up Call Option**

With respect to any Payment Date on which (a) the sum of the then Aggregate Discounted Lease Balance and the sum of the then Aggregate Discounted Contractual Residual Value is less than 10% of the Aggregate Discounted Lease Balance and the Aggregate Discounted Contractual Residual Value as at the first Cut-Off Date or (b) if earlier, the Class A Notes have been redeemed in full, the Seller will (provided that on the relevant Payment Date no Enforcement Event has occurred) have the option to demand from the Issuer the resale of all outstanding Purchased Receivables, together with any Ancillary Rights, on the immediately following Clean-Up Call Settlement Date (the "**Clean-Up Call Option**"), subject to the following requirements (the "**Clean-Up Call Conditions**"):

- (a) the proceeds distributable as a result of such repurchase of all outstanding Purchased Receivables together with any Ancillary Rights (after the Seller has rightfully exercised the Clean-Up Call Option) shall, together with funds credited to the Cash Reserve Ledger, be at least equal to the sum of (x) the Aggregate Outstanding Notes Balance plus (y) accrued but unpaid interest thereon plus (z) all claims of any creditors

of the Issuer ranking prior to the claims of the Noteholders according to the Post-Enforcement Priority of Payments;

- (b) the Seller shall have notified the Management Company of its intention to exercise the Clean-Up Call Option at least ten (10) days prior to the contemplated settlement date of the Clean-Up Call Option which shall be the next following Payment Date (the "**Clean-Up Call Settlement Date**"); and
- (c) the repurchase price to be paid by the Seller shall be equal to the then current Aggregate Discounted Lease Balance, together with the then Aggregate Discounted Contractual Residual Value plus any interest accrued until, and outstanding on the Cut-Off Date immediately preceding such Clean-Up Call Settlement Date.

## NON-PETITION AND LIMITED RECOURSE

### Non-petition

Pursuant to article L. 214-175 III of the French Monetary and Financial Code, the provisions of Book VI of the French Commercial Code which govern Insolvency Proceedings in France are not applicable to the Issuer.

### Limited recourse

Each Transaction Party will agree and acknowledge to each of the Management Company that notwithstanding any other provision of any Transaction Document, all obligations of the Issuer to such Transaction Party are limited in recourse as set out below:

- (a) if on any Payment Date with respect to any amount of principal or interest in respect of the Notes, the amounts available to make payments of principal and interest in respect of any Class of Notes from the assets of the Issuer after payment, in particular, of the Issuer Expenses, and any amounts due in respect of any Note ranking in priority to the Notes of such Class and any payment due under the Swap Agreement which ranks ahead of payments in respect of the Notes of such Class in accordance with the relevant Priority of Payments, are insufficient to pay in full any amount of principal and/or interest which is then due and payable in respect of the Notes of such Class, any arrears resulting therefrom will be payable on the following Payment Date subject to the applicable Priority of Payments and to the extent of the Available Distribution Amount received from the assets of the Issuer;
- (b) in accordance with article L. 214-175 III of the French Monetary and Financial Code, the Issuer is liable for its debts (*n'est tenu de ses dettes*) to the extent of its assets (*qu'à concurrence de son actif*) and in accordance with the rank of its creditors as provided by law (*selon le rang de ses créanciers défini par la loi*) or, pursuant to article L. 214-169 of the French Monetary and Financial Code, in accordance with the provisions of the Issuer Regulations;
- (c) in accordance with article L. 214-169 II of the French Monetary and Financial Code, the Issuer's assets may only be subject to civil proceedings (*mesures civiles d'exécution*) to the extent of the applicable Priority of Payments;
- (d) in accordance with article L. 214-169 II of the French Monetary and Financial Code, the Noteholders and the Unitholders shall be bound by each of the applicable Priority of Payments as set out in the Issuer Regulations even if the Issuer is liquidated in accordance with the relevant provisions of the Issuer Regulations. None of the Noteholders or Unitholders shall be entitled to take any steps or proceedings that would result in any of the Priority of Payments not being observed;
- (e) pursuant to article L. 214-183 of the French Monetary and Financial Code, only the Management Company may enforce the rights of the Issuer against third parties. Accordingly, the Noteholders and the Unitholders shall have no recourse whatsoever against the Obligors as debtors of the Purchased Receivables; and
- (f) to the extent that it may have any claim (including any contractual claim or action (*action en responsabilité contractuelle*)) against the Issuer the payment of which is not expressly contemplated under any applicable Priority of Payments and the cash allocation provisions set out in the Issuer Regulations, each Noteholder and each Unitholder undertakes to waive to demand payment of any such claim as long as all Notes and Units issued by the Issuer have not been repaid in full.

## THE MANAGEMENT COMPANY

### General

The Management Company is IQ EQ Management, a *société par actions simplifiée* incorporated under the laws of France, whose registered office is located at 92 avenue de Wagram, 75017 Paris, France, licensed by the AMF as a portfolio management company (*société de gestion de portefeuille*) authorised to manage alternative investment funds (including *fonds communs de titrisation*) under number GP-02023. The legal representative of IQ EQ Management is its Chairman (*Président*), Bertrand Marie Pierre d'Anselme. Bertrand Marie Pierre d'Anselme's business address is at 92 avenue de Wagram, 75017 Paris, France.

The Management Company will establish the Issuer in accordance with the conditions described in the Issuer Regulations. Pursuant to article L. 214-183 of the French Monetary and Financial Code, the Management Company will represent the Issuer as against third parties, in particular in any legal action or proceeding whether as a plaintiff or as a defendant. The Management Company will be responsible for the management and the operation of the Issuer in accordance with all applicable laws and regulations and with the terms of the Issuer Regulations.

References in this Offering Circular to the Issuer will be deemed to be references to the Management Company acting in the name and on behalf of the Issuer and references in this Offering Circular to the Management Company will be deemed to be references to the Management Company acting in the name, and on behalf, of the Issuer.

As of the date of this Offering Circular, IQ EQ Management had a share capital of €751,014. The Management Company's telephone number is +33 1 56 88 16 16 and its website is [www.iqeq.com](http://www.iqeq.com), it being specified that the information available on such website does not form part of the Offering Circular.

### ***President, Chairman of the Board of Directors, Managing Director and Directors of the Management Company as at the date of this Offering Circular***

<b><i>Names</i></b>	<b><i>Function within the Management Company</i></b>	<b><i>Business Address</i></b>
Bertrand Marie Pierre d'Anselme	Chairman ( <i>Président</i> )	92 avenue de Wagram, 75017 Paris, France
Bertrand Marie Pierre d'Anselme	Chairman of the Board of Directors, Director ( <i>Président du Conseil d'Administration, Administrateur</i> )	92 avenue de Wagram, 75017 Paris, France
Fèmy Mouftaou	Managing Director, Director ( <i>Directeur général, Administrateur</i> )	92 avenue de Wagram, 75017 Paris, France
Eric Rene Marcel Fady	Director ( <i>Administrateur</i> )	92 avenue de Wagram, 75017 Paris, France
Salar Mozaffari	Director ( <i>Administrateur</i> )	92 avenue de Wagram, 75017 Paris, France
Romain Riegert	Director ( <i>Administrateur</i> )	92 avenue de Wagram, 75017 Paris, France
Sophie Marie Julienne Hubert	Director ( <i>Administrateur</i> )	92 avenue de Wagram, 75017 Paris, France

Copies of the financial statements of the Management Company can be obtained at the trade and companies registry (*Registre du commerce et des sociétés*) of Paris.

### **Duties of the Management Company**

Pursuant to the provisions of the Issuer Regulations, the Management Company is, with respect to the Issuer, specifically in charge of:

- (a) entering into and/or amending and/or renewing any agreements necessary for the establishment and operation of the Issuer and ensuring the proper performance of such agreements and the Issuer Regulations;
- (b) ensuring, on the basis of the information made available to it, that:
  - (i) the Seller complies with the provisions of the Lease Receivables Purchase Agreement; and
  - (ii) the Servicer complies with the provisions of the Servicing Agreement and in particular with the Credit and Collection Policy;
- (c) allocating to the FCT on the Issue Date, the assets purchased by the FCT;
- (d) allocating the expenses, costs or debts to be borne by the FCT;
- (e) verifying that the payments received by the Issuer are consistent with the sums due to it with respect to the assets of the Issuer, and, if necessary, enforcing the rights of the Issuer under the Transaction Documents;
- (f) ensuring that the Account Bank has opened the Accounts in accordance with the provisions of the Issuer Regulations and the Bank Account Agreement;
- (g) providing the Account Bank with all necessary information and instructions in order for the Account Bank to be able to operate the Accounts, in accordance with the provisions of the Issuer Regulations;
- (h) allocating and distributing the sums received by the Issuer in accordance with, and subject to, the relevant Priority of Payments;
- (i) determining on each Interest Determination Date, the Interest Rate applicable for the Class A Notes with respect to the applicable Interest Period;
- (j) determining the Principal Amount due and payable to the Noteholders on each Payment Date as well as making all other determinations and calculations referred to in the Issuer Regulations;
- (k) appointing the statutory auditor, and providing for a substitute statutory auditor if required, under the same terms and conditions;
- (l) preparing, under the supervision of the Custodian as the case may be, all documents required by the applicable provisions of the French Monetary and Financial Code applicable to debt securitisation funds (*fonds communs de titrisation*) and all other applicable laws and regulations, for the information of, if applicable, the Luxembourg Stock Exchange, the ACPR, the Rating Agencies, the Noteholders, the Unitholders and of any relevant supervising authority, market firm and clearing system (such as the Clearing Systems);
- (m) ensuring that the register of the Units is duly kept by the Registrar;
- (n) replacing, if necessary, the relevant Transaction Parties under the terms and conditions provided by any applicable laws at the time of such replacement and by the relevant Transaction Documents;
- (o) identifying any new Servicer and negotiating a replacement Servicing Agreement with any new Servicer following the occurrence of a Servicer Termination Event, in accordance with the provisions of the Servicing Agreement;

- (p) upon the occurrence of a Servicer Termination Event, notifying the Data Custody Agent that it has to provide the Portfolio Decryption Key to the relevant substitute Servicer or any Person designated by the Management Company;
- (q) providing any relevant data and information in its possession to the substitute Servicer;
- (r) notifying (or instructing any authorised third party to notify) the relevant Lessees, the relevant BMW Dealers, any other relevant Obligors and the relevant insurance companies in accordance with the provisions of the Servicing Agreement;
- (s) replacing, if applicable, with the prior consent of the Custodian, the Account Bank and replacing the Paying Agent, the Listing Agent, the Registrar and the Data Custody Agent under the terms and conditions provided by applicable laws at the time of such replacement and by the Bank Account Agreement, the Agency Agreement and the Data Custody Agreement, respectively;
- (t) upon termination of the appointment of the Swap Counterparty, if reasonably possible, appointing another Swap Counterparty which is an Eligible Swap Counterparty informing the Custodian prior to such appointment;
- (u) preparing and providing to the Custodian the Annual Activity Report and the Semi-Annual Activity Report and, after validation by the Custodian and the statutory auditor, making available and publishing on its internet website the Annual Activity Report and the Semi-Annual Activity Report;
- (v) preparing and providing to the Seller, for its information only, the Monthly Activity Report,
- (w) exercising constant vigilance and performing the verifications set out in Book III, Title I, Chapter V, Section VI on the obligations relating to anti-money laundering and combating financial terrorism of the AMF General Regulations regarding its obligations as Management Company of the Issuer and complying with the provisions of article L. 561-1 of the French Monetary and Financial Code and that it has established appropriate procedures in connection with anti-money laundering and prevention of terrorism in accordance with the provisions of Title VI Chapter I and Chapter II on the obligations relating to anti-money laundering and combating financial terrorism of Book V of the French Monetary and Financial Code;
- (x) providing on-line secured access to certain data for investors (through website facilities/intralink) in order to distribute any information provided by the Seller pursuant to article 6 of the Securitisation Regulation;
- (y) establishing and filing with the Commercial Court of Versailles the Pledged Vehicle registration form and any amendment registration form, in accordance with the Lease Vehicle Pledge Agreement;
- (z) enforcing the rights of the Issuer under the Lease Vehicle Pledge, if and when applicable, pursuant to the Lease Vehicle Pledge Agreement;
- (aa) to the extent they apply to the Management Company or the FCT, complying with the requirements deriving from the Securitisation Regulation, EMIR, SFTR, FATCA and any other Tax Information Arrangement; and
- (bb) deciding whether to liquidate the Issuer and conducting the liquidation thereof subject to the conditions of legal and regulatory provisions in force and of the Issuer Regulations.

The Management Company may terminate all Transaction Documents if (i) the issue of the Notes and Units has not been completed on the Issue Date or at any later date agreed between the parties to the relevant agreement or (ii) the total amounts received in respect of the subscription of the Class A Notes, the Class B Notes, the Class C Notes and the Units is less than the aggregate of the Purchase Price for the Purchased Receivables.

In the event of a dispute arising between the Management Company and the Custodian, each of them will be able to inform the AMF and will be able, if applicable, to take all precautionary measures (*mesures conservatoires*) which it considers appropriate to protect the interests of the Noteholders and of the Unitholders.

### **Performance of the obligations of the Management Company**

The Management Company will, under all circumstances, act in an honest, loyal, professional, independent manner (*de manière honnête, loyale, professionnelle, indépendante*) in the interests of the Noteholders and of the Unitholders. It expressly and irrevocably waives all its rights of recourse against the Issuer with respect to the contractual liability of the Issuer. In particular, the Management Company will have no recourse against the Issuer or its assets in respect of a default in the payment, for whatever reason, of the fees due to the Management Company.

The Management Company shall take all steps which it deems necessary or desirable to protect the Issuer's rights in relation to the Purchased Receivables.

Pursuant to article 321-100 of the AMF General Regulations (which applies to the Management Company pursuant to article 321-154 III of the AMF General Regulations), the Management Company shall act in the best interests of the Issuer and the Unitholders and foster (*favoriser*) the integrity of the market.

Pursuant to the terms of the Issuer Regulations the Management Company shall be bound to act at all times in the best interests of the Noteholders and the Unitholders.

In the event of a dispute arising between the Management Company and the Custodian, each of them shall be entitled to inform the AMF of such dispute and, as the case may be, shall be able to take all precautionary measures (*mesures conservatoires*) which it considers appropriate to protect the interests of the Noteholders and the Unitholders.

### **Delegation and sub-contracting**

The Management Company may sub-contract or delegate all or part of its obligations assigned to the Management Company by law, any agreement and/or the Issuer Regulations or appoint any third party (other than an entity within the BMW Group) to perform all or part of its obligations, subject to:

- (a) the Management Company arranging for the sub-contractor, the delegate, the agent or the appointee to expressly and irrevocably waive all its rights of recourse against the Issuer with respect to the contractual liability of the Issuer;
- (b) such sub-contracting, delegation, agency or appointment complying with the applicable laws and regulations;
- (c) the AMF having received prior notice, if required by the AMF General Regulations;
- (d) the Rating Agencies having received prior notice and such sub-contract, delegation, agency or appointment will not result, in the reasonable opinion of the Management Company, in the placement on "negative outlook" or as the case may be on "rating watch negative" or "review for possible downgrade", or the downgrading or the withdrawal of any of the ratings of the Notes or that such sub-contract, delegation, agency or appointment limits such downgrading or avoids such withdrawal; and
- (e) the sub-contractor, delegate, agent or appointee having waived its right of recourse against the Issuer,

provided that notwithstanding such sub-contracting, delegation, agency or appointment, the Management Company will continue to be bound to comply with its obligations to the Noteholders and the Unitholders pursuant to the Issuer Regulations.

## **Conflicts of interest**

The Management Company shall at all times during the term of the Issuer, comply with the provisions of article L. 214-175-3 of the French Monetary and Financial Code aiming at preventing conflicts of interest between the Custodian, the Management Company, the Noteholders and the Unitholders.

Pursuant to article 321-46 of the AMF General Regulations (which applies to the Management Company pursuant to article 321-154 III of the AMF General Regulations), the Management Company shall take all reasonable steps designed to identify conflicts of interest arising during the management of the Issuer in particular between the Management Company, the persons concerned or any person directly or indirectly related to the Management Company by a control relationship, on one hand, and its clients or the Issuer, on the other hand.

Pursuant to article 321-51 of the AMF General Regulations (which applies to the Management Company pursuant to article 321-154 III of the AMF General Regulations), where the organisational or administrative arrangements made by the Management Company to manage conflicts of interest are not sufficient to ensure with reasonable certainty that the risk of prejudicing the interests of the Issuer or the Unitholders will be avoided, the managers (*dirigeants*) or the competent internal body of the Management Company shall be promptly informed so that it may take any measure necessary to ensure that the Management Company will in all cases act in the best interests of the Issuer and of the Unitholders. The Unitholders are informed in a durable medium (support durable) of the reasons for the Management Company decision.

## **Liability of the Management Company**

The Management Company shall be liable towards the Custodian, the Noteholders and the Unitholders of any damage resulting directly from a breach of its obligations under the Issuer Regulations and any bad faith (*mauvaise foi*), willful misconduct (*faute intentionnelle*), gross negligence (*faute lourde*) or fraud (*fraude*) of the Management Company.

The Management Company declines any responsibility in the event of any delay or breach in the performance of the Issuer Regulations subsequent to events that are not attributable to the Management Company which are the result, *inter alia*, of a force majeure event (*force majeure*), as defined under article 1218 of the French Civil Code. In such case, in the event that the Management Company suspends the performance of its obligations, or fails to perform its obligations, no damages shall be due, nor shall penalties be paid.

## **Substitution at the initiative of the Management Company**

Pursuant to the provisions of the Issuer Regulations, at any time during the life of the Issuer and subject to a three (3)-month prior notice served on the Custodian by way of registered letter with acknowledgement of receipt, the Management Company may substitute for itself any other portfolio management company (*société de gestion de portefeuille*) duly licensed and authorised to manage *organismes de titrisation* by the AMF in the performance of its obligations under the Issuer Regulations, on condition that such substitution shall have been notified by the Management Company to the Noteholders and the Unitholders and always be made in compliance with the then applicable laws and regulations, the Issuer Regulations and the Custodian Agreement.

The substitution of the Management Company shall not take effect until the following conditions are satisfied:

- (i) the Management Company shall have proposed a substitute management company duly licensed by the AMF for the purposes of managing the Issuer;
- (ii) the Management Company shall procure from such substitute management company, and as the case may be, from any third party, the execution of any confidentiality agreement as may be reasonably required;
- (iii) the appointment of such substitute management company has become effective; and
- (iv) the Management Company shall, at its own expense, make available to such substitute management company, for such period as is necessary any human resources, material and/or computing systems that such substitute management company may reasonably require in order to be able to perform the

Management Company's obligations under the Issuer Regulations, as quickly as possible and for the benefit of the Noteholders and the Unitholders.

## THE CUSTODIAN

### General

The Custodian is BNP Paribas, a French *société anonyme*, whose registered office is located at 16 boulevard des Italiens, 75009, Paris, France, acting through its Securities Services business located at Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France, registered with the Trade and Companies Register of Paris (*Registre du Commerce et des Sociétés de Paris*) under number 662 042 449, licensed in France as a credit institution (*établissement de crédit*) by the ACPR.

The legal representatives of BNP Paribas (acting through its Securities Services business) are its general managers (*gérants*), Patrick Colle and Alain Pochet. Mr. Patrick Colle's and Mr. Alain Pochet's business address is at 9 rue du Débarcadère, 93500 Pantin.

### Designation by the Management Company

Pursuant to article L. 214-175-2, *I et seq* of the French Monetary and Financial Code, articles R. 214-217 to R. 214-235 and the relevant provisions of the AMF General Regulations, BNP Paribas (acting through its Securities Services business) has been designated by the Management Company, acting for and on behalf of the Issuer, to act as the Custodian.

### Custodian Agreement and acceptance by the Custodian

The Management Company and the Custodian have entered into the Custodian Agreement which sets out (i) the terms and conditions of the appointment of the Custodian, (ii) the duties of the Custodian in respect of the Issuer for the entire life of the Issuer, (iii) the conditions under which the Custodian shall perform such duties and, as the case may be, may delegate such duties and (iv) the conditions under which the Custodian may be substituted.

Pursuant to the Custodian's Acceptance Letter, BNP Paribas (acting through its Securities Services business) has expressly accepted to be designated by the Management Company as the Custodian of the Issuer pursuant to and in accordance with the Custodian Agreement and the provisions of the Issuer Regulations.

### Duties of the Custodian

#### General

In accordance with the Custodian Agreement, the Custodian will be responsible for (i) ensuring the lawfulness (*régularité*) of the decisions of the Management Company in relation to the Issuer and (ii) safekeeping the Purchased Receivables in accordance with the Issuer Regulations and within the framework of the Custodian Agreement.

The Custodian will, until the Issuer Liquidation Date, ensure that the decision-making of the Management Company is conducted properly including, without limitation, in relation to the management of the Purchased Receivables. In particular, it is responsible for supervising the Management Company with respect to the preparation by the Management Company of the financial statements of the Issuer and of the Annual Activity Report.

The duties and obligations of the Custodian under the Custodian Agreement and any Transaction Document to which it is a party shall constitute contractual obligations of the Custodian towards the Issuer, which will be enforceable against the Custodian during the life of the Issuer.

The Custodian shall comply with the provisions of the French Monetary and Financial Code applicable to French *fonds communs de titrisation* (including article L. 214-175-3 of the French Monetary and Financial Code) aiming at preventing conflicts of interest between the Custodian, the Management Company, the Issuer, the Noteholders and the Unitholders.

In the event of a dispute arising between the Management Company and the Custodian, each of them shall be entitled to inform the AMF of such dispute and, as the case may be, shall be able to take all precautionary measures

(*mesures conservatoires*) which it considers appropriate to protect the interests of the Noteholders and the Unitholders.

### *Specific duties*

The Custodian will be responsible for the custody (*garde*) of the Purchased Receivables (including, pursuant to article D. 214-233 of the French Monetary and Financial Code, the custody of the Underlying Agreements from which the Purchased Receivables arise) provided that the Management Company, the Custodian and the Seller opt for the possibility offered by such article D. 214-233 of the French Monetary and Financial Code so that:

- (a) the Custodian shall ensure, under its own liability, the custody of the Assignment Documents evidencing the assignment of such Purchased Receivables to the Issuer; and
- (b) the Servicer shall ensure, under its own liability, the custody of the records and other agreements and instruments relating to such Purchased Receivables and any Ancillary Rights thereto, shall implement to that effect documented custody procedures and shall procure that a regular and independent internal supervision of such procedures is carried out regularly.

In addition, the Custodian shall, pursuant to the applicable provisions of the French Monetary and Financial Code and the AMF General Regulations:

- (i) ensure that all payments made by the Noteholders and the Unitholders or in their name at the time of the subscription of the relevant Notes and Units have been received and that all cash has been recorded;
- (ii) on a general basis, ensure the proper monitoring of the Issuer's cash flows;
- (iii) hold (including in electronic format) the Assignment Documents, keep a register of the Purchased Receivables, check the existence of the Purchased Receivables on the basis of samples;
- (iv) keep a register of all other assets of the Issuer and check the reality of these other assets transferred to, or acquired by, the Issuer and of any security, guarantee and ancillary rights thereto;
- (v) determine the frequency and the extent of the verification procedure related to the existence of the Purchased Receivables on the basis of samples and provide verification procedures that are adjusted to the non-existence risk of the receivables and which comply with the criteria set out in the AMF General Regulations, as amended from time to time;
- (vi) ensure that the sale, issue, repayment or cancellation of the Notes and the Units carried out by the Issuer or on its behalf comply with applicable laws and regulations and with the Issuer Regulations, this Offering Circular and the Custodian Agreement;
- (vii) ensure that the computation of the value of the Notes and the Units is carried out in accordance with applicable laws and regulations and with the Issuer Regulations, this Offering Circular and the Custodian Agreement;
- (viii) comply with the instructions of the Management Company subject to these instructions complying with applicable laws and regulations and with the Issuer Regulations, this Offering Circular and the Custodian Agreement;
- (ix) ensure that, in the context of any transaction relating to the assets of the Issuer, the consideration is remitted to the Issuer within the time limits set out in the Issuer Regulations and the Offering Circular, or, in the absence of such provisions, within the usual time limits;

- (x) ensure that any income of the Issuer is allocated in accordance with applicable laws and regulations and with the Issuer Regulations, this Offering Circular and the Custodian Agreement;
- (xi) be responsible for supervising the compliance (*régularité*) of any decision of the Management Company, it being provided that the Custodian shall take all necessary and appropriate steps in the event of failure by, incapacity or wilful misconduct (*dol*) of, the Management Company to perform its duties under the Transaction Documents;
- (xii) control that the Management Company has, pursuant to article L. 214-175 II of the French Monetary and Financial Code, no later than six (6) weeks following the end of each semi-annual period of each Financial Period of the Issuer, prepared an inventory report of the assets of the Issuer (*inventaire de l'actif*);
- (xiii) no later than seven (7) weeks following the end of each Financial Period of the Issuer or, as the case may be, two (2) weeks following the receipt by the Custodian of the inventory report of the assets of the Issuer prepared by the Management Company and referred to in paragraph (e) above, the Custodian shall issue and deliver a statement (*attestation*) under which it certifies:
  - (1) the existence of the assets of the Issuer under its custody; and
  - (2) the status of the other assets of the Issuer referred to in paragraphs 2° and 3° of article 323-44 of the AMF General Regulations and which are registered in the register and kept in custody in accordance with the provisions of said article 323-44 of the AMF General Regulations. The certificate shall be provided to the Management Company and shall constitute the intermediate report (*état périodique*) referred to in article 322-12 of the AMF General Regulations;
- (xiv) control that the Management Company has, pursuant to article 425-15 of the AMF General Regulations, drawn up and published and subject to a verification made by the statutory auditor;
- (xv) no later than four (4) months following the end of each Financial Period of the Issuer, the Annual Activity Report (*compte rendu d'activité de l'exercice*) of the Issuer;
- (xvi) no later than three (3) months following the end of the first semi-annual period of each Financial Period of the Issuer, the Semi-Annual Activity Report (*compte rendu d'activité semestriel*) of the Issuer;
- (xvii) ensure (1) the custody of the balance of the Issuer Account and (2) on the basis of an undertaking of the Servicer, that the Servicer has implemented procedures guaranteeing the existence of the Purchased Receivables and their safe custody and that such Purchased Receivables are collected for the exclusive benefit of the Issuer;
- (xviii) act in the interests of the Noteholders and the Unitholders;
- (xix) ensure that the register of the Units is duly kept by the Registrar;
- (xx) verify the instructions given by the Management Company to the Account Bank to debit or credit, as the case may be, the Issuer Account in accordance with the provisions of the Issuer Regulations; and
- (xxi) perform the additional duties set out in the relevant provisions of the French Monetary and Financial Code and any related provisions of the AMF General Regulations.

## **Performance of the obligations of the Custodian**

The Custodian will, under all circumstances, act in an honest, loyal, professional, independent manner (*de manière honnête, loyale, professionnelle, indépendante*) and in the interests of the Noteholders and the Unitholders.

The Custodian will irrevocably waive all its rights of recourse against the Issuer with respect to the contractual liability of the Issuer. In particular, the Custodian will have no recourse against the Issuer or its assets in respect of a default in the payment, for whatever reason, of the fees due to the Custodian in respect of the Issuer.

In order to allow the Custodian to perform its supervisory duties, the Management Company will communicate to the Custodian:

- (a) an Annual Activity Report concerning the Issuer, the contents of which will be reviewed by the Custodian pursuant to the events which have occurred;
- (b) any information communicated to it by the Servicer or by any other entity, pursuant and subject to the provisions of the Servicing Agreement and of any other relevant Transaction Documents;
- (c) any calculations made by the Management Company, on the basis of the information received from the Servicer or any substitute, in order to proceed with any payments in respect of the Issuer; and
- (d) access to on-line details of the Accounts.

Moreover, and more generally, at the demand of the Custodian, the Management Company will communicate to the Custodian any information or document relating to the Purchased Receivables and/or the Issuer that the Custodian may reasonably require in order to perform its supervision duty pursuant to article L. 214-175-2, I of the French Monetary and Financial Code, the relevant provisions of the AMF General Regulation and within the framework of the Custodian Agreement.

Following the occurrence of a Custodian Non-replacement Event, the Custodian will continue to perform its duties until completion (*clôture*) of the liquidation of the Issuer.

## **Operation of Accounts**

The Custodian shall exercise control and supervision in relation to the operations of the Accounts on the basis of an account statement and any other document it may request and which are received by the Custodian.

## **Delegation and sub-contract**

The Custodian Agreement may allow the Custodian to sub-contract or delegate part of its obligations with respect to the Issuer or appoint any third party to perform part of its obligations subject to the following overarching principles being complied with:

- (a) the Custodian shall only be entitled to sub-contract or delegate to any third party its obligation to keep a register of those assets of the Issuer other than the Purchased Receivables, to the exclusion of any other obligation which may be binding upon it pursuant to the Issuer Regulations and the Custodian Agreement;
- (b) the Custodian arranging for the sub-contractor or the delegate to expressly and irrevocably waive all its rights of recourse against the Issuer with respect to the contractual liability of the Issuer;
- (c) such sub-contracting or delegation being made in compliance with the then current and applicable provisions of the laws and regulations in force;
- (d) the Management Company having given its prior written consent to such sub-contracting or delegation (such consent not to be refused other than on the basis of legitimate, serious and reasonable grounds) and having approved the identity of any such third-party entity.

In addition to the rules set out above, pursuant to articles L. 214-175-5 and D. 214-233 2° of the French Monetary and Financial Code, the Servicer will continue to hold the Underlying Agreements.

Notwithstanding any sub-contracting or delegation made in accordance with the foregoing provisions of this section "Delegation and sub-contract", the Custodian shall remain liable for the performance of its duties and obligations under the Custodian Agreement *vis-à-vis* the Noteholders, the Unitholders and the Issuer unless, pursuant to, and in accordance with, the provisions of article L. 214-175-6, III of the French Monetary and Financial Code, it is able to prove that:

- (a) it has performed all obligations that are binding upon it in connection with the delegation of its custody tasks as referred to in article L. 214-175-4, II of the French Monetary and Financial Code;
- (b) the written agreement entered into with the relevant third party expressly transfers the liability of the Custodian to such third party and allows the Issuer or the Management Company to file a complaint (*déposer une plainte*) in connection with the loss of financial instruments or allows the Custodian to file such a complaint in their name; and
- (c) the Custodian Agreement expressly authorises a discharge of the Custodian's liability and specifies the objective reasons justifying such a discharge.

#### **Liability of the Custodian *vis-à-vis* the Noteholders and the Unitholders**

Pursuant to articles L. 214-175-6 to L. 214-175-8 of the French Monetary and Financial Code and the Custodian Agreement:

- (a) the Custodian will be liable *vis-à-vis* the Issuer, the Noteholders or the Unitholders for any loss resulting from negligence or the intentional improper performance of its obligations;
- (b) the Custodian's liability *vis-à-vis* the Noteholders or the Unitholders may be invoked directly or indirectly through the Management Company; and
- (c) the AMF may obtain from the Custodian, upon request, all information obtained by the Custodian in performing its functions and necessary to the performance of the AMF's missions.

#### **Replacement of the Custodian**

The circumstances and conditions for the replacement of the Custodian are provided for in the Issuer Regulations and in the Custodian Agreement, provided that:

- (a) such substitution shall have been notified by the Management Company to the Noteholders and the Unitholders; and
- (b) such substitution shall always be made in compliance with the then applicable laws and regulations and the Issuer Regulations.

The Custodian may also resign from its appointment as provided for in the Custodian Agreement.

#### **Prevalence**

In the event of any inconsistency between the Issuer Regulations and the Custodian Agreement, the terms of the Custodian Agreement will prevail with regard to the duties of the Custodian, except the terms and conditions regarding the Priority of Payments, the provisions regarding non-petition, limited recourse and assets of the Issuer and the fees of the Custodian.

## THE SELLER, SERVICER AND PLEDGOR

### Economic Environment and Auto Business

The global economy showed stable growth in 2024 and expanded by 3.2% overall. Significant impetus came from the USA, China and India. In Europe, the economy grew slightly compared to the previous year but remained below expectations. International automobile markets performed well in 2024 and grew by 3.3% overall. Worldwide, the number of new registrations went up to 79.7 million vehicles. However, market dynamics varied across regions. In China, growth in the automobile sector was primarily driven by local providers in the entry-level segment.

The BMW Group maintained its strong market position in the global premium segment in 2024 with sales up in both Europe and the USA. The BMW brand gained further market share in Europe, grew sales in the USA and maintained its leading position in China. Globally, the BMW brand was the leader in the premium segment. While model changeovers at MINI and Rolls-Royce led to an expected downturn in delivery figures, the BMW Group's all-electric automobiles (BEV) continued to perform well and accounted for 17.4% (2023: 14.7%) of total deliveries. The BMW Group is therefore pressing ahead with the ramp-up of electric mobility as planned. BMW Motorrad achieved a new record for deliveries in 2024. The Financial Services segment saw a solid increase in the number of new contracts signed during the reporting period.

Deliveries of BMW Group vehicles totaled 2,450,854 units in the reporting year, representing a slight decrease on the previous year (2023: 2,554,183 units; -4.0%) and in line with the Group's expectations as adjusted in the third quarter of 2024. This decrease was largely due to delivery stops in the third quarter linked to the Integrated Brake System (IBS) provided by a supplier, as well as the challenging market situation in China.

The BMW brand delivered a total of 2,200,217 automobiles to customers in the reporting year (2023: 2,252,793 units; -2.3%). For MINI, 2024 was a year for renewing its entire product portfolio. In this context, deliveries fell to 244,925 automobiles (2023: 295,358 units; -17.1%). Rolls-Royce, the prestigious luxury brand, delivered 5,712 automobiles to customers, down on the previous year in line with expectations, owing to planned model changeovers and subdued demand in China (2023: 6,032 units; -5.3%).

The BMW Group has at least one electrified model in each of its segments. Demand for all-electric automobiles across all three brands generated significant growth in sales in 2024, with a total of 426,536 vehicles sold (2023: 375,716 units; +13.5%). The number of electrified vehicles (BEV and PHEV) delivered to customers in the reporting year rose to a total of 593,150 units (2023: 565,875 units; +4.8%). The share of all-electric automobile deliveries increased in 2024 to 17.4% (2023: 14.7%), while electrified vehicles accounted for a total share of 24.2% (2023: 22.2%). The increasing electrification of the product portfolio had a positive effect on the development of fleet carbon emissions.

The number of new credit financing and leasing contracts went up by a robust 9.8% in the reporting period to a total of 1,693,876 (2023: 1,542,514 contracts). In addition to the attractive product portfolio, the growth was achieved through the seamless integration of the segment's customer-oriented financial services products and its close cooperation with dealerships. The share of new BMW Group vehicles either leased or financed by the Financial Services segment in the year under review stood at 42.6% (2023: 38.2%; +4.4 percentage points). Out of the new contracts concluded in 2024, 352,807 contracts were for the credit financing and leasing of pre-owned BMW Group vehicles, 8.4% more than in the previous year (2023: 325,320 contracts). New leasing business increased significantly by 19.6% year on year and accounted for 36.6% of all new business in the reporting year 2024. Credit financing also went up (+4.9%) and accounted for 63.4% of new business. The total new business volume of all credit financing and leasing contracts increased by a significant 12.5% year on year, reaching € 64,519 million (2023: € 57,333 million). In addition to the higher number of new contracts, a higher financing volume per vehicle also contributed to this growth.

At 31 December 2024, a total of 4,850,121 contracts for credit financing and vehicle leasing were in place (31 December 2023: 4,952,318 contracts; -2.1%). In the Americas region, the number of contracts managed by the Financial Services segment remained similar to the previous year (-0.2%). While the number of contracts went up slightly in Oceania (+6.4%) and Europe (+1.0%), a downward trend was observed in Africa (-5.3%) and

particularly in Asia (-12.6%). The significant drop in the number of contracts in Asia can be attributed to the continued strong competition in the Chinese financial services sector and lower sales by the Automotive segment in China.

### **Incorporation, registered office and purpose**

BMW Finance S.N.C. ("**BMW Finance**") is the Seller of the Purchased Receivables under the Lease Receivables Purchase Agreement and the Servicer under the Servicing Agreement.

The registered office of BMW Finance is located at 5, rue des Hérons, Montigny-le-Bretonneux CS 30751, 78182 SAINT QUENTIN EN YVELINES CEDEX.

It was established in 1988. It has a registered share capital of €87,000,000 with 86,999,998 partnership shares held by BMW AG and two (2) partnership shares held by Alphabet France SAS.

BMW Finance is today one of France's leading automobile financial services companies. BMW Finance is responsible for customer and dealer financing in the financial service segment of the BMW Group. Furthermore, its operations include the financing of motor vehicles and the support of the sales division of the BMW Group via individual financing solutions.

Since 1 January 2014, BMW Finance has operated with a specialised credit licence (*établissement de crédit spécialisé*). Since January 2025, the company is licensed as a financing company (*société de financement*). Its purpose is to offer and provide, directly or indirectly, loans. Its purpose also includes:

- (a) financing of new and used "BMW", "MINI" and "Rolls-Royce" vehicles;
- (b) financing of new and used vehicles of all other makes;
- (c) dealer financing;
- (d) leasing of new and used "BMW", "MINI" and "Rolls-Royce" vehicles;
- (e) service-leasing to commercial and non-commercial customers; and
- (f) leasing of vehicles of all other makes.

The business purposes of BMW Finance *vis-à-vis* customers and dealers are largely determined by its membership in the BMW Group. As per end of 2024, BMW Finance cooperated closely with 263 dealerships (158 BMW and 105 MINI) in France. As a result of such cooperation, a dealer can within certain limits offer the customer complete, competent, personal service at one stop and from a single source, including the financing solution.

The cooperation between the manufacturer and the dealer-partner respectively is established by a dealer agreement. Under such agreement the dealer-partner is responsible for marketing the products and services of the BMW Group and servicing the trade-marked-products of the BMW Group.

### **Internal Audit**

The internal audit function of BMW Finance is under the responsibility of the Chief Internal Auditor ("**CIA**").

The CIA defines an annual audit plan taking into account regulatory requirements, follow-up of recommendations, risk mapping and requests from executive and deliberative bodies (Supervisory Committee or Regulatory Committee)

The CIA monitors internal procedures and operational processes, assess the sincerity of documents and procedures put in place, and measure the reliability and integrity of the financial information communicated. Based on his tasks, areas for improvement/recommendations are highlighted.

Finally, the internal audit monitors the implementation of validated recommendations.

The CIA is functionally attached to the Central Audit Officer in BMW AG but hierarchically attached to the CEO of BMW Finance.

**Statutory Auditors**

PWC France and RSM Paris audit the annual financial statements of BMW Finance.

## THE SWAP COUNTERPARTY

For the purposes of the Transaction, the Issuer has appointed Skandinaviska Enskilda Banken AB (publ) as Swap Counterparty.

Skandinaviska Enskilda Banken AB (publ) and its subsidiaries ("**SEB**") are a leading northern European financial services group. In Sweden and the Baltic countries, SEB offers financial advice. In Denmark, Finland, Norway, Germany and the United Kingdom, SEB's operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. The international nature of SEB's business is reflected in its presence in around 20 countries worldwide, with around 19,000 employees. At 31 December 2024, SEB's total assets amounted to SEK 3,759bn (SEK 3,608bn 2023) while its assets under management totaled SEK 2,664bn (SEK 2,361bn 2023). As of 31 December 2024, SEB had total equity of SEK 231bn (SEK 221bn 2023). For the twelve months ended 31 December 2024, SEB's net profit was SEK 38,865m (SEK 38,116m 2023).

The information in the preceding paragraphs has been provided by Skandinaviska Enskilda Banken AB (publ) as Swap Counterparty for use in this Offering Circular and Skandinaviska Enskilda Banken AB (publ) as Swap Counterparty is solely responsible for the accuracy of the preceding two paragraphs and the Issuer has accurately reproduced such information but assumes no further responsibility therefor. Except for the preceding paragraphs, Skandinaviska Enskilda Banken AB (publ) as Swap Counterparty in its capacity as Swap Counterparty, and its Affiliates have not been involved in the preparation of, and do not accept responsibility for, this Offering Circular.

## **THE ACCOUNT BANK**

BNP Paribas (acting through its Securities Services business) will be appointed as the Account Bank for the purposes of the Transaction.

BNP Paribas, a *société anonyme* incorporated under the laws of France, whose registered office is located at 16 boulevard des Italiens, 75009, Paris, France, acting through its Securities Services business located at Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France, registered with the Trade and Companies Register of Paris (*Registre du Commerce et des Sociétés de Paris*) under number 662 042 449, licensed in France as a credit institution (*établissement de crédit*) with the status of a bank (*banque*) by the ACPR.

The information under the heading "THE ACCOUNT BANK" has been provided by BNP Paribas (acting through its Securities Services business) as Account Bank and the Management Company assumes no responsibility therefor.

## **THE PAYING AGENT AND REGISTRAR**

BNP Paribas (acting through its Securities Services business) will be appointed as the Paying Agent and Registrar for the purposes of the Transaction.

BNP Paribas (acting through its Securities Services business) will also be appointed by the Management Company as Registrar in order to provide and perform certain services in respect of the issuance and/or placement of the Units and the Notes, in accordance with the provisions of the Agency Agreement.

BNP Paribas (acting through its Securities Services business) as Paying Agent and Registrar will perform administrative services in connection with the registered accounts, and in particular, in relation to the register of the Notes and Units.

BNP Paribas is a *société anonyme* with a share capital of €2,261,621,342 and whose registered office is located at 16 boulevard des Italiens, 75009, Paris, France, acting through its Securities Services business located at Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France, registered with the Trade and Companies Register of Paris (*Registre du Commerce et des Sociétés de Paris*) under number 662 042 449, licensed in France as a credit institution (*établissement de crédit*) with the status of a bank (*banque*) by the ACPR.

The information under the heading "THE PAYING AGENT AND REGISTRAR" has been provided by BNP Paribas (acting through its Securities Services business) as Paying Agent and Registrar and the Management Company assumes no responsibility therefor.

**THE CALCULATION AGENT AND THE INTEREST DETERMINATION AGENT**

IQ EQ Management has been appointed as Calculation Agent and Interest Determination Agent for the purposes of the Transaction.

For further information, see "THE MANAGEMENT COMPANY".

## **THE DATA CUSTODY AGENT**

BNP Paribas (acting through its Securities Services business) has been appointed as Data Custody Agent for the purposes of the Transaction.

BNP Paribas, a *société anonyme* incorporated under the laws of France, whose registered office is located at 16 boulevard des Italiens, 75009 Paris, France, acting through its Securities Services business located at Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France, registered with the Trade and Companies Registry of Paris, France under number 642 042 449, licensed in France as a credit institution (*établissement de crédit*) by the ACPR.

The information under the heading "THE DATA CUSTODY AGENT" has been provided by BNP Paribas (acting through its Securities Services business) as Data Custody Agent and the Management Company assumes no responsibility therefor.

## RATING OF THE CLASS A NOTES AND THE CLASS B NOTES

The Rating Agencies' rating of the Class A Notes and the Class B Notes addresses the likelihood that the Noteholders of such Class will receive all payments to which they are entitled, as described herein. For the Class A Notes, the rating of "AAA(sf)" and "AAA(sf)" is the highest rating that each of DBRS and Moody's, respectively, assigns to long-term structured finance obligations. For the Class B Notes, the rating of "AA (low) (sf)" and "A1 (sf)", assigned respectively by DBRS and Moody's, are a lower notch. See "*RISK FACTORS — Ratings of the Class A Notes and the Class B Notes*".

According to the latest available version of the DBRS rating definitions dated 15 May 2023 an "AAA" rating denotes the highest credit quality. It is assigned only in cases of exceptionally strong capacity for payment of financial commitments. The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events. The suffix "sf" denotes an issuance that is a structured finance transaction.

According to the latest available version of Moody's rating, symbols and definitions dated 24 March 2025 obligations that are rated "AAA" are judged to be of the highest quality, subject to the lowest level of credit risk. The "(sf)" indicator for structured finance security ratings indicates that otherwise similarly rated structured finance and fundamental securities may have different risk characteristics.

According to the latest available version of the DBRS rating definitions dated 15 May 2023 an "AA (low)" rating denotes good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than "AAA". It may be vulnerable to future events, but qualifying negative factors are considered manageable.

According to the latest available version of Moody's rating, symbols and definitions dated 24 March 2025 obligations that are rated "A1" are judged to be of upper-medium grade and subject to very low credit risk.

However, the ratings assigned to the Class A Notes and the Class B Notes do not represent any assessment of the likelihood or level of principal prepayments. The ratings do not address the possibility that the holders of the Class A Notes or the holders of the Class B Notes might suffer a lower than expected yield due to prepayments or early amortisation or may fail to recoup their initial investments. Prepayments may for example occur in the event of a clean-up call (see "*TRANSACTION OVERVIEW - Clean-Up Call Option - Early redemption*" and "*TERMS AND CONDITIONS OF THE NOTES - Condition 6.3 (Clean-Up Call)*"), or in the event that the Seller breached the Eligibility Criteria (see "*TERMS AND CONDITIONS OF THE NOTES - Condition 6.1 (Amortisation)*").

The ratings assigned to the Class A Notes and the Class B 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.

## TAXATION

### 1. General

The following information is of a general nature only and includes certain aspects of the tax law in force, and the related practice applied in France and Luxembourg as of the date of this Offering Circular. The tax related information contained in this Offering Circular is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective investor in the Notes. Prospective investors are advised to consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Notes and the receipt of interest and distributions with respect to such Notes under the laws of the jurisdictions in which they may be liable to taxation. Prospective investors should be aware that tax law and its practice and interpretation may change, possibly with retroactive or retrospective effect.

### 2. Taxation in France

This section should be read in conjunction with "RISK FACTORS — Factors that may affect the Issuer's ability to fulfil its obligations under the Notes — Tax risks — French taxation".

The following is a summary limited to certain tax considerations in France relating to the Notes that may be issued by the FCT and specifically contains information on taxes on the income from the securities withheld at source. This summary is based on the laws of France (as interpreted by the French tax authorities and the French tax courts) in force as of the date of this Offering Circular and subject to any changes in law possibly with retroactive effect. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder should consult its tax adviser as to the tax consequences of any investment in or ownership and disposition of the Notes.

#### Withholding tax

Payments of principal and interest (and assimilated income) made by the Issuer with respect to the Notes will not be subject to the withholding tax provided by article 125 A III of the French General Tax Code, unless such payments are made outside of France in a non-cooperative state or territory (*Etat ou territoire non-coopératif*) within the meaning of article 238-0 A of the French General Tax Code (a "**Non-Cooperative State**")<sup>2</sup> other than those mentioned in 2° of 2 bis of article 238-0 A of the French General Tax Code. If such payments are made in a Non-Cooperative State other than those mentioned in 2° of 2 bis of article 238-0 A of the French General Tax Code, a 75% withholding tax will be applicable (regardless of the tax residence of the Noteholders and subject to exceptions, certain of which are set out below and to the more favourable provisions of any applicable double tax treaty) by virtue of article 125 A III of the French General Tax Code. The list of Non-Cooperative States is published by a ministerial executive order and is generally updated at least once a year.

Notwithstanding the foregoing, the 75% withholding tax provided by article 125 A III of the French General Tax Code will not apply in respect of a particular issue of Notes solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the FCT can prove that the principal purpose and effect of a particular issue of Notes were not that of allowing the payments of interest or other income to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the official guidelines issued by the French tax authorities (BOI-INT-DG-20-50-30- 14/06/2022, no. 150), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (a) offered by means of a public offer within the meaning of article L. 411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State or territory other than a Non-Cooperative

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<sup>2</sup> The list of Non-Cooperative States mentioned under article 238-0 A of the French General Tax Code (the "**French List**") is in principle updated on a yearly basis by way of governmental decree. The French List (as last updated by a decree (*arrêté*) dated 16 February 2024) currently consists of Anguilla, Antigua and Barbuda, Belize, Seychelles, Panama, Vanuatu, the Bahamas, Fiji, Guam, the U.S. Virgin Islands, Palau, Russia, American Samoa, Samoa, the Turks and Caicos Islands, and Trinidad and Tobago. The purpose of the French List is to encompass all the countries listed on the European Union's list of non-cooperative jurisdictions for tax purposes, which was last updated on 18 February 2025 and remains unchanged from the previous version (the "EU List").

State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities markets authority; or

- (b) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system, provided that such market or system is not located in a Non-Cooperative State and that the operation of such market is carried out by a market operator, an investment services provider, or by a similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (c) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing, delivery and payments systems operator within the meaning of article L. 561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositories or operators, provided that such depository or operator is not located in a Non-Cooperative State.

Application has been made to the Luxembourg Stock Exchange to list the Notes, and, subject to the effective listing of each such Note, the exemption referred to in paragraph (b) above will apply.

The Notes have also been deposited with a Clearing System, and subject to the effective deposit of each such Note, the exemption referred to in paragraph (c) above will apply.

Consequently, under current French tax law, payments of principal and interest (and assimilated income) made by the Issuer in respect of the Notes, subject to their effective listing and clearing, will be made free from any withholding or deduction for or on account of any tax imposed in France.

#### ***Payments made to French tax resident individuals***

Pursuant to article 125 A of the French General Tax Code, subject to certain limited exceptions, interest and assimilated income received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are currently subject to a 12.8% withholding tax, which is deductible from the recipient's personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG (*contribution sociale généralisée*), CRDS (*contribution au remboursement de la dette sociale*) and solidarity levy) are also levied by way of withholding at the current aggregate rate of 17.2% on interest and assimilated income paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

#### **Absence of Gross up**

In any event, payments of principal and interest (and assimilated income) in respect of the Notes will be made net of any withholding tax (if any) applicable to the Notes in the relevant state or jurisdiction and neither the FCT nor the Paying Agent will be under any obligation to gross up such amounts or to pay any additional amounts as a consequence.

### **3. Luxembourg taxation**

Pursuant to the law of 23 December 2005, interest paid to an individual resident in Luxembourg may under certain circumstances be subject to a 20% withholding tax, which is a final flat tax for Luxembourg resident individuals acting in the context of the management of their private wealth. Luxembourg resident individuals receiving the interest as business income must include the interest income in their taxable basis, in which case the 20% Luxembourg withholding tax will be credited against their final income tax liability.

This withholding tax also applies on accrued interest received upon disposal, redemption or repurchase of the Notes.

Luxembourg resident individuals, acting in the management of their private wealth, can opt to self-declare and pay a 20% tax on interest payments made by paying agents located in a Member State of the EU other than Luxembourg or a Member State of the European Economic Area other than Luxembourg.

Responsibility for the withholding of tax in application of the above-mentioned law of 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of this law, except for the above-mentioned case of self-declaration.

Payments under the Notes will only be made after deduction or withholding of any mandatory withholding or deductions on account of tax. The Issuer will not be required to pay additional amounts in respect of any such withholding or other deduction for or on account of any present or future taxes, duties or charges of whatever nature. See "TERMS AND CONDITIONS OF THE NOTES — Condition 10 (*Taxation*)". In such event, subject to certain conditions, the Issuer will be entitled (but will have no obligation) to redeem the Notes in whole but not in part at their then Outstanding Note Balance.

The Issuer has been advised that under the existing laws of Luxembourg:

- (a) without prejudice to what is stated above, all payments of Interest Amounts and Principal Amounts by the Issuer under the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or tax authority thereof or therein, subject to what is stated above regarding the withholding tax on interest;
- (b) a holder of a Note who derives income from a Note or who realises a gain on the disposal or redemption of a Note will not be subject to Luxembourg taxation on income or capital gains, subject to the application of the above-mentioned law of 23 December 2005, and unless:
  - (i) the holder is, or is deemed to be, resident of Luxembourg for the purpose of the relevant provisions; or
  - (ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;
- (c) Luxembourg net worth tax will not be levied on a holder of a Note unless:
  - (i) the holder is, or is deemed to be, a resident company in Luxembourg for the purpose of the relevant provisions and is not a Noteholder governed by (a) the amended law of 13 February 2007 on specialised investment funds, (b) the amended law of 17 December 2010 on undertakings for collective investment, (c) the amended law of 22 March 2004 on securitisation, (d) the amended law of 15 June 2004 on the investment company in risk capital, (e) the amended law of 11 May 2007 on family estate management companies, (f) the amended law of 23 July 2016 on reserved alternative funds or (g) the provisions of any other relevant law or administrative order that may, from time to time, be enacted by the relevant Luxembourg authorities and which exempts the resident company from net wealth tax; or
  - (ii) the Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;
- (d) Notwithstanding the provisions under sub-paragraph (c) above, entities mentioned under sub-paragraphs (c)(i)(c) and (c)(i)(d) above and incorporated as a public limited liability company (*société anonyme*), a private limited liability company (*société à responsabilité limitée*), a corporate partnership limited by shares (*société en commandite par actions*) or a cooperative company set up as a public limited liability company (*société coopérative organisée sous forme de société anonyme*) should however be subject to the minimum annual net wealth tax charge ranging from €535 to €4,815 depending on their total assets.
- (e) Luxembourg gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder unless:
  - (i) the deceased holder is, or is deemed to be, resident of Luxembourg for inheritance tax purposes at the time of death; or

- (ii) the gift is registered in Luxembourg;
- (f) It is not compulsory that the Notes be filed, recorded or enrolled with any court or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes in accordance therewith. If any documents in respect of the Notes are nevertheless submitted for registration in Luxembourg, they will be subject to a fixed registration duty of €12;
- (g) there is no Luxembourg value added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of Principal Amounts or Interest Amounts under the Notes or the transfer of a Note. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from value added tax does not apply with respect to such services; and
- (h) a holder of a Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of a Note or the execution, performance, delivery and/or enforcement of the Note.

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

No additional amounts will be paid by the Issuer or any Paying Agent on account of any deduction or withholding from a payment on, or in respect of, the Notes where such deduction or withholding is imposed pursuant to any agreement with the U.S. Internal Revenue Service in connection with Sections 1471-1474 of the U.S. Internal Revenue Code, as amended and the U.S. Treasury regulations thereunder (**FATCA**), any intergovernmental agreement between the United States and France or any other jurisdiction with respect to FATCA, or any law, regulation or other official guidance enacted in any jurisdiction implementing, or relating to, FATCA or any intergovernmental agreement.

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

FATCA is particularly complex and its application is uncertain at this time. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

## SUBSCRIPTION AND SALE

### 1. Subscription of the Notes

The Joint Lead Managers, the Management Company, acting on behalf of the Issuer and the Seller are parties to the Subscription Agreement. Pursuant to the Subscription Agreement, each of the Joint Lead Managers has agreed, subject to certain conditions, to subscribe and purchase or to procure subscription and payment for the Class A Notes and the Class B Notes. The Class C Notes will be subscribed by the Seller, as the originator, as part of the compliance with article 6 of the Securitisation Regulation. The Seller has agreed to pay each of the Joint Lead Managers a combined management, underwriting and placement commission on the Class A Notes and the Class B Notes and other fees, if any, as agreed between the parties to the Subscription Agreement. The Seller has agreed to reimburse each of the Joint Lead Managers for certain of its expenses in connection with the issue of the Notes. Pursuant to the Subscription Agreement, the Seller and the Issuer have agreed to indemnify each of the Joint Lead Managers, as more specifically described in the Subscription Agreement, for and against certain losses and Liabilities in connection with certain representations in respect of, *inter alia*, the accurateness of certain information contained in this Offering Circular.

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

### 2. Selling Restrictions

#### *General*

All applicable laws and regulations must be observed in any jurisdiction in which Notes may be offered, sold or delivered. Each of the Joint Lead Managers has agreed that it will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this Offering Circular 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 and that will not to its best knowledge and belief impose any obligations on the Issuer except as set out in the Subscription Agreement.

#### *European Economic Area*

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 EEA. For these purposes:

- (a) the expression 'retail investor' means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of article 4(1) of MiFID II or the relevant implementing national laws; or
  - (ii) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (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.

#### **United States of America and its territories**

- (1) The Notes have not been and will not be registered under the Securities Act and may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. Person, except in certain transactions permitted by U.S. tax

regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

- (2) Each Joint Lead Manager has (i) acknowledged that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act; (ii) represented and agreed that it has not offered or sold or delivered any Notes, and will not offer, sell or deliver any Notes, (x) as part of its distribution at any time or (y) otherwise before forty (40) calendar days after the later of the commencement of the offering and the Issue Date, except in accordance with Rule 903 under Regulation S under the Securities Act; and accordingly, (iii) further represented and agreed that neither it, its Affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act, and (iv) also agreed that, at or prior to confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The securities covered hereby have not been registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons by any person referred to in Rule 903 (b)(2)(iii) (x) as part of their distribution at any time or (y) otherwise until forty (40) calendar days after the later of the commencement of the offering and the Issue Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act."

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

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

- (3) Notes will be issued in accordance with the TEFRA D Rules.

Further, each Joint Lead Manager has represented and agreed that:

- (a) except to the extent permitted under the TEFRA D Rules, (i) it has not offered or sold, and during the 40-day restricted period will not offer or sell, directly or indirectly, Notes to a Person who is within the United States or its possessions or to a U.S. Person, and (ii) it has not delivered and will not deliver, directly or indirectly, within the United States or its possessions definitive Notes that are sold during the restricted period;
- (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a Person who is within the United States or its possessions or to a U.S. Person, except as permitted by the TEFRA D Rules;
- (c) if it is considered a U.S. Person, that it is acquiring the Notes for purposes of resale in connection with their original issuance and agrees that if it retains Notes for its own account, it will only do so in accordance with the requirements of the TEFRA D Rules;
- (d) with respect to each Affiliate that acquires from it Notes 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) agrees that it will obtain from such Affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (a), (b) and (c) above; and
- (e) it will obtain for the benefit of the Issuer the representations and agreements contained in sub-clauses (a), (b), (c) and (d) above from any person other than its Affiliate with whom it enters into a written contract, as defined in the TEFRA D Rules for the offer and sale during the restricted period of Notes.

Terms used in this clause (3) have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the TEFRA D Rules.

### **United Kingdom**

1. 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 UK. For these purposes:
  - (a) the expression 'retail investor' means a person who is one (or more) of the following:
    - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"), or
    - (ii) a customer within the meaning of the provisions of the United Kingdom 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 18) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the EUWA,
    - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
  - (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.
2. Each Joint Lead Manager has represented, warranted and agreed that:
  - (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
  - (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **France**

This Offering Circular has not been granted a visa by the French *Autorité des Marchés Financiers*. Accordingly, it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly, or indirectly, the Notes to the public in the Republic of France and any offers, sales or other transfers of the Notes in the Republic of France will be made in accordance with articles L. 411-2 and L.621-8 of the French Monetary and Financial Code only to (a) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals and/or (b) and/or persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined in articles L. 411-1 and L. 411-2 of the French Monetary and Financial Code.

This Offering Circular and any other offering material relating to the Notes are not to be further distributed or reproduced (in whole or in part) by any addressee of such offering materials and are distributed on the basis that the addressee invests for its own account, as necessary, and will not resell or otherwise retransfer, directly or indirectly, the Notes to the public in the Republic of France other than in compliance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 of the French Monetary and Financial Code.

### **Luxembourg**

The Notes are not offered to the public in or from Luxembourg and each Joint Lead Manager has represented and agreed that it will not offer the Notes or cause the offering of the Notes or contribute to the offering of the Notes to the public in or from Luxembourg, unless all the relevant legal and regulatory requirements concerning a public

offer in or from Luxembourg have been complied with. In particular, this offer has not been and may not be announced to the public and offering material may not be made available to the public.

## **USE OF PROCEEDS**

The aggregate net proceeds from the issue of the Notes will amount to €643,300,000. The net proceeds are equal to the gross proceeds and will be used by the Issuer to finance the aggregate Purchase Price for the acquisition of Purchased Receivables and Ancillary Rights from the Seller on the Issue Date. The Subordinated Loan will be credited to the Cash Reserve Ledger of the Issuer Account with the Account Bank and may earn interest and such interest will be part of the Available Distribution Amount as of the first Payment Date. The costs of the Issuer in connection with the issue of the Notes and the Units, including, without limitation, transaction structuring fees, costs and expenses payable on the Issue Date to the Joint Lead Managers and to other parties in connection with the offer and sale of the Notes and certain other costs, and in connection with the admission of the Notes to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange, are paid separately by the Seller to the respective recipients.

## GENERAL INFORMATION

### 1. **Subject of this Offering Circular**

This Offering Circular relates to €643,300,000.00 aggregate principal amount of the Notes issued by the Issuer.

### 2. **Litigation**

The Issuer, established on the Signing Date and acting through and represented by the Management Company, is not engaged in any governmental, legal or arbitration proceedings which may have or have had in the past a significant effect on its financial position, and, as far as the Management Company and the Seller, respectively, are aware, no such litigation or arbitration proceedings are pending or threatened.

### 3. **Payment information**

For as long as the Notes are listed on the official list of the Luxembourg Stock Exchange, the Paying Agent and/or the Listing Agent will inform the Luxembourg Stock Exchange of the Interest Amounts, the Interest Periods and the Interest Rates and, if relevant, the payments of Principal Amounts on the Notes of each Class, in each case in the manner described in the Conditions.

Payments and transfers of the Notes will be settled through the Clearing Systems (as described under 12. below). The Notes have been accepted for clearing by the Clearing Systems.

All notices regarding the Notes will either be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or delivered to the Clearing Systems for communication by them to the Noteholders.

### 4. **Financial statements**

The Issuer has not commenced operations and no financial statements of the Issuer have been prepared.

The Issuer has been established as an entity for the purpose of issuing asset backed securities

### 5. **Luxembourg listing**

Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange. The Issuer has appointed BNP Paribas, Luxembourg branch, being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg, as the initial Listing Agent. The Listing Agent will act as agent of the Issuer and arrange for application to be made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and will act as intermediary between the Issuer and the holders of the Notes listed on the official list of the Luxembourg Stock Exchange. For as long as any of the Notes are listed on the official list of the Luxembourg Stock Exchange, the Issuer will maintain a Listing Agent.

### 6. **Admission to trading**

Application has been made by the Listing Agent for admission to trading of the Notes on the regulated market (segment for professional investors) of the Luxembourg Stock Exchange. The estimate of the total expenses related to admission to listing and trading of the Notes on the Luxembourg Stock Exchange is equal to €12,050 (taxes excluded). Such expenses will be paid by BMW Finance.

### 7. **Yield**

The coupon margin above EURIBOR of the Class A Notes is 0.60%. The yield is calculated as at the Issue Date on the basis of the issue price of the Class A Notes and will depend on, among other things, the amount and timing of payments under the portfolio. It is not an indication of future yield.

The yield of the Class B Notes is 1.00% and is calculated as at the Issue Date on the basis of the issue price of the Class B Notes. It is not an indication of future yield.

The yield of the Class C Notes is 1.50% and is calculated as at the Issue Date on the basis of the issue price of the Class C Notes. It is not an indication of future yield.

#### 8. **Legal Entity Identifier (LEI)**

The Legal Entity Identifier (LEI) of the Issuer is: 969500SFOY84X8JCM730.

#### 9. **Availability of documents**

Upon listing of the Notes on the official list of the Luxembourg Stock Exchange and so long as the most senior Notes remain outstanding, copies of the following documents may be obtained free of charge during customary business hours at the specified offices of the Paying Agent and the Management Company and, as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, at the specified offices of the Listing Agent:

- (a) the future annual financial statements of the Issuer (interim financial statements will not be prepared);
- (b) the Monthly Investor Report;
- (c) the Issuer Regulations;
- (d) all notices given to the Noteholders pursuant to the Conditions; and
- (e) this Offering Circular and all Transaction Documents referred to in this Offering Circular.

So long as any of the Notes is outstanding, (i) this Offering Circular will be available in electronic format on the website of the Luxembourg Stock Exchange (<https://www.bourse.lu>) and copies of the Offering Circular will be available during normal business hours at the respective offices of the Management Company and the Paying Agent (the addresses of which are specified on the last page of this Offering Circular), in both cases free of charge and it will also be available on the website of the Management Company (<https://www.iqeq.com>) in accordance with the Prospectus Regulation.

#### 10. **Potential conflicts of interests**

To the knowledge of the Management Company, there are no potential conflicts of interest between its private interests and/or its other duties and the duties they owe to the FCT.

#### 11. **Post-issuance transaction reporting**

Following the Issue Date, the Calculation Agent will provide, to the Noteholders, so long as any of the Notes are listed on the official list of the Luxembourg Stock Exchange and so long as the most senior Notes remain outstanding, and admitted to trading on the regulated market of the Luxembourg Stock Exchange, with the following information, all in accordance with the Agency Agreement, the Calculation Agency Agreement and the Conditions:

- (a) with respect to each Payment Date, the Interest Amount pursuant to Condition 5.1 (*Interest calculation*) of the Conditions;
- (b) with respect to each Payment Date, the amount of Interest Shortfall pursuant to Condition 5.4 (*Interest Shortfall*) of the Conditions, if any;
- (c) with respect to each Payment Date the amount of Principal Amount on each Class A Note, each Class B Note and each Class C Note pursuant to Condition 6 (*Redemption*) of the Conditions to be paid on such Payment Date;

- (d) with respect to each Payment Date the Outstanding Note Balance of each Class A Note, each Class B Note and each Class C Note, and the Class A Outstanding Notes Balance, the Class B Outstanding Notes Balance and the Class C Outstanding Notes Balance as from such Payment Date; and
- (e) in the event the payments to be made on a Payment Date constitute the final payment with respect to the Notes pursuant to Condition 6.2 (*Final Redemption*) or Condition 6.3 (*Clean-up call*) of the Conditions, the fact that such is the final payment.

In each case, such information will be contained in the Monthly Investor Reports which will be made available through the Calculation Agent's website (which is currently located at <https://www.iqeq.com>). See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Calculation Agency Agreement".

The investor report will include detailed summary statistics and information regarding the performance of the portfolio of the Purchased Receivables and contain a glossary of the terms used in the investor report. The first investor report issued by the Issuer will additionally disclose the amount of Notes (i) privately placed with investors other than the Seller and its affiliated companies (together the "**Originator Group**"), (ii) retained by a member of the Originator Group and (iii) publicly-placed with investors which are not part of the Originator Group. In relation to any amount of Notes initially retained by a member of the Originator Group but subsequently placed with investors outside the Originator Group such circumstance will be disclosed (to the extent legally permitted) in the next investor report following such outplacing.

Furthermore, the Servicer undertakes to make available to the Noteholders, upon request, from the Issue Date until the Legal Final Maturity Date loan-level data and a cash flow model in accordance with the requirements of the Securitisation Regulation.

## 12. Clearing Systems

Euroclear Bank S.A./N.V.  
1 boulevard du Roi Albert II  
1210 Brussels  
Belgium

Clearstream Banking, *société anonyme*, Luxembourg  
42 avenue JF Kennedy  
L-1885 Luxembourg

The Class A Notes, Class B Notes and Class C Notes have been accepted for clearance through Euroclear France, Euroclear and Clearstream, Luxembourg.

## 13. Clearing codes

Class A Notes  
ISIN: FR0014010F03  
Common Code: 309894219  
WKN: A4EC3F

Class B Notes  
ISIN: FR0014010F11  
Common Code: 310362492  
WKN: A4EC3G

Class C Notes  
ISIN: FR0014010EZ2  
Common Code: 309894871  
WKN: A4EC3H

## MASTER DEFINITIONS SCHEDULE

The following is the text of the Master Definitions Schedule and constitutes an integral part of the Conditions – in the event of any overlap or inconsistency in the definitions of a term or expression in the Master Definitions Schedule and elsewhere in the Offering Circular, the definitions of the Master Definitions Schedule will prevail.

### 1. Definitions

The Transaction Parties agree that, except where expressly stated to the contrary or where the context otherwise requires, the definitions set out below will apply to terms or expressions referred to but not otherwise defined in each Transaction Document.

"**1953 Decree**" means decree no. 53 968 dated 30 September 1953 relating to the credit sale of motor cars (*vente à crédit des véhicules automobiles*).

"**2021 ISDA Definitions**" means the definitions and provisions published by the International Swaps and Derivatives Association, Inc.

"**2021 Ordinance**" means Ordinance no. 2021-1192 of 15 September 2021, modifying articles 2288 *et seq.* of the French Civil Code.

"**Account Bank**" means BNP Paribas (acting through its Securities Services business) or any successor thereof or any other Person appointed as replacement Account Bank from time to time in accordance with the Bank Account Agreement.

"**Accounts**" means the Issuer Account and the Counterparty Downgrade Collateral Account.

"**ACPR**" means the French *Autorité de Contrôle Prudentiel et de Résolution*.

"**Administrator**" means the European Money Markets Institute, Brussels, Belgium.

"**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).

"**Agency Agreement**" means an agency agreement between, *inter alios*, the Paying Agent, the Listing Agent, the Registrar, the Interest Determination Agent, the Management Company, the Seller and the Servicer dated on or about the Signing Date.

"**Agents**" means the Paying Agent, the Listing Agent, the Registrar, the Interest Determination Agent, the Alternative Base Rate Determination Agent and the Calculation Agent.

"**Aggregate Discounted Contractual Residual Value**" means in respect of all Purchased Receivables held by the Issuer at any time, but excluding any Defaulted Lease Receivables, the aggregate of the then outstanding Discounted Contractual Residual Values in respect of the related Lease Agreements.

"**Aggregate Discounted Lease Balance**" means, in respect of all Purchased Receivables held by the Issuer at any time, but excluding any Defaulted Lease Receivables, the aggregate of the then outstanding Discounted Lease Balances of the related Lease Receivables.

"**Aggregate Residual Value Indemnified Receivables Balance**" means the sum of the Discounted Lease Balances for all Residual Value Indemnified Receivables arising in such Residual Value Calculation Period.

"**Aggregate Outstanding Notes Balance**" means the aggregate amount of the Class A Outstanding Notes Balance, the Class B Outstanding Notes Balance and the Class C Outstanding Notes Balance, on a Payment Date (taking into account the principal redemption on such Payment Date).

"**Alternative Base Rate**" means, for the purpose of changing EURIBOR that then applies to the Class A Notes, an alternative base rate.

"**Alternative Base Rate Determination Agent**" means BMW Finance S.N.C.

"**AMF**" means the French *Autorité des Marchés Financiers*.

"**AMF Fees**" means an annual fee payable to the AMF in an amount equal to 0.0008% of the Aggregate Outstanding Notes Balance as at 31 December of each year.

"**AMF General Regulations**" means the French *Règlement Général de l'Autorité des Marchés Financiers*.

"**Ancillary Rights**" includes:

- (a) any rights or guarantees under the terms of the relevant Lease Agreement;
- (b) any rights of the Seller under any insurance policy which has been assigned or delegated to it by a Lessee in accordance with its Lease Agreement; and
- (c) any rights under the terms of a Dealer Vehicle Buy Back Agreement.

"**Annual Activity Report**" means the report prepared by the Management Company within four (4) months after the end of each financial year and sent to the Custodian and including:

- (a) the amount and proportion of all fees and expenses borne by the FCT during each Monthly Period of the financial year;
- (b) the amounts credited to the Issuer Account by reference to the assets of the Issuer;
- (c) a description of the transactions carried out by the FCT during the course of each Monthly Period of the financial year; and
- (d) information relating to the Purchased Receivables, to any other assets owned by, and any financial contracts entered into by, the FCT with respect to the Notes issued by the FCT.

"**Appointee**" has the meaning ascribed to it in clause 15.3 (*Change of Servicer*) of the Servicing Agreement.

"**Arranger**" means BMW Finance S.N.C.

"**Assignment Document**" means the *Acte de Cession de Créances* governed by the provisions of articles L. 214–169 of the French Monetary and Financial Code which will include the mandatory provisions of article D. 214–227 of the French Monetary and Financial Code, pursuant to which the Seller will assign to the Issuer the Purchased Receivables on the Issue Date.

"**Authorised Representatives**" has the meaning ascribed to it in clause 1.1 (*Definitions*) of the Bank Account Agreement.

"**Available Distribution Amount**" means as at each Cut-Off Date with respect to the Monthly Period ending on such Cut-Off Date, the lower of (x) the funds available on the Issuer Account on the Payment Date immediately following such Cut-Off Date including, without limitation, to the extent due and payable, the relevant moneys credited to the Commingling Reserve Ledger and the Performance Reserve Ledger which the Issuer shall be entitled to set off against the respective guaranteed obligations, *provided that*, except to the extent set out under item (j) below, any balance credited to the Counterparty Downgrade Collateral Account will not form part of the Available Distribution Amount and (y) an amount calculated by the Servicer pursuant to the Servicing Agreement as of such Cut-Off Date and notified to the

Management Company, the Account Bank and the Calculation Agent no later than on the Reporting Date preceding the Payment Date immediately following such Cut-Off Date as the sum of:

- (a) the amount standing to the credit of the Cash Reserve Ledger as of each Cut-Off Date, to be used to cover any shortfalls in the amounts payable (i) under items (a) through (f), or (ii) under items (a) through (o) upon the earlier of (1) the Legal Final Maturity Date, (2) the date on which the Available Distribution Amount suffices to reduce the Class B Outstanding Notes Balance to zero or (3) the date on which the then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value is reduced to zero, in each case, in accordance with the Pre-Enforcement Priority of Payments;
- (b) any Collections received by the Servicer during the Monthly Period ending on such Cut-Off Date;
- (c) any Swap Net Cashflow payable by the Swap Counterparty to the Issuer on the Payment Date immediately following the relevant Cut-Off Date;
- (d) any tax payment made by the Seller and/or Servicer to the Issuer in accordance with the Lease Receivables Purchase Agreement and/or the Servicing Agreement during such Monthly Period;
- (e) any interest earned on the amount credited to the Issuer Account (other than on the amount allocated to the Commingling Reserve Ledger and the Performance Reserve Ledger) during such Monthly Period;
- (f) the amount standing to the credit of the Performance Reserve Ledger upon (i) the occurrence and continuation of a Performance Reserve Trigger Event and (ii) the occurrence and continuation (as set out in clause 13 (*Termination*) of the Servicing Agreement) of a Servicer Termination Event as of such Cut-Off Date, to the extent necessary to guarantee any unpaid Seller Performance Indemnity Payment due and payable by the Seller in connection with its undertakings under clause 10.1(d) (*Obligations of the Seller relating to the sale of Leased Vehicles*) of the Lease Receivables Purchase Agreement and by the Servicer in accordance with clause 5.1 (*Administration and realisation of the Leased Vehicles*) of the Servicing Agreement. In no circumstances shall the Performance Reserve provide a guarantee for the performance of the obligations of any Obligor;
- (g) without duplication, (i) any applicable Seller Performance Indemnity Payment and/or (ii) any applicable Residual Value Indemnification Amount received by the Issuer from the Seller during the Monthly Period of such Cut-Off Date;
- (h) the amount standing to the credit of the Commingling Reserve Ledger upon the occurrence and continuance of a Servicer Termination Event as of such Cut-Off Date, to the extent necessary to cover any Servicer Shortfall caused on the part of BMW Finance S.N.C. as Servicer;
- (i) upon the termination of the Swap Agreement and in respect of the relevant Interest Determination Date (to the extent not used by the Issuer for the entry into a replacement swap agreement), any swap termination payment received by the Issuer from the outgoing Swap Counterparty (including by debit of the Counterparty Downgrade Collateral Account) or upon the entry by the Issuer into a replacement swap agreement, and, in respect of the relevant Interest Determination Date, any Replacement Swap Premium received previously by the Issuer from the replacement Swap Counterparty; and
- (j) any other amounts (other than covered by item (a) through (i) above (if any)) paid to the Issuer by any other party to any Transaction Document up to (and including) the Reporting Date immediately following such Cut-Off Date, unless otherwise specified, which according to such Transaction Document is to be allocated to the Available Distribution Amount.

It should be noted that VAT, insurance premiums, service indemnities, early termination indemnities and maintenance and service repair contract amounts owed by the relevant Lessee are not being assigned to the Issuer and accordingly the Issuer will have no right whatsoever on amounts collected in respect of any such amounts.

Any cash or securities balance credited to the Counterparty Downgrade Collateral Account will not form part of the Available Distribution Amount.

**"Available Post-Enforcement Funds"** means, from time to time following the occurrence of an Enforcement Event, all moneys standing to the credit of the Issuer Account, including, without limitation, to the extent due and payable, the relevant moneys credited to the Commingling Reserve Ledger, the Cash Reserve Ledger and the Performance Reserve Ledger, which the Issuer shall be entitled to set off against the respective guaranteed obligations, and including, without limitation, any balance credited to the Counterparty Downgrade Collateral Account but only to the extent that the proceeds from any swap collateral posted on the Counterparty Downgrade Collateral Account have been applied pursuant to the terms of the Swap Agreement to reduce the amount that would otherwise be payable by the Swap Counterparty upon early termination of the Swap Agreement and any amount received by the Issuer in respect of Replacement Swap Premium to the extent that such amount exceeds the amount required to be applied directly to pay a termination payment due and payable by the Issuer to the Swap Counterparty upon termination of the Swap Agreement, but excluding any amount credited to the Counterparty Downgrade Collateral Account which will be returned directly to the Swap Counterparty, including, without limitation, any Replacement Swap Premium (only to the extent that it is applied directly to pay a termination payment due and payable by the Issuer to the Swap Counterparty).

**"Back-Up Servicer Facilitator"** has the meaning ascribed to it in clause 18 (*Back-Up Servicer Facilitator*) of the Servicing Agreement.

**"Bank Account Agreement"** means a bank account agreement between, *inter alios*, the Management Company and the Account Bank relating to the Issuer Account and the Counterparty Downgrade Collateral Account and dated on or about the Signing Date.

**"Base Rate Modification"** means such other amendments as are necessary or advisable in the commercially reasonable judgment of the Management Company (or the Servicer as the Alternative Base Rate Determination Agent on its behalf) to facilitate a change to an Alternative Base Rate.

**"Base Rate Modification Certificate"** means the certificate given by the Servicer to the Management Company to certify that:

- (a) such Base Rate Modification is being undertaken due to:
  - (i) a material disruption to EURIBOR, an adverse change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or be published;
  - (ii) a public statement by the Administrator that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR);
  - (iii) a public statement by the supervisor of the Administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
  - (iv) a public announcement of the permanent or indefinite discontinuation of EURIBOR that applies to the Class A Notes at such time;
  - (v) a public statement by the supervisor for the Administrator that means EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or

- (vi) the reasonable expectation of the Servicer that any of the events specified in items (i) to (v) above will occur or exist within six (6) months of such Base Rate Modification, and, in each case, such Base Rate Modification is required solely for such purpose; and
- (b) such Alternative Base Rate is:
  - (i) a base rate published, endorsed, approved or recognised by the relevant regulatory authority or any stock exchange on which the Class A Notes are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing;
  - (ii) 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;
  - (iii) 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 BMW Finance S.N.C.; or
  - (iv) such other base rate as the Servicer reasonably determines; and:
  - (v) in each case, the change to the Alternative Base Rate will not, in the Servicer's opinion, be materially prejudicial to the interest of the Class A Noteholders;
  - (vi) the Servicer may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in Condition 13.1 are satisfied; and
  - (vii) which may be an Alternative Base Rate together with a specified adjustment factor which may increase or decrease the relevant Alternative Base Rate.

**"Benchmark 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) 596/2014.

**"Beneficiary"** means the FCT, in its capacity as beneficiary of the Lease Vehicle Pledge Agreement and the Lease Vehicle Pledge created thereunder.

**"BMW AG"** means Bayerische Motoren Werke Aktiengesellschaft.

**"BMW Dealer"** means a Subsidiary or a branch, as the case may be, of the BMW Group or a vehicle dealer being franchised or authorised by the BMW Group in France.

**"BMW Dealers List"** means the list of BMW Dealers provided by the Seller to the Management Company on the Issue Date, as the same may be amended following the updates provided by the Seller to the Management Company on each Payment Date.

**"BMW Finance"** means BMW Finance S.N.C.

**"BMW Group"** means BMW AG including all French or foreign entities in which BMW AG holds a direct or indirect interest of at least 10% of the capital and voting rights.

**"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.

**"Business Day"** means any day (other than a Saturday or Sunday or public holiday in such country) on which banks and foreign exchange markets are open for business in London, Munich, Frankfurt am Main, Paris, Stockholm and Luxembourg and on which T2 operates.

**"Calculation Agency Agreement"** means the calculation agency agreement between, *inter alios*, the Management Company and the Calculation Agent dated on or about the Signing Date.

**"Calculation Agent"** means IQ EQ Management, any successor thereof or any other Person appointed as replacement Calculation Agent from time to time in accordance with the Calculation Agency Agreement.

**"Calculation Check"** means the review of the Monthly Investor Report only with regard to the applicable Priority of Payments by the Calculation Agent.

**"Calculation Check Notice"** means the written notice issued by the Calculation Agent to the Management Company and the Servicer after conducting the Calculation Check.

**"Callback Contact"** has the meaning ascribed to it in clause 1.1 (*Definitions*) of the Bank Account Agreement.

**"Cash Administration Services"** has the meaning ascribed to it in clause 10 (*Cash Administration Services*) of the Bank Account Agreement.

**"Cash Reserve Ledger"** means the ledger to the Issuer Account held by the Issuer with the Account Bank for the Required Cash Reserve Amount and for the purposes of the Transaction.

**"CCP"** means an authorised central counterparty pursuant to EMIR.

**"CET"** means Central European time.

**"Class"** means any of the Class A Notes, the Class B Notes and the Class C Notes.

**"Class A Noteholder"** means a holder of the Class A Notes and **"Class A Noteholders"** means all holders of the Class A Notes collectively.

**"Class A Notes"** means the class A notes issued by the Issuer on the Issue Date with a total nominal amount of €500,000,000.00, issued in denominations of €100,000 and ranking senior to the Class B Notes and the Subordinated Loan.

**"Class A Notes Issue Proceeds"** has the meaning ascribed to it in clause 4 (*Purchase and subscription*) of the Subscription Agreement.

**"Class A Outstanding Notes Balance"** means, as of any date, the sum of the Outstanding Note Balances of all Class A Notes as of such date and if such date is a Payment Date, taking in account the principal redemption on such Payment Date.

**"Class B Noteholder"** means a holder of the Class B Notes and **"Class B Noteholders"** means all holders of the Class B Notes collectively.

**"Class B Notes"** means the class B notes issued by the Issuer on the Issue Date with a total nominal amount of €68,900,000.00, issued in denominations of €100,000 and ranking junior to the Class A Notes.

**"Class B Notes Issue Proceeds"** has the meaning ascribed to it in clause 4 (*Purchase and subscription*) of the Subscription Agreement.

**"Class B Outstanding Notes Balance"** means, as of any date, the sum of the Outstanding Note Balances of all Class B Notes as of such date and if such date is a Payment Date, taking in account the principal redemption on such Payment Date.

"**Class C Noteholder**" means a holder of the Class C Notes and "**Class C Noteholders**" means all holders of the Class C Notes collectively.

"**Class C Notes**" means the class C notes issued by the Issuer on the Issue Date with a total nominal amount of €74,400,000.00, issued in denominations of €100,000 and ranking junior to the Class A Notes and the Class B Notes.

"**Class C Outstanding Notes Balance**" means, as of any date, the sum of the Outstanding Note Balances of all Class C Notes as of such date and if such date is a Payment Date, taking in account the principal redemption on such Payment Date.

"**Class C Notes Issue Proceeds**" has the meaning ascribed to it in clause 4 (*Purchase and subscription*) of the Subscription Agreement.

"**Class Outstanding Notes Balance**" means either of the Class A Outstanding Notes Balance, the Class B Outstanding Notes Balance or the Class C Outstanding Notes Balance, as applicable.

"**Clean-Up Call Conditions**" means:

- (a) the proceeds distributable as a result of the repurchase of all outstanding Purchased Receivables, together with any Ancillary Rights, (after the Seller has rightfully exercised the Clean-Up Call Option) will, together with funds credited to the Cash Reserve Ledger, be at least equal to the sum of (x) the Aggregate Outstanding Notes Balance plus (y) accrued but unpaid interest thereon plus (z) all claims of any creditors of the Issuer ranking prior to the claims of the Noteholders according to the Post-Enforcement Priority of Payments;
- (b) the Seller will have notified the Management Company of its intention to exercise the Clean-Up Call Option at least ten (10) days prior to the contemplated settlement date of the Clean-Up Call Option which will be the next following Payment Date; and
- (c) the repurchase price to be paid by the Seller will be equal to the then Aggregate Discounted Lease Balance, together with the then Aggregate Discounted Contractual Residual Value, plus any interest accrued until and outstanding on the Cut-Off Date immediately preceding such Clean-Up Call Settlement Date.

"**Clean-Up Call Option**" means the Seller's right to exercise a clean-up call more specifically described in Condition 6.3(a) of the Conditions.

"**Clean-Up Call Settlement Date**" means, provided that the Clean-Up Call Conditions are satisfied and the Seller exercises the Clean-Up Call Option at least ten (10) days prior to the next following Payment Date, such next following Payment Date.

"**Clearing Obligation**" means the obligation for a mandatory clearing of certain OTC derivative contracts in accordance with EMIR.

"**Clearing System**" means either of Euroclear or Clearstream, Luxembourg, and "**Clearing Systems**" means Euroclear and Clearstream, Luxembourg collectively.

"**Clearstream, Luxembourg**" means the Clearstream clearance system for internationally traded securities operated by Clearstream Banking *société anonyme*, Luxembourg at 42 Avenue John F. Kennedy, L-1855 Luxembourg and any successor thereto.

"**Collections**" means, with respect to any Purchased Receivables during the relevant Monthly Period, any amounts, proceeds or financial benefits received on or in connection with such Purchased Receivables and related Ancillary Rights, including, without limitation:

- (a) all collections of the Lease Instalments that have been paid by the Lessee;

- (b) all collections of the Late Return Indemnity Receivables that have been paid by the Lessee;
- (c) all collections of the Returned Vehicle Expense Receivables that have been paid by the Lessee;
- (d) all collections of the Vehicle Sale Receivables from third parties together, if the Servicer is not BMW Finance, with any early termination payments received from the Lessee;
- (e) all collections of the Dealer Vehicle Buy Back Receivables from the BMW Dealer;
- (f) all collections of the Lessee Vehicle Buy Back Receivables from the Lessee;
- (g) all collections from any Recoveries;
- (h) the Deemed Collections, if any, paid in respect of such Purchased Receivables; and
- (i) any other enforcement proceeds received by means of realisation of the Lease Vehicle Pledge Agreement.

It should be noted that VAT, insurance premiums, service indemnities, early termination indemnities and maintenance and service repair contract amounts owed by the relevant Lessee are not being assigned to the Issuer and accordingly the Issuer will have no right whatsoever on amounts collected in respect of any such amounts.

**"Commingling Reserve"** means the reserve of the Issuer held on the Issuer Account with the Account Bank, credited to the Commingling Reserve Ledger as compiled by the Servicer.

**"Commingling Reserve Excess Amount"** means, as of any Cut-Off Date, an amount equal to the amount credited to the Commingling Reserve Ledger which exceeds the Commingling Reserve Required Amount and which includes any amount of interest earned on any balance credited to the Commingling Reserve Ledger.

**"Commingling Reserve Ledger"** means a ledger to the Issuer Account held by the Issuer with the Account Bank for the Commingling Reserve Required Amount for the purposes of the Transaction.

**"Commingling Reserve Reduction Amount"** means on any Payment Date following (i) the occurrence and continuation of a Commingling Reserve Trigger Event and (ii) for as long as the Servicer has selected the option set-out in clause 16.2 (*Commingling Reserve*) of the Servicing Agreement, the product of:

- (a) the then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value on the Cut-Off Date immediately preceding the relevant Payment Date; and
- (b) the difference, if positive, of (i) over (ii) where:
  - (i) is the result of (A) then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value on the Cut-Off Date immediately preceding the relevant Payment Date minus the Class A Outstanding Notes Balance and the Class B Outstanding Notes Balance on such Payment Date plus the cash reserve amount standing to the credit of the Cash Reserve Ledger on such Payment Date, divided by (B) the then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value on the Cut-Off Date immediately preceding the relevant Payment Date; and
  - (ii) is 12.4%,

provided that if (i) is lower than (ii), the Commingling Reserve Reduction Amount shall be zero.

**"Commingling Reserve Required Amount"** means (a) if no Commingling Reserve Trigger Event prevails or if and for as long as the Servicer has selected one of the options set out in clause 16.2

(*Commingling Reserve*) of the Servicing Agreement, zero, and (b) upon the occurrence and the continuance of a Commingling Reserve Trigger Event and if and for as long as the Servicer has selected the option set out in clause 16.2(b) (*Commingling Reserve*) of the Servicing Agreement, an amount equal to the sum of the Collections expected to be received (as calculated by the Servicer and based on the scheduled Lease Instalments under the relevant Lease Agreement) during the Monthly Period in which such Payment Date falls and the immediately following Monthly Period, reduced by the Commingling Reserve Reduction Amount provided that such sum shall at all times be a positive amount or otherwise zero, provided that, after the occurrence of a Servicer Termination Event, such amount shall equal zero on the date on which the Issuer has determined that no Servicer Shortfall exists and no further Servicer Shortfalls are to be expected.

"**Commingling Reserve Trigger Event**" means if, at any time for as long as the Seller remains the Servicer:

- (a) (i) the issuer rating of BMW AG is assigned a rating lower than BBB(low) by DBRS, or (ii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of BMW AG are assigned a rating lower than Baa2 by Moody's; or
- (b) BMW AG ceases to own, directly or indirectly, at least 90% of the share capital of the Seller,

provided that a Commingling Reserve Trigger Event will cease to continue upon the earlier of (A) all Obligor have redirected their payments directly to the Issuer Account and (B) a substitute Servicer has been appointed.

Upon the occurrence of a Commingling Reserve Trigger Event and for so long as such event remains, the Servicer shall, within the Performance Period, notify the Issuer in writing that it will elect to:

- (i) with effect from the date of such notification, transfer any Collections to the Issuer Account within two (2) Business Days upon receipt of such Collections; or
- (ii) fund the Commingling Reserve Ledger (not using any Collections) with the Commingling Reserve Required Amount within the Performance Period of the Commingling Reserve Trigger Event taking place and on each Payment Date upon the continuance of the Commingling Reserve Trigger Event.

For so long as such Commingling Reserve Trigger Event prevails, the Servicer shall have the right to switch between the above options by written notice to the Issuer.

"**Common Terms**" means the provisions set out in Schedule 2 (*Common Terms*) of the Incorporated Terms Memorandum.

"**Conditions**" means the terms and conditions of the Notes (which terms and conditions are set out in the Offering Circular).

"**Contractual Residual Value**" means, in respect of a Lease Agreement, the contractual residual value of each Leased Vehicle as set out in the relevant Lease Agreement.

"**Counterparty Downgrade Collateral Account**" means the counterparty downgrade collateral account or any other account replacing such account held with the Account Bank with the account details set out in Schedule 10 (*Account details*) to the Incorporated Terms Memorandum and opened for the posting of collateral by the Swap Counterparty under the Swap Agreement.

"**CRA Regulation**" means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

"**CRA III Regulation**" means the CRA Regulation, as amended by Regulation (EU) 513/2011 and by Regulation (EU) 462/2013.

"**CRD Regime**" 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.

"**Credit and Collection Policy**" means the body of binding working instructions created by the Servicer to standardise its credit and collection management as consistently applied by the Servicer from time to time and as modified from time to time in accordance with the Servicing Agreement.

"**Critical Obligations Rating**" or "**COR**" means the long-term rating assigned by DBRS to address the risk of default of particular obligations and/or exposures of certain banks that have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations. If the COR assigned by DBRS to the relevant entity is public, it will be indicated on the website of DBRS ([www.dbrs.com](http://www.dbrs.com)), or if the COR assigned by DBRS to the relevant entity is private, such relevant entity shall give notice to each relevant party as soon as reasonably practicable upon the occurrence of any change relevant for the purpose of the applicability of the COR in the Transaction Documents.

"**CRR**" means the Regulation 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.

"**CSSF**" means the *Commission de Surveillance du Secteur Financier* of Luxembourg.

"**Custodian**" means BNP Paribas, a *société anonyme* incorporated under the laws of France, whose registered office is at 16 boulevard des Italiens, 75009, Paris, France, acting through its Securities Services business located at Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France, registered with the Trade and Companies Register of Paris (*Registre du Commerce et des Sociétés de Paris*) under number 662 042 449, licensed in France as a credit institution (*établissement de crédit*) by the ACPR, in its capacity as custodian of the assets of the Issuer.

"**Custodian's Acceptance Letter**" means the acceptance letter dated the Signing Date, signed by an authorised officer of the Custodian and addressed to the Management Company and pursuant to which the Custodian has expressly accepted to be designated by the Management Company as the Custodian of the Issuer pursuant to and in accordance with the Custodian Agreement.

"**Custodian Agreement**" means the custodian agreement (*convention dépositaire*) entered into between the Management Company and the Custodian on 18 October 2021, including any amendment agreement or replacement agreement relating to such agreement.

"**Cut-Off Date**" means the last calendar day of each calendar month, and the Cut-Off Date with respect to each Payment Date or the Issue Date (as the case may be) is the Cut-Off Date immediately preceding such Payment Date or the Issue Date, provided that the first Cut-Off Date is 30 June 2025.

"**Data Custody Agent**" means BNP Paribas (acting through its Securities Services business) or any successor thereof or any other Person appointed as replacement Data Custody Agent from time to time in accordance with the Data Custody Agreement.

"**Data Custody Agreement**" means a data custody agreement between the Seller, the Servicer, the Data Custody Agent and the Management Company dated on or about the Signing Date.

"**DBRS**" or "**DBRS Morningstar**" means (a) for the purpose of identifying which DBRS entity which has assigned the credit rating to the Class A Notes and the Class B Notes, DBRS Ratings GmbH, and any successor to this rating activity and (b) 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 available list published by ESMA on its 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 (a) if a Fitch public senior unsecured debt rating (or equivalent rating), a Moody's public senior unsecured debt rating (or equivalent rating) and an S&P public senior unsecured debt rating (or equivalent rating) are all available, (i) the remaining rating (upon conversion on the basis of the DBRS Equivalent Chart) once the highest and the lowest rating have been excluded or (ii) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart), (b) if the DBRS Equivalent Rating cannot be determined under paragraph (a) above, but public senior unsecured debt ratings (or equivalent 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 (c) if the DBRS Equivalent Rating cannot be determined under paragraph (a) or paragraph (b) above, and therefore only a public senior unsecured debt rating (or equivalent rating) by one of Fitch, Moody's and S&P is available, such rating will be the DBRS Equivalent Rating (upon conversion on the basis of the DBRS Equivalent Chart).

"**Dealer Vehicle Buy Back Agreement**" means any agreement entered into between the Seller and a BMW Dealer, which may form part of a Lease Agreement, pursuant to which the BMW Dealer buys a Leased Vehicle, whether following (a) the return of the relevant Leased Vehicle(s) to the Seller at the end of a Lease Agreement or (b) any other circumstances (without prejudice to the undertakings of the Seller or the Servicer under the Transaction Documents).

"**Dealer Vehicle Buy Back Receivable**" means any amount (excluding VAT) payable by a BMW Dealer to the Seller following the sale or transfer of a Leased Vehicle by the Seller to that BMW Dealer in accordance with a Dealer Vehicle Buy Back Agreement.

"**Decree**" means French decree no. 2006-1804 dated 23 December 2006.

**"Deemed Collections"** means, in respect of a Series of Receivables, an amount to be paid if, and equal to the then Discounted Lease Balance of the relevant Lease Receivable together with the then Discounted Contractual Residual Value in respect of the related Lease Agreement (including where only a portion of such Purchased Receivable is affected) as of the Cut-Off Date immediately preceding the Monthly Period during which, one of the following events occurs:

- (a) such Purchased Receivable proves to be in material breach of any of the Eligibility Criteria as of the first Cut-Off Date, unless such non-compliance is fully remedied by the Seller to the satisfaction of the Management Company; or
- (b) such Purchased Receivable remains unpaid solely as a result of a material breach of the Servicer's obligations under the Servicing Agreement and the Credit and Collection Policy (for as long as the Seller and the Servicer are identical); or
- (c) such Purchased Receivable is reduced or affected due to any material modification or amendment to the relevant Lease Agreement or early termination of the Financial Lease Agreement resulting from the mutual agreement of the parties thereto only, other than in accordance with the Credit and Collection Policy; or
- (d) any material reduction of such Purchased Receivable or any other amount owed by a Lessee or a BMW Dealer due to (x) any set-off against the Seller due to a counterclaim of such Lessee or BMW Dealer or any set-off or equivalent action against the relevant Lessee or BMW Dealer by the Seller or (y) any discount or other credit in favour of such Lessee or BMW Dealer, in each case as of the date of such reduction for such Purchased Receivable,

provided that no Deemed Collection will be payable in respect of a Purchased Receivable in respect of which the relevant Lessee fails to make due payments solely as a result of its lack of funds or insolvency. No other Deemed Collection is due with respect to any other affected Purchased Receivables of the same Series of Receivables. The Deemed Collections will be paid by the Seller to the Issuer if the Servicer and the Seller are not the same Person.

**"Defaulted Lease Receivable"** means for any Monthly Period, any Purchased Receivable in respect of which:

- (a) any amount remains unpaid past its due date for one hundred and fifty (150) calendar days or more; or
- (b) the Servicer, acting in accordance with the Credit and Collection Policy, has terminated or accelerated the underlying Lease Agreement, or has written off or made provision against any definitive losses at any time prior to the expiry of the period referred in to (a) above.

**"Discount Rate"** means the higher of (i) the nominal interest rate of the relevant Lease Agreement and (ii) 5%.

**"Discounted Contractual Residual Value"** means, in respect of a Lease Agreement, the Contractual Residual Value in respect of such Lease Agreement discounted with the Discount Rate.

**"Discounted Lease Balance"** means, in respect of Lease Receivables, the amount of such Lease Receivables discounted with the Discount Rate.

**"DOM-COM"** means collectively, the French overseas departments of Guadeloupe, Martinique, Guyane, la Réunion and Mayotte and the French overseas collectivities of French Polynesia, Saint-Pierre-et-Miquelon, Wallis and Futuna, Saint-Martin and Saint Barthélemy.

**"EBA Guidelines on STS Criteria"** means the Final Report on the STS criteria for non-ABCP securitisation dated 12 December 2018 of the European Banking Authority, as amended by the Final Report on the STS criteria for on-balance-sheet securitisation dated 27 May 2024.

**"Eligibility Criteria"** means the eligibility criteria as set out in Schedule 3 (*Seller representations and warranties*), Part C (*Receivables representations and warranties of the Seller*), Appendix 1 (*Eligibility Criteria*) of the Incorporated Terms Memorandum as of the first Cut-Off Date and **"Eligibility Criterion"** means any one of them.

**"Eligible Counterparty"** means any entity with:

- (a) in relation to DBRS (i) whose Critical Obligations Rating is at least A (high), or (ii) if it does not have a Critical Obligations Rating whose unsecured, unsubordinated and unguaranteed long-term debt obligations are rated at least A by DBRS or, if such entity has no rating from DBRS, a DBRS Equivalent Rating of at least A, or such other rating from time to time notified or published by DBRS replacing any of the above ratings or implementing a rating requirement; and
- (b) a short-term deposit rating of at least P-1 from Moody's (or its equivalent) or a long-term deposit rating of at least A2 from Moody's (or its equivalent); or
- (c) such other ratings as are otherwise acceptable to the relevant Rating Agency as would maintain the then current rating of the Notes rated by it.

If at any time the Account Bank ceases to be an Eligible Counterparty, it will, at its own cost, (in the event of a downgrade of the Account Bank by Moody's or DBRS), within sixty (60) days after becoming ineligible (i) procure the transfer of the Issuer Account and/or the Counterparty Downgrade Collateral Account to another bank which is an Eligible Counterparty, or (ii) procure an irrevocable and unconditional guarantee from a guarantor with (x) a short-term deposit rating of at least P-1 from Moody's (or its equivalent) or a long-term deposit rating of at least A2 from Moody's (or its equivalent); and (y) a Critical Obligations Rating is at least A (high), or if the financial institution does not have a COR, whose unsecured, unsubordinated and unguaranteed long-term debt obligations are rated at least A by DBRS or, if the relevant institution has no rating from DBRS, a DBRS Equivalent Rating of at least A or, in each case, such other ratings as are otherwise acceptable to the relevant Rating Agency from time to time as would maintain the then current rating of the Notes rated by it, (iii) take any other action in order to maintain the rating of the Notes or to restore the rating of any Notes or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time as would maintain the then current ratings of the Notes.

**"Eligible Guarantor"** has the meaning ascribed to it in clause 8.3 (*Termination*) of the Bank Account Agreement.

**"Eligible Receivable"** means any Receivable which satisfies the Eligibility Criteria as of the first Cut-Off Date.

**"Eligible Swap Counterparty"** means any entity with:

- (a) a Critical Obligations Rating or, if it does not have one, (i) the unsecured, unsubordinated and unguaranteed long-term debt obligations rated at least "A" by DBRS or (ii) unsecured, unsubordinated and unguaranteed long-term debt obligations rated at least "BBB" by DBRS, and which posts collateral in the amount and manner set forth in the Credit Support Annex or if the relevant entity has no rating from DBRS, having at least a DBRS Equivalent Rating corresponding to (i) or (ii) above; and
- (b) (i) a long-term counterparty risk assessment of A3(cr) or, if it does not have such rating, a senior unsecured debt rating of A3, or better, the "Moody's Collateral Trigger", and within the time periods specified in the Swap Agreement and after such failure to have the required ratings, to post collateral in the amount and manner stated in the Credit Support Annex, or (ii) to have a specified level of required ratings from Moody's, generally equal to a long-term counterparty risk assessment of Baa3 (cr) or, if it does not have such rating, a senior unsecured debt rating of Baa3, or better, the "Moody's Transfer Trigger", to post collateral in the amount and manner

stated in the Credit Support Annex and then, within the time periods specified in the interest rate swap agreement and after such failure to have the required ratings, to undertake one of the following actions:

- (1) obtain a guarantee of its obligations under the swap transaction from a sufficiently rated third party,
  - (2) transfer all of its rights and obligations under the swap transaction to an eligible third party with a sufficient rating, and/or
  - (3) take such other action (which may include taking no action) which will result in the rating of the Class A Notes and the Class B Notes following such action to be maintained at, or restored to, the level it would have been at immediately prior to the occurrence of the Moody's Transfer Trigger; and
- (c) another rating provided that such entity will have taken measures that would lead to the then current rating of any Class of Notes not being downgraded or withdrawn,

in accordance with the Swap Agreement.

"**EMIR REFIT**" means Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) 648/2012.

"**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, known as the European Market Infrastructure Regulation or as it forms part of domestic law of the United Kingdom by virtue of the EUWA, as applicable.

"**Enforcement Event**" means the occurrence of any of the following events:

- (a) there is an Interest Shortfall on any Payment Date (and such Interest Shortfall is not paid within five (5) Business Days of its occurrence) or the payment of principal on the Legal Final Maturity Date (and such shortfall is not paid within five (5) Business Days of its occurrence), in each case, in respect of the most senior Class of Notes (but not in respect of the Subordinated Loan Agreement); or
- (b) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Class A Notes, the Class B Notes or any Transaction Document (other than the Subordinated Loan Agreement).

"**ESMA**" means the European Securities and Markets Authority.

"**€STR**" means the Euro short-term rate administered by the European Central Bank (or any other person which takes over the administration of that rate) published by the European Central Bank (or any other person which takes over publication of that rate).

"**€**" or "**Euro**" means the lawful currency of the Member States of the European Union that have adopted the single currency in accordance with the EU Treaties.

"**EURIBOR**" (Euro Interbank Offered Rate) means the rate determined by the Interest Determination Agent for deposits in Euro for a period of one (1) month (for the first Interest Period, interpolated between one (1) week and one (1) month) which appears on page EURIBOR 01 of the Reuters screen (or such other page as may replace such page on that service for the purpose of displaying the Euro inter-bank offered rate administered by the Administrator (or any other person which takes over the administration of such rate)) as of 11:00 a.m. in Brussels on the second Business Day immediately preceding the first day of such Interest Period (each, an "**Interest Determination Date**"). If page EURIBOR 01 of the Reuters screen is not available or if no such quotation appears thereon, in each case as at such time, the

Interest Determination Agent shall either specify another page or service displaying the relevant rate or use the Reference Bank Rate (expressed as a percentage rate *per annum*) as determined by it in consultation with the Management Company for one (1)-month deposits (with respect to the first Interest Period, interpolated between one (1) week and one (1) month) in Euro at approximately 11:00 a.m. (Brussels time) on the relevant Interest Determination Date, where the "**Reference Bank Rate**" means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Interest Determination Agent at its request by the Reference Banks selected by it in consultation with the Management Company as the rate at which such Reference Bank could borrow funds in the European interbank market in Euro and for such Interest Period were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in Euro and for such Interest Period.

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

- (a) for any reason other than described under (b) below, EURIBOR for such Interest Period will be EURIBOR as determined on the previous Interest Determination Date; or
- (b) due to a public announcement of the permanent or indefinite discontinuation of EURIBOR that applies to the Class A Notes at that time (the date of such public announcement being the "**Relevant Time**"), the Management Company (acting on the advice of the Servicer as the Alternative Base Rate Determination Agent) shall, without undue delay, instruct the Interest Determination Agent to apply an Alternative Base Rate in accordance with clause 8.2 (*Base Rate Modifications*) of the Common Terms.

"**Euroclear**" means the Euroclear system operated by Euroclear Bank S.A./N.V. at 1 boulevard du Roi Albert II, 1210 Brussels, Belgium and any successor thereto.

"**Euroclear France**" means Euroclear France S.A. a *société anonyme* incorporated under, and governed by the laws of France, whose registered office is located at 66 rue de la Victoire, 75009 Paris, France.

"**Euroclear France Account Holder**" means any authorised financial intermediary institution customers with Euroclear France, and includes Euroclear and Clearstream, Luxembourg.

"**Euro-zone**" means the region comprising Member States of the European Union that have adopted the single currency, the Euro, in accordance with the EU Treaties.

"**EU Treaties**" means the Treaty on the functioning of the European Union (signed in Rome on 25 March 1957) and the Treaty on European Union (signed in Maastricht on 7 February 1992), as amended from time to time, including by the Treaty of Amsterdam (signed in Amsterdam on 2 November 1997), by the Treaty of Nice (signed in Nice on 26 February 2001) and by the Lisbon Treaty (signed in Lisbon on 13 December 2007).

"**EUWA**" means the European Union (Withdrawal) Act 2018, as amended.

"**Event**" has the meaning ascribed to it in clause 8.3 (*Termination*) of the Bank Account Agreement.

"**Event of Default**" has the meaning ascribed to it in clause 6 (*Events of Default*) of the Subordinated Loan Agreement.

"**Excess Spread**" means, with respect to any Payment Date, the amount equal to the difference between the interest collected with respect to the Lease Instalments of the Purchased Receivables during the Monthly Period immediately preceding a Payment Date and the sum of the amounts required to be paid under items *first to seventh* of the Pre-Enforcement Priority of Payments or *first to ninth* of the Post-Enforcement Priority of Payments, respectively, on such Payment Date and providing the first loss protection to the Notes.

"**FATCA**" means the Foreign Account Tax Compliance Act.

"**FATCA Compliant Entity**" means a person payments to whom are not subject to FATCA withholding.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Transaction Document required by FATCA.

"**FATCA Regulations**" means the final regulations under FATCA issued by the IRS on 17 January 2013, as modified.

"**FCA Handbook**" means the handbook of rules and guidance adopted by the UK Financial Conduct Authority.

"**FCT**" means Bavarian Sky French Auto Leases 5 is a French *fonds commun de titrisation* established by the Management Company on the Signing Date. The FCT is governed by the provisions of articles L. 214-167 to L. 214-175-8, articles L. 214-180 to L. 214-186 and R. 214-217 to D. 214-235 of the French Monetary and Financial Code, the relevant provisions of the AMF General Regulations and by the Issuer Regulations.

"**Financial Lease Agreement**" means a lease agreement with a purchase option (*location avec option d'achat*) entered into between a Lessee and the Seller in relation to Leased Vehicles.

"**Financial Period**" means each accounting period of the Issuer being twelve (12) months and beginning on 1 January and ending on 31 December, save for the first accounting period of the Issuer which will begin on the Issue Date and end on 31 December 2025.

"**France**" means the Republic of France.

"**French Civil Code**" means the French *Code civil*.

"**French Commercial Code**" means the French *Code de commerce*.

"**French Consumer Code**" means the French *Code de la consommation*.

"**French Consumer Credit Legislation**" means the statutory consumer protection provisions in the French Consumer Code.

"**French General Tax Code**" means the French *Code général des impôts*.

"**French Monetary and Financial Code**" means the French *Code monétaire et financier*.

"**French Transaction Documents**" means the Conditions, the Issuer Regulations, the Subscription Agreement, the Agency Agreement, the Bank Account Agreement, the Calculation Agency Agreement, the Lease Receivables Purchase Agreement, the Servicing Agreement, the Data Custody Agreement, the Subordinated Loan Agreement, the Incorporated Terms Memorandum, the Lease Vehicle Pledge Agreement and the Custodian's Acceptance Letter, which are governed by, and will be construed in accordance with, the laws of France and any amendment agreement, termination agreement or replacement agreement relating to any such agreement.

"**FSMA**" means the United Kingdom Financial Services and Markets Act 2000.

"**GDPR**" means the General Data Protection Regulation (EU) 2016/679.

"**Governmental Authority**" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, anybody or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to a government, including, without limitation, any court, and any Person owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

**"Incorporated Terms Memorandum"** means the memorandum so named, dated on or about the Signing Date and signed by each of the Transaction Parties.

**"Indemnified Amounts"** has the meaning ascribed to it in clause 6.1 (*Indemnity*) of the Lease Receivables Purchase Agreement.

**"Indemnified Person"** has the meaning ascribed to it in clause 6.1 (*Indemnity*) of the Lease Receivables Purchase Agreement.

**"Indemnified Receivable"** means a Defaulted Lease Receivable or portion thereof which has been paid or is due to be paid by a third party other than the Lessee directly to the Seller.

**"Insolvency Event"** means, with respect to any Transaction Party, each of the following events: (i) the making of an assignment, conveyance, composition or marshalling of assets for the benefit of its creditors generally or any substantial portion of its creditors; (ii) the application for, seeking of, consent to, or acquiescence in, the official appointment of an insolvency receiver, custodian, trustee, moratorium monitor, liquidator or similar official for it or a substantial portion of its property; (iii) the initiation of any case, action or proceedings before any court or Governmental Authority against any Transaction Party under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws and such proceedings are not being disputed in good faith with a reasonable prospect of discontinuing or discharging the same; (iv) the levy or enforcement of a distress or execution or other process upon or sued out against the whole or any substantial portion of the undertaking or assets of the Issuer or any Transaction Party and such possession or process (as the case may be) will not be discharged or otherwise will not cease to apply within 60 days; (v) initiation or consent to any case, action or proceedings in any court or Governmental Authority relating to any Transaction Party under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws; (vi) an order is made against any Transaction Party or an effective resolution is passed for its winding-up; (vii) any Transaction Party is deemed unable to pay its debts generally within the meaning of any liquidation, insolvency, composition, reorganisation or other similar laws in the jurisdiction of its incorporation or establishment; and (viii) any Transaction Party becomes subject to Insolvency Proceedings.

**"Insolvency Proceedings"** means (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganisation, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors of a Person, or (b) any general assignment of assets for the benefit of creditors of a Person, composition, marshalling of assets for creditors of a Person, or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors.

**"Interest Amount"** means the amount of interest payable by the Issuer on a Note on a Payment Date accrued during the Interest Period relating to such Payment Date as further described in Condition 5.1(b) (*Interest calculation*).

**"Interest Determination Agent"** means IQ EQ Management, any successor thereof or any other Person appointed as replacement Interest Determination Agent from time to time in accordance with the Agency Agreement.

**"Interest Determination Date"** means the second Business Day prior to the first day of the relevant Interest Period.

**"Interest Period"** means, in respect of the first Payment Date, the period commencing on (and including) the Issue Date and ending on (but excluding) the first Payment Date, and in respect of any subsequent Payment Date, the period commencing on (and including) the previous Payment Date and ending on (but excluding) the relevant Payment Date, provided that the last Interest Period will end on (but excluding) the Legal Final Maturity Date or, if earlier, the date on which all Notes are redeemed in full.

**"Interest Rate"** means in respect of the Notes the applicable rate of interest as more specifically described in Condition 5.3(a) (*Interest Rate*).

**"Interest Shortfall"** means, with respect to any Note, accrued interest not paid on any Payment Date related to the Interest Period in which it accrued, including but not limited to any accrued interest resulted from correction of any miscalculation of interest payable on a Note related to the last Interest Period immediately prior to the Payment Date.

**"Investor Reporting Date"** means the second Business Day prior to the respective Payment Date.

**"IRS"** means the United States Internal Revenue Service.

**"ISDA Calculation Agent"** means, for the purpose of the Swap Agreement, the Calculation Agent defined in Section 1.2.1 of the 2021 ISDA Definitions.

**"ISIN"** means the International Securities Identification Number pursuant to the ISO – 6166 Standard.

**"ISO"** means the International Organisation for Standardisation.

**"Issue Date"** means 21 July 2025.

**"Issue Document"** has the meaning ascribed to it in clause 3.4 (*Offering of the Notes and agreement to subscribe*) of the Subscription Agreement.

**"Issuer"** means the FCT Bavarian Sky French Auto Leases 5.

**"Issuer Account"** means any accounts held with the Account Bank in respect of the Issuer.

**"Issuer Expenses"** means the Servicing Fee, all expenses and fees due to the Management Company (including the fees due to the statutory auditor of the Issuer which will be paid directly by the Management Company to such statutory auditor and including the AMF Fees), the Custodian, the Account Bank, the Paying Agent, the Registrar and the Data Custody Agent and such other fees and expenses as may be reasonably incurred for the operation or the liquidation of the Issuer, or in relation to the Notes, and in particular the annual fee payable to each Noteholder Representative and referred to in Condition 11 (*Representation of the Noteholders*) of the Notes and all reasonable expenses relating to any notice and publication made in accordance with Condition 8 (*Notifications*) of the Notes or incurred in the operation of each *Masse*, including reasonable expenses relating to the calling and holding of Noteholders' Meetings in respect of each Class of Notes, and all reasonable administrative expenses resolved upon by a Noteholders' Meeting.

**"Issuer Liquidation Date"** means the date on which the Issuer is liquidated, which will be the Legal Final Maturity Date, save if the Issuer is liquidated earlier following the occurrence of an Issuer Liquidation Event, in which case the Issuer Liquidation Date shall be the date on which all of the then outstanding Purchased Receivables will have been sold by the Issuer.

**"Issuer Liquidation Event"** means any of the following events:

- (a) the liquidation of the Issuer is in the interests of the Noteholders and Unitholders; or
- (b) the Seller exercises the Clean-Up Call Option; or
- (c) the Notes and the Units issued by the Issuer are held by a single holder and such holder requests the liquidation of the Issuer; or
- (d) the Notes and the Units issued by the Issuer are held solely by the Seller and the Seller requests the liquidation of the Issuer; or
- (e) pursuant to Article L. 214-175-2 III of the French Monetary and Financial Code, in the event of termination of the Custodian Agreement, the inability of the Management Company to appoint a replacement custodian at the end of the notice period provided for in the Custodian Agreement, being a **"Custodian Non-replacement Event"**.

**"Issuer Regulations"** means the regulations entered into on the Signing Date by the Management Company in connection with the establishment, the operation and the liquidation of the Issuer.

**"Joint Bookrunners"** means BNP Paribas S.A., Crédit Agricole Corporate and Investment Bank and Société Générale S.A.

**"Joint Lead Managers"** means BNP Paribas S.A., Crédit Agricole Corporate and Investment Bank and Société Générale S.A.

**"Late Return Indemnity Receivable"** means any amount (excluding VAT) payable by the Lessee to the Seller in the event of delay in returning a Leased Vehicle following termination of the related Lease Agreement.

**"Lease Agreement"** means each contractual framework, based on the standard business terms or otherwise, which governs the Seller's relationship with the respective Lessee(s) with regard to the Lease Receivables, and which are either (i) a Financial Lease Agreement or (ii) an Operational Lease Agreement.

**"Lease Instalment"** means any lease instalment due and payable by the Lessee, but excluding any portion relating to VAT, insurance premiums, service indemnities, early termination indemnities or maintenance and service repair contract amounts, under a Lease Agreement.

**"Lease Receivable"** means, in respect of any Lease Agreement, each outstanding Lease Instalment arising from the relevant Lease Agreement (excluding any portion relating to VAT insurance premiums, service indemnities, early termination indemnities or maintenance and service repair contract amounts) payable by customers in France.

**"Lease Receivables Purchase Agreement"** means the lease receivables purchase agreement between the Seller and the Management Company dated on or about the Signing Date including, where applicable, any Assignment Document.

**"Lease Vehicle Pledge"** means the first ranking pledge without dispossession (*gage sans dépossession*) created under the Lease Vehicle Pledge Agreement.

**"Lease Vehicle Pledge Agreement"** means the pledge agreement entered between the Pledgor and the Management Company dated on or about the Signing Date.

**"Leased Vehicle"** means any passenger car, light commercial vehicle or motorbike financed under a Lease Agreement.

**"Legal Final Maturity Date"** means the Payment Date falling in August 2032, being 20 August 2032.

**"Lessee"** means, in respect of a Lease Receivable, a Person (including consumers and, to a limited extent, businesses) to whom the Seller has leased one or more Leased Vehicles on the terms of the relevant Lease Agreement(s).

**"Lessee Vehicle Buy Back Receivable"** means any amount (excluding VAT) payable by a Lessee to the Seller following the exercise of the purchase option by the Lessee and the sale or transfer of a Leased Vehicle by the Seller to that Lessee in accordance with a Lease Agreement.

**"Liabilities"** means, in respect of any Person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever, including reasonable legal fees and any taxes and penalties incurred by that Person, together with any VAT charged or chargeable in respect of any of the sums referred to in this definition.

**"Liquidation Surplus"** means any amount standing to the credit of the Issuer Account and the Counterparty Downgrade Collateral Account, and any other account compliant with the Transaction

Documents following the liquidation of the Issuer and the payment of principal, interest, expenses and commissions due under the provisions of the Issuer Regulations.

**"Listing Agent"** means BNP Paribas, Luxembourg branch, any successor thereof or any other Person appointed as replacement Listing Agent from time to time.

**"Luxembourg"** means the Grand Duchy of Luxembourg.

**"Management Company"** means IQ EQ Management, a *société par actions simplifiée*, incorporated under the laws of France, registered with the Trade and Companies Registry of Paris (*Registre du commerce et des sociétés de Paris*) under number 431 252 121 R.C.S, whose registered office is at 92, avenue de Wagram, 75017 Paris, France, duly licensed as a portfolio management company (*société de gestion de portefeuille*) authorised to manage securitisation vehicles (*organismes de titrisation*) by the AMF.

**"Margining Obligation"** means the obligation for a mandatory exchange of collateral in relation to OTC derivative contracts not cleared by a CCP in accordance with EMIR.

**"Masse"** has the meaning ascribed to it in Condition 11 (*Representation of the Noteholders*).

**"Master Definitions Schedule"** means Schedule 1 (*Master Definitions Schedule*) of the Incorporated Terms Memorandum.

**"Material Adverse Effect"** means in relation to any Person, any effect that results in, or could reasonably be expected to result in, the Insolvency Event of that Person or otherwise hinders or could reasonably be expected to hinder not only temporarily, the performance of that Person's obligations under any of the Transaction Documents as and when due.

**"Member State"** means, as the context may require, a member state of the European Union or of the European Economic Area.

**"MiFID II"** means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

**"MiFIR"** means Regulation (EU) 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) 648/2012.

**"Monthly Activity Report"** means the report prepared by the Management Company within 25 days of the last calendar day of each month and sent to the Seller for its information only and including:

- (a) the amounts credited to the Issuer Account and debited from the Issuer Account by reference to the assets of the Issuer;
- (b) the end balance of the Issuer Account;
- (c) the monthly trial balance;
- (d) the balance of the general ledger (*balance des comptes* and *grand-livre des comptes*); and
- (e) information relating to the Purchased Receivables, to any other assets owned by, and any financial contracts entered into by, the FCT with respect to the Notes issued by the Issuer.

**"Monthly Investor Report"** means the report which contains key information the investor needs to analyse the development of the Purchased Receivables, for instance defaults, delinquencies and performance, and which is prepared by the Servicer and made available by the Calculation Agent no later than on the Investor Reporting Date.

**"Monthly Period"** means, with respect to the first Monthly Period, the period commencing on (but excluding) the first Cut-Off Date and ending on (and including) 31 July 2025 and with respect to each following Monthly Period the period commencing on (but excluding) a Cut-Off Date and ending on (and including) the immediately following Cut-Off Date.

**"Moody's"** means Moody's France SAS or any successor of its rating business.

**"NFC"** means a non-financial counterparty pursuant to EMIR.

**"Note Principal Amount"** means the initial note principal amount of any Note of €100,000.

**"Noteholder Representative"** means a legal entity (*personnalité civile*) pursuant to the provisions of article L. 228-46 and article L. 228-47 of the French Commercial Code.

**"Noteholders"** means collectively the Class A Noteholders, the Class B Noteholders and the Class C Noteholders and each holder of a Note a **"Noteholder"**.

**"Noteholders' Meetings"** has the meaning ascribed to it in Condition 11 (*Representation of the Noteholders*).

**"Notes"** means collectively the Class A Notes, the Class B Notes and the Class C Notes.

**"Notification Event"** means a Servicer Termination Event.

**"Notification Event Notice"** means in respect of a Purchased Receivable a notice sent to the relevant Lessees, the relevant BMW Dealers, any other relevant Obligor and the relevant insurance companies stating that their Lease Receivables or, as the case may be, Dealer Vehicle Buy Back Receivables, have been assigned by the Seller to the Issuer pursuant to the Lease Receivables Purchase Agreement, and instructing the relevant Lessees, the relevant BMW Dealers, any other relevant Obligor and the relevant insurance companies to make payments to the Issuer Account or any other account compliant with the Transaction Document.

**"Obligor"** means:

- (a) any Lessee;
- (b) any BMW Dealer which enters into a Dealer Vehicle Buy Back Agreement with the Seller; and
- (c) any third party which enters into a Vehicle Sale Agreement with the Seller.

**"Offer"** has the meaning ascribed to it in clause 2.1 (*Offer of Receivables*) of the Lease Receivables Purchase Agreement.

**"Offering Circular"** means the offering circular dated on or about the Signing Date prepared in connection with the issue by the Issuer of the Notes.

**"Operating Ledger"** means a ledger to the Issuer Account held by the Issuer with the Account Bank for and into which the Servicer transfers all Collections received by it on behalf of the Issuer in accordance with the Servicing Agreement and for the purposes of the Transaction.

**"Operational Lease Agreement"** means a long-term lease agreement without purchase option (*location longue durée, "LDD"*) entered into between a Lessee and the Seller in relation to Leased Vehicles.

**"Optional Repurchase Payment"** means an amount equal to €1.

**"Originator Group"** means the Seller and its affiliated companies.

**"Outstanding Lease Receivables"** means a Lease Receivable that is neither a Defaulted Lease Receivable or Residual Value Indemnified Receivable, nor a Lease Receivable being fully repaid.

**"Outstanding Note Balance"** means in respect of any Note as of any date the Note Principal Amount of such Note as reduced by all amounts paid in accordance with the applicable Priority of Payments prior to such date on such Note in respect of principal.

**"Paying Agent"** means BNP Paribas (acting through its Securities Services business), any successor thereof or any other Person appointed as replacement Paying Agent from time to time in accordance with the Agency Agreement.

**"Payment Date"** means (in respect of the first Payment Date) 20 August 2025 and thereafter the 20th of each calendar month, provided that if any such day is not a Business Day, the relevant Payment Date will fall on the next following Business Day unless such date would thereby fall into the next calendar month, in which case the Payment Date will be the immediately preceding Business Day. Any reference to a Payment Date relating to a given Monthly Period will be a reference to the Payment Date falling in the calendar month following such Monthly Period.

**"Payment Instruction"** has the meaning ascribed to it in clause 5.1 (*Operating/release procedure*) of the Bank Account Agreement.

**"Performance Period"** means a period of sixty (60) calendar days.

**"Performance Reserve"** means the performance reserve of the Issuer held on the Issuer Account with the Account Bank, all monitored in separate ledgers as compiled by the Servicer.

**"Performance Reserve Excess Amount"** means on each Payment Date following a Performance Reserve Trigger Event and provided that the Seller has not failed to pay any applicable due and payable Seller Performance Indemnity Payment, the Performance Reserve will be re-calculated by the Seller (or the Servicer) and released to the Seller from the Performance Reserve Ledger outside the applicable Priority of Payments as follows:

- (a) if any Leased Vehicle has been sold to the relevant BMW Dealer in accordance with the relevant Dealer Vehicle Buy Back Agreement and the relevant sale price has been paid to the Issuer during the Monthly Period ending on the relevant Cut-Off Date, the sum of €500 per Leased Vehicle;
- (b) if any Leased Vehicle has been sold to the relevant Lessee in accordance with the relevant Lease Agreement and the relevant sale price has been paid to the Issuer during the Monthly Period ending on the relevant Cut-Off Date, the sum of €500 per Leased Vehicle;
- (c) if any Leased Vehicle is sold to a third party other than the relevant BMW Dealer or the relevant Lessee and the relevant vehicle sale proceeds have been paid to the Issuer during the Monthly Period ending on the relevant Cut-Off Date, the sum of €500 per Leased Vehicle;
- (d) if any Purchased Receivables have been repurchased by the Seller and the repurchase proceeds have been paid to the Issuer in accordance with clause 14 (*Repurchase of the Purchased Receivables*) of the Lease Receivables Purchase Agreement, the sum of €500 per Leased Vehicle underlying such Purchased Receivables;
- (e) any amount of interest earned on any balance credited to the Performance Reserve Ledger; and
- (f) after deduction of all amounts to be released under items (a) to (e) above, any amount in excess of the Required Performance Reserve Amount in respect of all Purchased Receivables still outstanding as of the Cut-Off Date preceding such Payment Date.

**"Performance Reserve Ledger"** means the ledger to the Issuer Account held by the Issuer with the Account Bank for the purpose of recording the Required Performance Reserve Amount and for the purposes of the Transaction.

**"Performance Reserve Trigger Event"** means if at any time for as long as the Seller remains the Servicer:

- (a) (i) the issuer rating of BMW AG is assigned a rating lower than BBB(low) by DBRS, or (ii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of BMW AG are assigned a rating lower than Baa2 by Moody's; or
- (b) BMW AG ceases to own, directly or indirectly, at least 90% of the share capital of the Seller.

**"Performing Receivable"** means a Purchased Receivable relating to a Lease Agreement which is not a Defaulted Lease Receivable or a Residual Value Indemnified Receivable.

**"Pledge Enforcement Event"** has the meaning ascribed to it in clause 6.1 (*Enforcement of the Pledge*) of the Lease Vehicle Pledge Agreement.

**"Pledge Enforcement Notification"** has the meaning ascribed to it in clause 1.1 (*Definitions*) of the Lease Vehicle Pledge Agreement.

**"Pledge Enforcement Value"** has the meaning ascribed to it in clause 6.3 (*Enforcement of the Pledge*) of the Lease Vehicle Pledge Agreement.

**"Pledged Vehicle"** means any Leased Vehicle which is part of the scope of the Lease Vehicle Pledge (*assiette du gage*) from time to time pursuant to the terms thereof.

**"Pledgor"** means BMW Finance S.N.C., in its capacity as pledgor of the Pledged Vehicles under the terms of the Lease Vehicle Pledge Agreement.

**"Portfolio Decryption Key"** means a file of information sent by the Seller to the Data Custody Agent, required to decrypt the encrypted Portfolio Information.

**"Portfolio Information"** means a portfolio file (non-encrypted information) and a data lease file (encrypted information) with the information as set out in the Annex to Schedule 2 of the Lease Receivables Purchase Agreement sent by the Seller to the Management Company on each Reporting Date (the encrypted information readable only together with the Portfolio Decryption Key).

**"Post-Enforcement Priority of Payments"** means the priority of payments set out in Condition 7 (*Post-Enforcement Priority of Payments*) of the Conditions.

**"PRA Rulebook"** means the rulebook of published policy of the UK Prudential Regulation Authority.

**"PRA Securitisation Rules"** or **"PRASR"** means the Securitisation Part of the PRA Rulebook.

**"Pre-Enforcement Priority of Payments"** means the priority of payments set out in Condition 5.6 (*Pre-Enforcement Priority of Payments*) of the Conditions.

**"PRIIPs Regulation"** means the Regulation No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs).

**"Principal Amount"** means with respect to any Note, on any Payment Date, the amount of principal payable by the Issuer on such Note on such Payment Date.

**"Priority of Payments"** means either the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable).

**"Prospectus Law 2019"** means the Luxembourg act relating to prospectuses for securities dated 16 July 2019 on prospectus for securities (*loi relative aux prospectus pour valeurs mobilières*).

**"Prospectus Regulation"** means Regulation (EU) 2017/1129.

**"Purchase Price"** means, with respect to any Series of Receivables, the Discounted Lease Balance of the related Lease Receivables together with the Discounted Contractual Residual Value in respect of the related Lease Agreement as of the first Cut-Off Date.

**"Purchased Receivable"** means any Receivable, being part of a Series of Receivables, which is sold and assigned or purported to be assigned to the Issuer in accordance with the Lease Receivables Purchase Agreement.

**"Rating Agencies"** means DBRS and Moody's and each a **"Rating Agency"**.

**"Receivable"** means any receivable being part of a Series of Receivables. Any reference to a Receivable shall include, where applicable, any relevant Ancillary Rights.

**"Receivables Call Option"** means the call option granted by the Issuer to the Seller pursuant to the Lease Receivables Purchase Agreement, under which the Seller, subject to (a) a Seller Performance Indemnity Payment or a Residual Value Indemnification Amount having been received by the Issuer from the Seller and (b) such Purchased Receivable being written off in accordance with the Credit and Collection Policy, but prior to the occurrence of an Insolvency Event in respect of the Seller, has the right to repurchase from the Issuer any Purchased Receivables which have become the subject of a Seller Performance Indemnity Payment or a Residual Value Indemnification Amount.

**"Records"** means with respect to any Purchased Receivable, all Ancillary Rights, Leased Vehicle and the related Lessee(s) which owes such Purchased Receivable all original agreements, invoices, receipts, correspondence, files, notes of dealings and other documents, books, books of account, registers, records and other information (especially computerised data, tapes, discs, punch cards, data processing software and related property and rights) maintained (and recreated in the event of destruction of the originals thereof) regardless of how stored.

**"Recoveries"** means all amounts received in respect of, or in connection with, any Purchased Receivable by the Servicer after the date such Purchased Receivable became a Defaulted Lease Receivable or a Residual Value Indemnified Receivable, including, Lease Instalments, any amount of utilisation of the cash deposit from Lessees, damages, reminder fees, past due interest and any other payment, by or for the account of the relevant Lessee minus all out-of-pocket expenses paid to third parties and incurred by the Servicer in connection with the collection of Defaulted Lease Receivables or Residual Value Indemnified Receivables or the enforcement of the Ancillary Rights.

**"Reference Banks"** means four (4) major banks in the Euro-zone inter-bank market selected by the Paying Agent from time to time.

**"Registrar"** means BNP Paribas (acting through its Securities Services business), any successor thereof or any other Person appointed as replacement Registrar from time to time in accordance with the Agency Agreement.

**"Regulation S"** has the meaning given to it in the Securities Act.

**"Release Date"** means the date on which all of the Secured Obligations have been unconditionally and irrevocably paid and discharged in full, to the satisfaction of the FCT as Beneficiary under the Lease Vehicle Pledge Agreement.

**"Replacement Swap Premium"** means upon entry by the Issuer into a Swap Agreement with a replacement Swap Counterparty either (a) an amount received by the Issuer from such replacement Swap Counterparty or (b) an amount paid by the Issuer to such replacement Swap Counterparty to replace the

outgoing Swap Counterparty to the extent that such amount has been previously received by the Issuer from the outgoing Swap Counterparty or, to the extent that such amount is unpaid by the outgoing Swap Counterparty, by using the amount then credited to the Counterparty Downgrade Collateral Account.

**"Reporting Date"** means the seventh (7<sup>th</sup>) Business Day prior to the respective Payment Date.

**"Reporting Entity"** means the Seller as the designated entity to fulfil the reporting obligations under the Securitisation Regulation.

**"Reporting Obligation"** means the requirements according to EMIR to report certain OTC derivative contracts to a registered or recognised trade repository.

**"Repurchase Date"** means the Business Day falling immediately after an Investor Reporting Date.

**"Required Cash Reserve Amount"** means as of any date, an amount equal to either (i) €5,150,000.00 or (ii) zero upon the occurrence of either (a) the Legal Final Maturity Date, (b) the date on which the Available Distribution Amount being sufficient to reduce the Class B Outstanding Notes Balance to zero after application of the relevant Priority of Payments or (c) the then Aggregate Discounted Lease Balance and the then Aggregate Discounted Contractual Residual Value is reduced to zero, whichever occurs earlier.

**"Required Performance Reserve Amount"** means an amount equal to the aggregate of €500 multiplied by the number of Lease Agreements in respect of which Purchased Receivables have been assigned to the Issuer and are still outstanding.

**"Residual Value Calculation Period"** means the period from (but excluding) a Residual Value Indemnification Date to (and including) the next Residual Value Indemnification Date.

**"Residual Value Indemnification Amount"** means, as at the relevant Residual Value Indemnification Date, the amount (if any) by which the aggregate Recoveries received by the Servicer in accordance with the Credit and Collection Policy in respect of all Residual Value Indemnified Receivables in the relevant Residual Value Calculation Period is less than the Aggregate Residual Value Indemnified Receivables Balance of such Residual Value Indemnified Receivables.

**"Residual Value Indemnification Date"** means, following the occurrence of a Residual Value Indemnification Trigger, the Cut-Off Date immediately following the date on which the Servicer has determined in accordance with the Credit and Collection Policy that any Purchased Receivable has become a Residual Value Indemnified Receivable.

**"Residual Value Indemnification Trigger"** means, on any Payment Date in respect of Performing Receivables, the sum of the Aggregate Discounted Lease Balance and the Aggregate Discounted Contractual Residual Value is less than Aggregate Outstanding Notes Balance (following application of the Available Distribution Amount on such Payment Date in accordance with the Pre-Enforcement Priority of Payments).

**"Residual Value Indemnified Receivable"** means any Purchased Receivable which ceases to be payable because the Lessee opts to return the Leased Vehicle to the Seller in lieu of making a final payment and acquiring legal title to the Leased Vehicle in accordance with the related Lease Agreement.

**"Retained Class C Notes"** means the Class C Notes retained by BMW Finance S.N.C.

**"Retained Interest"** means together the Retained Class C Notes, the Subordinated Loan and the Units for the purposes of compliance with article 6, paragraph (3)(d) of the Securitisation Regulation.

**"Returned Vehicle Expense Receivable"** means any amount (excluding VAT) payable by a Lessee to the Seller in the event that a Leased Vehicle is returned to the Seller at the end of the term of a Lease

Agreement for either (a) excess mileage or (b) restoring the relevant Leased Vehicle to the required condition.

"**Risk Retention U.S. Person**" has the meaning ascribed to it in the definition of "U.S. Person".

"**SECN**" means the securitisation sourcebook of the FCA Handbook.

"**Secrecy Rules**" means, collectively:

- (a) the GDPR; and
- (b) the rules of French banking secrecy and the French data protection laws,

as such rules are binding the relevant Transaction Party to the French Transaction Documents with respect to the Purchased Receivables and the Ancillary Rights from time to time.

"**Secured Obligation**" means any and all present and future payment obligations of BMW Finance, as Seller and Servicer, under the Lease Receivables Purchase Agreement and the Servicing Agreement, up to a maximum of €643,299,830.96.

"**Securities Act**" means the U.S. Securities Act of 1933.

"**Securitisation Regulation**" means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 on 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 Regulations (EC) No 1060/2009 and (EU) No 648/2012.

"**Seller**" means BMW Finance S.N.C.

"**Seller Performance Indemnity Payment**" has the meaning ascribed to it in clause 7.2 (*Seller Performance Indemnity Payment*) of the Lease Receivables Purchase Agreement.

"**Semi-Annual Activity Report**" means the report prepared by the Management Company within (3) months after the end of the first half of the financial year and sent to the Custodian and including:

- (a) the amounts credited to the Issuer Account by reference to the assets of the Issuer;
- (b) a description of the transactions carried out by the FCT during the course of the first half of the financial year; and
- (c) information relating to the Purchased Receivables, to any other assets owned by, and any financial contracts entered into by, the FCT with respect to the Notes issued by the Issuer.

"**Senior Expenses**" means items (a), (b) and (c) of the Pre-Enforcement Priority of Payments or of the Post-Enforcement Priority of Payments, as the case may be.

"**Series of Receivables**" means, with respect to any Leased Vehicle and the corresponding Lease Agreement, the Lease Receivables, the Late Return Indemnity Receivables, the Returned Vehicle Expense Receivable, the Vehicle Sale Receivable, the Dealer Vehicle Buy Back Receivables and the Lessee Vehicle Buy Back Receivable, either present or future, which are due or may become due and payable to the Seller in relation to that Leased Vehicle.

"**Servicer**" means BMW Finance S.N.C, unless the engagement of BMW Finance S.N.C. as servicer of the Issuer is terminated upon the occurrence of a Servicer Termination Event in accordance with the Servicing Agreement in which case the Servicer will mean the successor Servicer or substitute Servicer (if any) appointed in accordance with the Servicing Agreement.

"**Servicer Shortfall**" means, with respect to any Payment Date, a shortfall in respect of amounts of Collections due and payable by the Servicer to the Issuer which is less than the amounts of Collections as

indicated in the relevant Monthly Investor Report prepared by the Servicer to such Payment Date and in respect of which no previous drawing has been made from the Commingling Reserve Ledger.

**"Servicer Termination Event"** means any of the following:

- (a) an Insolvency Event has occurred with respect to the Seller or the Servicer; or
- (b) the Seller or the Servicer fails to make any payment or deposit required by the terms of the relevant Transaction Document within five (5) Business Days of the date such payment or deposit is required to be made; or
- (c) the Seller or the Servicer fails to perform any of its material obligations under the Lease Receivables Purchase 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 Management Company; or
- (d) any representation or warranty in the Lease Receivables Purchase Agreement or in 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 Management Company and has a Material Adverse Effect in relation to the Issuer.

**"Services"** means the duties of the Servicer including the assumption of servicing, collection, administrative and enforcement tasks and specific duties set out in the Servicing Agreement.

**"Servicing Agreement"** means a servicing agreement between the Seller and Servicer, the Management Company and the Custodian dated on or about the Signing Date.

**"Servicing Fee"** means (i) so long as BMW Finance remains Servicer, €0 and (ii) for as long as BMW Finance is no longer the Servicer and for any Monthly Period, the servicing fee charged by any substitute Servicer.

**"Settlement Date"** means one (1) Business Day before each relevant Payment Date.

**"SFTR"** means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse, amending Regulation (EU) No 648/2012.

**"Signing Date"** means 17 July 2025.

**"SR 2024"** means the UK's Securitisation Regulations 2024 (SI 2024/102).

**"SRM Regulation"** means Regulation (EU) 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) 1093/2010.

**"STS Requirements"** means the requirements for a simple, transparent and standardised securitisation according to articles 19 to 22 of the Securitisation Regulation.

**"Subordinated Lender"** means BMW Finance S.N.C. or any successor or assignee thereof.

**"Subordinated Loan"** means the €5,150,000.00 loan received (or to be received at the latest on the Issue Date) by the Issuer under the Subordinated Loan Agreement.

**"Subordinated Loan Agreement"** means a subordinated loan agreement entered into by the Subordinated Lender and the Management Company dated on or about the Signing Date under which the

Subordinated Lender will advance at the latest on the Issue Date (or has advanced) the Subordinated Loan to the Issuer.

"**Subordinated Loan Amount**" has the meaning ascribed to it in clause 2.2 (*Drawing of the Subordinated Loan*) of the Subordinated Loan Agreement.

"**Subordinated Loan Interest Rate**" has the meaning ascribed to it in clause 2.3(a) (*Accrual of interest*) of the Subordinated Loan Agreement.

"**Subscription Agreement**" means a subscription agreement between, *inter alios*, the Management Company, the Seller and the Joint Lead Managers dated on or about the Signing Date.

"**Subsidiary**" means a corporation in relation to another corporation, if (a) the other corporation (i) controls the composition of the board of directors of the first-mentioned corporation; (ii) controls more than half of the voting power of the first-mentioned corporation; (iii) holds more than half of the issued share capital of the first-mentioned corporation (excluding any part thereof which consists of preference shares); or (iv) possesses, directly or indirectly the power to direct or cause the direction of the management and policies of the first-mentioned corporation, whether through the ownership or voting of securities, by contract or otherwise; or, (b) the first-mentioned corporation is a Subsidiary of any corporation which is that other corporation's Subsidiary. For this purpose, the composition of a corporation's board of directors, *inter alia*, will be deemed to be controlled by another corporation if that other corporation by the exercise of some power exercisable by it without the consent or concurrence of any other Person can directly or indirectly appoint or influence the appointment of or remove all or a majority of the directors, and for the purposes of this provision that other corporation will be deemed to have power to make such an appointment if a Person cannot be appointed as a director without the exercise in his favour by that other corporation of such a power or a Person's appointment as a director follows necessarily from his being a director or other office of that other corporation.

"**Successor Account Bank**" has the meaning ascribed to it in clause 8.3 (*Termination*) of the Bank Account Agreement.

"**SVI**" means STS Verification International GmbH.

"**Swap Agreement**" means a swap agreement dated and executed on or about the Signing Date between, *inter alios*, the Issuer and the Swap Counterparty pursuant to the 2002 ISDA Master Agreement and a rating compliant schedule thereto (the "**Schedule**") including the related credit support annex (the "**Credit Support Annex**") and confirmation thereunder executed on 17 July 2025 with a trade date of 16 July 2025 and an effective date of 21 July 2025 (the "**Confirmation**").

"**Swap Counterparty**" means Skandinaviska Enskilda Banken AB (publ) or its successor or any transferee appointed in accordance with the Swap Agreement.

"**Swap Fixed Interest Rate**" means 1.8270% *per annum*.

"**Swap Floating Interest Rate**" means, with respect to each Payment Date, EURIBOR determined by the Interest Determination Agent (analogously to its determination of EURIBOR for the purposes of the Notes for such Payment Date) two (2) Business Days before the inception of the Interest Period ending on such Payment Date.

"**Swap Incoming Cashflow**" means on any Payment Date, the product of:

- (a) the Swap Floating Interest Rate; and
- (b) the Swap Notional Amount; and
- (c) the actual number of calendar days of the Interest Period ending on such Payment Date divided by 360,

payable by the Swap Counterparty to the Issuer under the Swap Agreement.

**"Swap Net Cashflow"** means the amount equal, on any Payment Date, to (i) the Swap Incoming Cashflow, minus (ii) the Swap Outgoing Cashflow.

**"Swap Notional Amount"** means the Class A Outstanding Notes Balance on the immediately preceding Payment Date.

**"Swap Outgoing Cashflow"** means on any Payment Date, the product of:

- (a) the Swap Fixed Interest Rate; and
- (b) the Swap Notional Amount; and
- (c) the number of calendar days to be calculated on the basis of a year of 360 days with twelve thirty (30)-day months

payable by the Issuer to the Swap Counterparty under the Swap Agreement.

**"Swap Rate Modification"** means, for the purpose of changing the base rate that then applies in respect of the Swap Agreement, an alternative base rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf) solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Swap Agreement to the base rate of the Class A Notes following such Base Rate Modification.

**"Swap Rate Modification Certificate"** means the certificate given by the Servicer to the Management Company to certify that a Swap Rate Modification is required solely for such purpose.

**"Swap Termination Date"** means the earlier of (a) the Legal Final Maturity Date and (b) the date on which the Class A Notes are redeemed in full in accordance with the Conditions.

**"T2"** means the real time gross settlement system operated by the Eurosystem, or any successor system.

**"Tax Information Arrangement"** means any governmental or inter-governmental arrangement, or other arrangement between competent authorities, for the cross-border exchange of tax information applicable in any jurisdiction (or any treaty, law, regulation, or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of such arrangement) including (without limitation) FATCA, any arrangement analogous to FATCA, and any bilateral or multilateral tax information arrangement.

**"TEFRA D Rules"** means the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (or successor rules in substantially the same form).

**"Transaction"** means the transaction as contemplated by the Transaction Documents, in particular, relating to the issue of the Notes by the Issuer on the Issue Date.

**"Transaction Documents"** means the French Transaction Documents and the Swap Agreement collectively, including any amendment agreement, termination agreement or replacement agreement relating to any such agreement.

**"Transaction Party"** means any Person who is a party to a Transaction Document and **"Transaction Parties"** means some or all of them.

**"UK"** or **"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland.

**"UK Securitisation Framework"** means SR 2024, SECN, and PRASR, together with the relevant provisions of the FSMA.

**"Underlying Agreement"** means a Lease Agreement, a Dealer Vehicle Buy Back Agreement and/or a Vehicle Sale Agreement.

**"Unitholder(s)"** means the holder(s) from time to time of the Units.

**"Units"** means each of the two (2) Units issued by the FCT in connection with the FCT corresponding to an initial nominal amount of €150 and subscribed on the Signing Date by BMW Finance under the terms of the units subscription form substantially in the form set out in Schedule 4 (*Form of units subscription form*) of the Issuer Regulations.

**"U.S." or "United States"** means, for the purpose of the Transaction, the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

**"U.S. Person"** means any of the following:

- (a) any natural person resident in 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.

**"U.S. Risk Retention Rules"** means the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act, codified by Section 15G of the U.S. Securities Exchange Act of 1934, as in effect at any time or as otherwise amended.

**"VAT"** means (i) any tax imposed in compliance with the European Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112), and (ii) any other tax of a similar fiscal nature whether imposed in a Member State of the European Union in substitution for, or levied in addition to, such tax referred to in item (i) above or imposed elsewhere.

**"Vehicle Sale Agreement"** means any vehicle sale agreement (whether or not in writing) entered into between the Seller and a third party whatsoever and providing for the sale or transfer of one or several Leased Vehicles by the Seller to that third party, whether following (a) the return of the relevant Leased Vehicle(s) to the Seller at the end of a Lease Agreement or (b) repossession of the relevant Leased

Vehicle(s) following a default by the relevant Lessee under a Lease Agreement or (c) any other circumstances (without prejudice to the undertakings of the Seller under the Transaction Documents).

**"Vehicle Sale Receivable"** means any amount (excluding VAT and related fees and expenses) of the relevant Leased Vehicle payable by any third party to the Seller following the sale or transfer of a Leased Vehicle by the Seller to that third party in accordance with a Vehicle Sale Agreement up to the sum of the then Discounted Lease Balance of the related Lease Receivables and the then Discounted Contractual Residual Value in respect of the related Lease Agreement as of any Cut-Off Date.

**"WKN"** means the *Wertpapierkennnummer*, a German securities identification code.

## 2. Principles of Construction

### 2.1 Knowledge

- (a) References in any Transaction Document to the expressions "so far as the Seller is aware" or "to the best of the knowledge, information and belief of the Seller" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Seller.
- (b) References in any Transaction Document to the expressions "so far as the Servicer is aware" or "to the best of the knowledge, information and belief of the Servicer" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of (i) the Servicer (as long as identical with the Seller) usually entrusted with the retail financing of the Seller, or (ii) the Servicer (if not identical with the Seller) respectively.
- (c) References in any Transaction Document to the expressions "so far as the Issuer is aware" or "to the best of the knowledge, information and belief of the Issuer" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of the Management Company.

### 2.2 Construction

In any Transaction Document, the following shall apply:

- (a) **"acquire"**, **"acquired"**, **"acquiring"** or **"acquisition"** when used in respect of any asset, relates to an asset that has been, is being, or will be, purchased, acquired or assumed, as the case may be;
- (b) a document being in an **"agreed form"** means that the form of the document in question has been signed off or agreed by each of the proposed parties thereto;
- (c) the **"assets"** of any Person will be construed as a reference to the whole or any part of its business, undertakings, property, intellectual property, shares, securities, debts, accounts, revenues (including any right to receive revenues), goodwill, shareholdings and uncalled capital including premium and any other assets;
- (d) **"determines"** or **"determined"** means unless otherwise specified a determination made in the absolute discretion of the Person making the determination;
- (e) any reference to an **"agreement"**, **"deed"** or **"document"** shall be construed as a reference to such agreement, deed or document as the same may from time to time be amended, varied, novated, supplemented, replaced or otherwise modified;
- (f) in the computation of periods of time from a specified date to a later specified date, the word **"from"** means **"from and including"** and the words **"to"** and **"until"** each mean **"to but excluding"**. The word **"including"** shall not be exclusive and shall mean **"including, without limitation"**;

- (g) an "**indebtedness**" will 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;
- (h) a "**law**" includes any law or any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not, being of a type with which Persons to whom it is addressed are accustomed to comply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (i) "**liability**" means loss, liability, cost, claim, action, demand or expense;
- (j) "**loss**" means, in respect of any Person, any loss, liability, cost, expense, claim, action, suit, judgment, and out-of-pocket costs and expenses (including, without limitation, fees and expenses of any professional adviser to such Person) which such Person may have directly incurred or which may be made against such Person and any reasonable costs of investigation and defence;
- (k) a "**month**" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it will end on the preceding Business Day, provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period will end on the last Business Day in that later month and references to "**months**" will be construed accordingly;
- (l) "**novation**" shall, for the purposes of the French Transaction Documents, have the meaning set out in article 1271 of the French Civil Code. "**To novate**" shall be construed accordingly;
- (m) "**periods**" of days shall be counted in calendar days unless Business Days are expressly prescribed;
- (n) "**Person**" means an individual, partnership, corporation (including a business trust), unincorporated association, trust, joint stock company, limited liability company, joint venture or other entity, or a government or political subdivision, agency or instrumentality thereof and any reference to any "**Person**" appearing in any of the Transaction Documents shall include its successors and permitted assigns;
- (o) a reference to any Person defined as a "**Transaction Party**" or in any Transaction Document or in the Conditions shall be construed so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests;
- (p) unless specified otherwise, "**promptly**", "**immediately**", "**forthwith**" or any similar expression used in any Transaction Document shall mean without undue delay;
- (q) all references made in the Transaction Documents to a Receivable shall include a reference to the related Ancillary Rights, if any;
- (r) any "**property**", "**undertakings**" or "**rights**" includes present and future property, undertakings or rights;
- (s) "**reasonable**" or "**reasonably**" and similar expressions relating to any exercise of power, opinion, determination, discretion or other similar matter will be construed as meaning "reasonable" or "reasonably" (as the case may be) having regard to and taking into account the interests of the Noteholders and/or the Transaction Parties (as applicable);
- (t) an obligation or requirement of a party expressed to be on a "**reasonable efforts**" basis will not require the relevant party to incur a loss other than immaterial incidental expenses;

- (u) a "**successor**" of any party shall be construed so as to include an assignee 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 under any Transaction Document or to which, under such laws, such rights and obligations have been transferred;
- (v) references in the Transaction Documents to the Issuer or the FCT shall be deemed to be references to the Management Company acting in the name, and on behalf, of the Issuer and references to the Management Company in the Transaction Documents shall be deemed to be references to the Management Company acting in the name and on behalf of the Issuer (unless expressly provided otherwise or unless the relevant provision relates to a legal or regulatory obligation of the Management Company itself);
- (w) if any date specified in any Transaction Document would otherwise fall on a day that is not a Business Day, that date shall be the first following day that is a Business Day, unless that day falls in the next calendar month, in which case that date shall be the first preceding day that is a Business Day;
- (x) the expression "**tax**" shall be construed so as to include any tax, levy, impost, duty or other charge of similar nature and all related withholdings or deductions and, including, without limitation, any penalty, charge or interest payable relating to any of the foregoing;
- (y) "**VAT**" shall be construed as a reference to value added tax including any similar tax which may be imposed in place thereof from time to time;
- (z) the "**winding-up**", "**dissolution**", "**administration**" or bankruptcy of a company or corporation will be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company, corporation or person is incorporated (or if a person, domiciled) or any jurisdiction in which such company, corporation or person carries on business including the seeking of liquidation, winding-up, bankruptcy, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors;
- (aa) references in the Transaction Documents to the Issuer shall be deemed to be references to the FCT; and
- (bb) unless expressly provided for to the contrary in the Transaction Documents, words appearing in French and in brackets shall have the meaning ascribed to them under the laws of France and such meaning shall prevail over their translation into English, if any.

### 2.3 *Statutes and treaties*

- (a) Any reference to a statute, treaty, regulation, order, decree, directive or guideline shall be construed as a reference to such statute, treaty, regulation, order, decree, directive or guideline as the same may have been, or may from time to time be, amended, superseded or re-enacted.
- (b) References in any Transaction Document to any EU regulation will be deemed also to refer to any successor or replacement legislation made in the United Kingdom in relation to such EU regulation as it will apply in the United Kingdom.

### 2.4 *Time*

Any reference in any Transaction Document to a time of day shall, unless a contrary indication appears, be a reference to CET.

### 2.5 *Schedules*

Any Schedule of, or Appendix or Annex to, a Transaction Document forms part of such Transaction Document and shall have the same force and effect as if the provisions of such Schedule, Appendix or

Annex were set out in the body of such Transaction Document. Any reference to a Transaction Document shall include any such Schedule, Appendix or Annex.

## 2.6 *Headings*

Section, Part, Schedule, paragraph and clause headings are for ease of reference only. They do not form part of any Transaction Document and shall not affect such Transaction Document's construction.

## 2.7 *Sections*

Except as otherwise specified in a Transaction Document, any reference in a Transaction Document to:

- (a) a "**Section**" shall be construed as a reference to a Section of such Transaction Document;
- (b) a "**Part**" shall be construed as a reference to a Part of such Transaction Document;
- (c) a "**Schedule**", an "**Appendix**" or an "**Annex**" shall be construed as a reference to a Schedule, Appendix or Annex of such Transaction Document;
- (d) a "**clause**" shall be construed as a reference to a clause of a Part or Section (as applicable) of such Transaction Document; and
- (e) "**this Agreement**" and "**these Issuer Regulations**" shall be construed as a reference to such Transaction Document together with any Schedules, Appendices or Annexes thereto.

## 2.8 *Number*

In any Transaction Document, save where the context otherwise requires, words importing the singular number include the plural and vice versa.

## 2.9 *Calculation*

When calculating the principal redemption amount with respect to the Class A Notes, Class B Notes and the Class C Notes, such amount, following calculation by rounding the result to the nearest €0.01 rounded down, will then be multiplied by the total number of Notes.

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