



Cembra Money Bank AG

(incorporated with limited liability in Switzerland)

CHF 1 billion Auto Covered Bond Programme guaranteed as to payments of interest and principal by Cembra Auto Finance AG

(incorporated with limited liability in Switzerland)

Under its CHF 1 billion auto covered bond programme (the **Programme**), Cembra Money Bank AG (the **Issuer** or **Cembra**) may from time to time issue fixed-rate auto lease covered bonds denominated in Swiss francs (the **Auto Covered Bonds**).

An investment in Auto Covered Bonds involves certain risks. For a discussion of these risks, see the section of this base prospectus (the Base Prospectus) entitled "Risk Factors" below.

Cembra Auto Finance AG (the **Guarantor**) has, pursuant to the Guarantee (as defined herein) irrevocably and, subject to the terms and conditions of the Guarantee, unconditionally guaranteed in accordance with article 111 of the Swiss Code of Obligations (**CO**) to the Bondholders' Representative (as defined herein), acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders (as defined herein), the due and punctual performance by the Issuer of its obligations under the Auto Covered Bonds in an amount equal to the Guaranteed Amounts (as defined herein). The obligations of the Guarantor under the Guarantee constitute direct, unsecured, unsubordinated and, following the Guarantee Activation Date (as defined herein) and the service of a Notice to Pay (as defined herein) by the Trustee (as defined herein) on the Guarantor for the relevant Guaranteed Amount, unconditional obligations of the Guarantor. To secure, *inter alia*, its obligation to pre-fund or reimburse and indemnify the Guarantor for sums paid or payable by the Guarantor under the Guarantee, Cembra will assign and transfer for security purposes Lease Assets (as defined herein) and certain other Substitute Assets (as defined herein) to the Guarantor. Recourse against the Guarantor under the Guarantee will ultimately be limited to the transferred Lease Assets and Substitute Assets. See "*The Guarantee*".

The Auto Covered Bonds and the Guarantee will be obligations solely of the Issuer and the Guarantor, respectively, and will not be guaranteed by or the responsibility of any other entity referred to in this Base Prospectus.

This Base Prospectus has been approved on 20 June 2025 by SIX Exchange Regulation AG in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act dated 15 June 2018, as amended from time to time (the **FinSA**) (in such capacity, the **Swiss Review Body**), as a base prospectus within the meaning of article 45 of the FinSA.

In respect of any Series or Tranche (as defined herein) of Auto Covered Bonds to be publicly offered and/or listed on SIX Swiss Exchange AG (**SIX Swiss Exchange**) or any other exchange or trading venue in Switzerland, this Base Prospectus, together with the Applicable Final Terms (as defined below), will constitute the prospectus for purposes of the FinSA.

Notice of the aggregate principal amount of Auto Covered Bonds, interest payable with respect to the Auto Covered Bonds, the issue price of the Auto Covered Bonds and certain other information and terms and conditions which are applicable to a particular Series or Tranche (as defined under "*Terms and Conditions of the Auto Covered Bonds*" below, the **Conditions**) of such Auto Covered Bonds will be set out in the final terms (the **Applicable Final Terms**) in the form or substantially in the form as set out herein, which, in respect of Auto Covered Bonds to be publicly offered and/or listed on SIX Swiss Exchange, will be filed with the Swiss Review Body and published as required by the FinSA.

Auto Covered Bonds may be listed or admitted to trading, as the case may be, on SIX Swiss Exchange or on such other or further trading venues or markets as may be agreed between the Issuer, the Trustee and the relevant Manager (as defined herein). The Issuer may also issue unlisted Auto Covered Bonds and/or Auto Covered Bonds not admitted to trading on any market. References in this Base Prospectus to Auto Covered Bonds being listed (and all related references) shall mean that, unless otherwise specified in the Applicable Final Terms, such Auto Covered Bonds have been provisionally admitted to trading or listed as applicable in compliance with the standard for bonds on SIX Swiss Exchange.

Auto Covered Bonds may be issued on a continuing basis to one or more of the Managers specified under "*Summary*" and any additional Manager appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the relevant Manager shall, in the case of an issue of Auto Covered Bonds being (or intended to be) subscribed for by more than one Manager, be to all Managers agreeing to subscribe for such Auto Covered Bonds.

Payments of interest in respect of the Auto Covered Bonds (periodic, as original issue discount or premium upon redemption) and payment of corresponding Guaranteed Amounts pursuant to the Guarantee will be subject to Swiss Withholding Tax of 35 per cent. levied by the Issuer and Guarantor, respectively. Neither the Issuer nor the Guarantor will be obliged to pay any additional amounts with respect to any Auto Covered Bond as a result of the deduction or imposition of such Swiss Withholding Tax.

The Auto Covered Bonds are expected on issue to be assigned an "AAA" rating by Fitch Ratings Limited (**Fitch**). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Base Prospectus is to be read in conjunction with any supplement hereto and any Applicable Final Terms and with all documents which are incorporated by reference in, and form part of, this Base Prospectus.

This Base Prospectus has been prepared by the Issuer and the Guarantor solely for use in connection with the offering of the Auto Covered Bonds and for the admission to trading and listing of any Tranche of Auto Covered Bonds on SIX Swiss Exchange or any other exchange or trading venue in Switzerland. The Issuer and the Guarantor have not authorised the use of this Base Prospectus for any other purpose.

Capitalized terms used in this Base Prospectus shall have the meanings assigned to such terms in the Conditions or elsewhere in this Base Prospectus. An index of the defined terms used in this Base Prospectus is contained at the end of this Base Prospectus (see section "*Index of Defined Terms*").

Sole Arranger and Initial Manager

ZÜRCHER KANTONALBANK

The date of this Base Prospectus is 20 June 2025

IMPORTANT INFORMATION

THE AUTO COVERED BONDS AND THE GUARANTEE WILL BE OBLIGATIONS SOLELY OF THE ISSUER AND THE GUARANTOR, RESPECTIVELY, AND WILL NOT BE GUARANTEED BY OR THE RESPONSIBILITY OF ANY OTHER ENTITY REFERRED TO IN THIS BASE PROSPECTUS.

AN INVESTMENT IN THE AUTO COVERED BONDS INVOLVES A HIGH DEGREE OF RISK. THE SECTION "RISK FACTORS" CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE AUTO COVERED BONDS. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION. The risks and uncertainties discussed in the section "*Risk Factors*" are not the only ones facing the Issuer, the Guarantor and the other transaction parties. Additional risks and uncertainties not presently known, or that are not currently believed to be material, may also affect the Auto Covered Bonds, the Issuer, the Guarantor and the other transaction parties. If any of these risks occur, prospective investors could lose part or all of their investment.

Save for the information contained in the section "*The Guarantor*", the Issuer assumes responsibility for the accuracy and completeness of the information contained or incorporated by reference in this Base Prospectus and the Applicable Final Terms for each Series or Tranche of Auto Covered Bonds issued under the Programme. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that this is the case) the information contained or incorporated by reference in this Base Prospectus is in accordance with the facts and does not omit anything which is likely to affect the import of such information or which would make misleading any statement (whether it is a statement of fact or of opinion) contained or incorporated by reference in this Base Prospectus.

Neither the Sole Arranger, nor the Manager(s) nor any other entity referred to in this Base Prospectus (other than Cembra or the Guarantor) nor any of their respective affiliates have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Sole Arranger or the Manager(s) as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer and the Guarantor in connection with the Programme. Neither the Sole Arranger nor the Manager(s) accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme.

No person is or has been authorised by the Issuer, the Guarantor, the Sole Arranger any of the Managers or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Auto Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Sole Arranger, any of the Managers or the Trustee.

The Guarantor is not subject to any obligations pursuant to the listing rules of SIX Swiss Exchange (the **SIX Listing Rules**) and other rules and regulations of SIX Swiss Exchange with respect to the listing and the maintenance of the listing on SIX Swiss Exchange.

Neither the delivery of this Base Prospectus or any Applicable Final Terms nor the offering, sale or delivery of any Auto Covered Bonds shall in any circumstances imply that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, on any event reasonably likely to involve any adverse change, in the prospects or final trading position of the Issuer or the Guarantor since the date hereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct at any time subsequent to the date indicated in the document containing the same. The Sole Arranger, the Manager(s) and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer, the Guarantor, the Originator, or any other person during the life of the Programme or to advise any investor in the Auto Covered Bonds of any information coming to their attention. Neither the Issuer nor the Guarantor has any obligation to update this Base Prospectus, except where required by and in accordance with any applicable legal requirements.

Subject as provided in the Applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with a public offer of Auto Covered Bonds during the relevant offering period are the persons named in the Applicable Final Terms as the relevant Manager or Managers.

Any person intending to acquire or acquiring any Auto Covered Bonds (an **Investor**) from any person (an **Offeror**) will do so, and offers and sales of the Auto Covered Bonds to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. Neither the Issuer nor the Guarantor will be a party to any such arrangements with Investors (other than Managers) in connection with the offer or sale of the Auto Covered Bonds and, accordingly, this Base Prospectus and any Applicable Final Terms will not contain such information and an Investor must obtain such information from the Offeror.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Auto Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting

an invitation or offer by the Issuer, the Guarantor, the Sole Arranger or any of the Managers, that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Auto Covered Bonds, should subscribe for or purchase any Auto Covered Bonds. Each Investor contemplating purchasing any Auto Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Guarantor and the Originator. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Auto Covered Bonds constitutes an offer by or on behalf of the Issuer, the Guarantor, the Originator, the Trustee, the Sole Arranger or any of the Managers to any person to subscribe for or to purchase any Auto Covered Bonds. Each potential Investor in the Auto Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential Investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Auto Covered Bonds, the merits and risks of investing in the Auto Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement or Applicable Final Terms;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Auto Covered Bonds and the impact the Auto Covered Bonds will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Auto Covered Bonds, including Auto Covered Bonds where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Auto Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets;
- (e) understand thoroughly that certain events do not constitute Issuer Events of Default under the Auto Covered Bonds; and
- (f) be able to evaluate (either alone or with the help of a financial, tax, legal or other relevant adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Auto Covered Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential Investor should not invest in Auto Covered Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Auto Covered Bonds will perform under changing conditions, the resulting effects on the value of the Auto Covered Bonds and the impact this investment will have on the potential Investor's overall investment portfolio.

Legal investment considerations may restrict certain investments. The investment activities of certain Investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers to determine whether and to what extent (1) Auto Covered Bonds are legal investments for it, (2) Auto Covered Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Auto Covered Bonds.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Auto Covered Bonds under any applicable risk-based capital or similar rules.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Auto Covered Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and any Applicable Final Terms or any other documents related thereto and the offering, sale and delivery of Auto Covered Bonds may be restricted by law in certain jurisdictions. The Issuer, the Guarantor, the Originator, the Sole Arranger, the Manager(s) and the Trustee do not represent that this Base Prospectus, any Applicable Final Terms or any other documents related thereto may be lawfully distributed, or that any Auto Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Originator, the Sole Arranger, the Manager(s), the Trustee or any other party which would permit a public offering of any Auto Covered Bonds or distribution of this Base Prospectus, any Applicable Final Terms or any other documents related thereto in any jurisdiction where action for that purpose is required. Accordingly, no Auto Covered Bonds may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any Applicable Final Terms nor any advertisement or other offering material or any other documents related thereto may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus, any Applicable Final Terms or any Auto Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and any Applicable Final Terms and the offering and sale of Auto Covered Bonds. In particular, there are selling restrictions in relation to the United States, the European Economic Area, the United Kingdom and such other restrictions as may apply. See the section "*Selling Restrictions*" below.

If the Applicable Final Terms specify "Prohibition of sales to EEA retail investors" as "Not Applicable", in relation to each member state of the European Economic Area (the **EEA**) (each, a **Member State**), each Manager represents and agrees that it has not made

and will not make an offer of Auto Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed, supplemented or amended by the Applicable Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Auto Covered Bonds to the public in that Member State:

- (a) at any time to any legal entity that is a qualified investor as defined in the Regulation (EU) 2017/1129 (the **EU Prospectus Regulation**);
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within article 1(4) of the EU Prospectus Regulation, provided that no such offer of Auto Covered Bonds referred to in clauses (a) to (c) above shall require the Issuer or any Manager to publish a prospectus pursuant to article 3 of the EU Prospectus Regulation.

For purposes of this provision, the expression an **offer of Auto Covered Bonds to the public** in relation to any Auto Covered Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Auto Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Auto Covered Bonds.

If the Applicable Final Terms in respect of any Auto Covered Bonds specify "Prohibition of sales to UK retail investors" as "Not Applicable", in relation to the United Kingdom (the **UK**), each Manager represents and agrees that it has not made and will not make an offer of Auto Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed, supplemented or amended by the Applicable Final Terms in relation thereto to the public in the UK except that it may make an offer of such Auto Covered Bonds to the public in the UK:

- (a) at any time to any legal entity that is a qualified investor as defined in article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**);
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000, as amended (the **FSMA**) provided that no such offer of Auto Covered Bonds referred to in clauses (a) to (c) above shall require the Issuer or any Manager to publish a prospectus pursuant to section 85 of the FSMA.

For purposes of this provision, the expression an **offer of Auto Covered Bonds to the public** in relation to any Auto Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Auto Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Auto Covered Bonds.

THE AUTO COVERED BONDS AND THE GUARANTEE HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE AUTO COVERED BONDS OR THE ACCURACY OR THE ADEQUACY OF THE BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE AUTO COVERED BONDS AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR THE SECURITIES LAWS OF ANY STATE OR ANY OTHER RELEVANT JURISDICTION OF THE UNITED STATES OF AMERICA. SUBJECT TO CERTAIN EXCEPTIONS, THE AUTO COVERED BONDS MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

THIS BASE PROSPECTUS IS NOT A PROSPECTUS FOR PURPOSES OF THE EU PROSPECTUS REGULATION.

BUSINESS PROSPECTS AND CAUTIONARY STATEMENT REGARDING FORWARDLOOKING STATEMENTS

This Base Prospectus contains or incorporates by reference statements that constitute forward-looking statements. In addition, in the future the Issuer and/or the Guarantor, and others on their behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- the Issuer's plans, targets or goals;
- the Issuer's future economic performance or prospects;
- the potential effect on the Issuer's future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as "believes", "anticipates", "expects", "projects", "estimates", "predicts", "intends", "targets", "assumes", "may", "could", "will" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer and the Guarantor do not intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. The Issuer and the Guarantor caution potential Investors that a number of important factors could cause results to differ materially from the plans, targets, goals, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- the ability to maintain sufficient liquidity and access capital markets;
- market volatility and interest rate fluctuations and developments affecting interest rate levels;
- the strength of the economy in Switzerland;
- the emergence of widespread health emergencies, infectious diseases or pandemics and the actions that may be taken by governmental authorities to contain the outbreak or to counter its impact on the Issuer's business;
- the ability to achieve the Issuer's strategic goals, including those related to its targets, ambitions and financial goals;
- the ability of counterparties to meet their obligations to the Issuer;
- political, social and environmental developments, including war, civil unrest or terrorist activity and climate change;
- the ability to appropriately address social, environmental and sustainability concerns that may arise from the Issuer's business activities;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- the risk of cyber-attacks, information or security breaches or technology failures on the Issuer's business or operations;
- the adverse resolution of litigation and other contingencies;
- the effects of changes in laws, court precedents, regulations or accounting or tax standards, policies or practices;
- the potential effects of changes in the Issuer's legal entity structure;
- competition or changes in the Issuer's competitive position in geographic and business areas in which it conducts its operations;
- the ability to retain and recruit qualified personnel;
- the ability to maintain the Issuer's reputation and promote the Issuer's brand;
- the ability to increase market share and control expenses;
- technological changes instituted by the Issuer, its counterparties or its competitors;
- the timely development and acceptance of the Issuer's new products and services and the perceived overall value of these products and services by users;

- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; and
- other unforeseen or unexpected events and the Issuer's success at managing these and the risks involved in the foregoing.

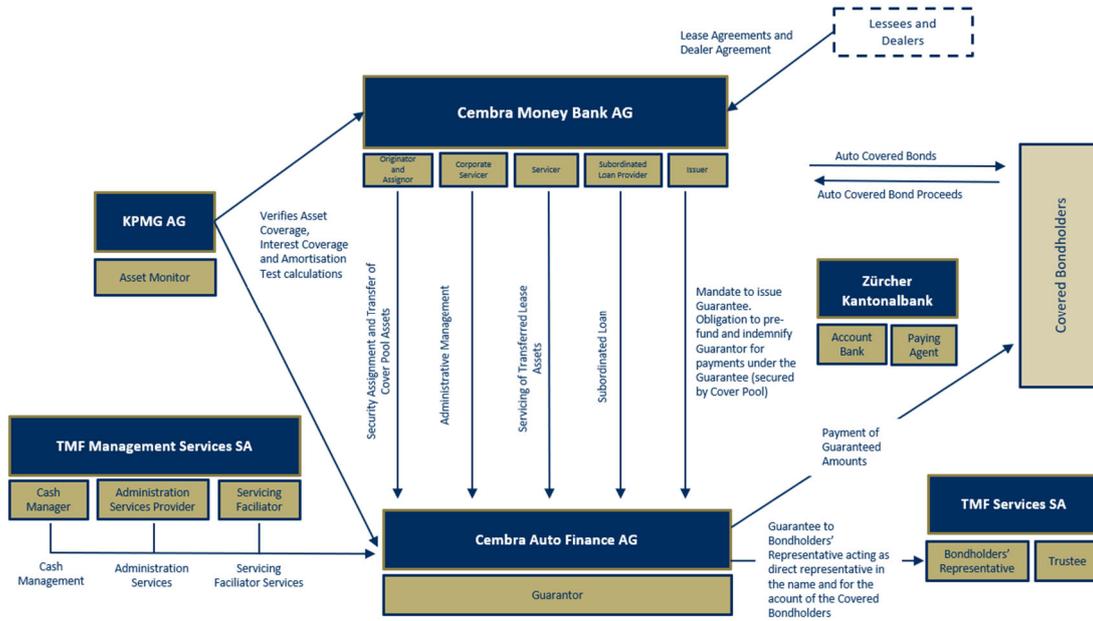
The Issuer cautions potential Investors in Auto Covered Bonds that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, potential Investors in Auto Covered Bonds should carefully consider the foregoing factors and other uncertainties and events, as well as the risk factors and other information incorporated in or contained in this Base Prospectus.

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TRANSACTION DIAGRAM

Set out below is the transaction structure diagram. This transaction structure diagram is qualified in its entirety by the detailed information appearing elsewhere in this Base Prospectus, including the documents incorporated by reference, any amendment or supplement thereto, and, in relation to the terms and conditions of a particular Tranche of Auto Covered Bonds, the Applicable Final Terms. If there is any inconsistency between this transaction structure diagram and the information described above, such information will prevail.



OVERVIEW OF STRUCTURE OF THE PROGRAMME

The following paragraphs contain a brief overview of the structure of the Programme. This overview is necessarily incomplete and prospective investors are urged to read the entire Base Prospectus, including the documents incorporated by reference and, in relation to the terms and conditions of a particular Tranche of Auto Covered Bonds, the Applicable Final Terms, carefully for more detailed information thereto, including but not limited to the sections of this Base Prospectus entitled "Risk Factors", "Overview of the Principal Transaction Documents", "Terms and Conditions of the Auto Covered Bonds", "The Guarantee", "Credit Structure" and "Cash Flows". Any decision to invest in the Auto Covered Bonds should be based on a consideration of this information as a whole and should not be based on this overview.

Under the Programme, the Issuer may issue Series or Tranches of Auto Covered Bonds to Covered Bondholders on each Issue Date (as specified in the Applicable Final Terms). The Auto Covered Bonds will be direct, unsecured, unsubordinated and unconditional obligations of the Issuer, which will have the benefit of the Guarantee. Prior to the IED Guarantee Activation Date, the Issuer shall make all payments of interest and principal on the Auto Covered Bonds.

Pursuant to the Guarantee Mandate Agreement, the Issuer has mandated the Guarantor to guarantee to the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, the payment obligations of the Issuer under the Auto Covered Bonds in consideration of the Guarantee Fee to be paid by the Issuer to the Guarantor on an ongoing basis. The Guarantee Fee will be used by the Guarantor, *inter alia*, to pay certain expenses incurred by the Guarantor in respect of Third Party Service Providers and the Collateral Differential to Cembra.

Following an Issuer Event of Default and the service of an Issuer Default Notice on the Issuer, from the IED Guarantee Activation Date and following the service of a Notice to Pay for the relevant amount on the Guarantor, the Guarantor will be obliged under the Guarantee to pay Guaranteed Amounts in relation to the relevant outstanding Series of Auto Covered Bonds subject to and in accordance with the Guarantee Priority of Payments on the relevant Due for Payment Date, subject to deferral of the relevant Final Redemption Amount in full or in part until the Extended Due for Payment Date under certain conditions if one or all Series of Auto Covered Bonds become Pass-Through Auto Covered Bonds. For further details on the conditional pass-through structure see "*Summary—Extendable obligations under the Pass-Through Auto Covered Bonds*" and Condition 6.1 (*Redemption at Maturity*). The obligations of the Guarantor under the Guarantee are direct, unsecured, unsubordinated and, following the Guarantee Activation Date and subject to the service of a Notice to Pay for the relevant amount on the Guarantor, unconditional obligations of the Guarantor.

The Issuer has agreed to reimburse and indemnify the Guarantor for all amounts that the Guarantor pays on the Auto Covered Bonds and certain related expenses as described below.

Pursuant to the terms of the Guarantee Mandate Agreement, the Issuer has agreed that it will pre-fund all such Guarantee Expenses, by making a corresponding payment to the Guarantor in advance of the relevant Guarantee Expenses falling Due for Payment. The Guarantee Expenses consist of the Nominal Amount of any and all sums (including Guaranteed Amounts) paid or payable by or on behalf of the Guarantor to:

- (a) the Trustee, any Appointee, the Principal Paying Agent, the Bondholders' Representative or the Covered Bondholders under the Guarantee upon receipt of a Notice to Pay in accordance with the Guarantee; or
- (b) to third parties not party to the Intercreditor Agreement in relation to any and all liabilities, claims, costs and expenses (including reasonable attorney's fees) which the Guarantor may suffer, sustain or incur in connection with the Guarantee or the preservation and enforcement of the Guarantor's related rights under the Guarantee Mandate Agreement.

Similarly, Cembra has agreed (in its capacity as Assignor) to pre-fund and indemnify the Guarantor against certain increased amounts due by the Guarantor resulting from any Replacement Servicer or Third Party Services Provider being appointed as a result of the Assignor's non-compliance with its relevant obligations under the Security Transfer Agreement.

To secure, *inter alia*, its pre-funding and indemnity obligations to the Guarantor as described above, Cembra has agreed to assign and transfer for security purposes to the Guarantor the Cover Pool Assets (including Eligible Lease Assets and certain Substitute Assets). In consideration of the security to be provided by Cembra, the

Guarantor has agreed to pay the Collateral Differential to Cembra. The Covered Bondholders will not benefit from a direct security over the Cover Pool Assets or any other assets of the Guarantor. Accordingly, the Lease Assets and the other Cover Pool Assets secure, *inter alia*, the Pre-funding Obligations of the Issuer in relation to the Guarantee, but not the Guarantee itself. Accordingly, such security can only be enforced by the Guarantor when the Issuer fails to satisfy the Secured Obligations.

Prior to the IED Guarantee Activation Date, the Cover Pool will be required to be maintained by Cembra in an aggregate amount which is at least equal to the payment obligations under the Auto Covered Bonds from time to time. The size and liquidity of the Cover Pool will be tested on a regular basis in accordance with the Asset Coverage Test and the Interest Coverage Test (the **Pre-Event Tests**), which tests will be periodically verified by the Asset Monitor (as defined below) (see "*Credit Structure—Asset Coverage Test*" and "*Credit Structure—Interest Coverage Test*").

Following the IED Guarantee Activation Date (but prior to the GED Guarantee Activation Date) and the service of a Notice to Pay for the relevant amount on the Guarantor, the Guarantor will serve a Guarantee Pre-funding Notice for the relevant amount of Guarantee Expenses on the Issuer not more than 65 Business Days prior to the date that payments for interest, principal or other upcoming Guaranteed Amounts become Due for Payment. Upon receipt of the Guarantee Pre-funding Notice, the Issuer will be obliged to pre-fund (that is, pay) the relevant amount, as specified in the Guarantee Pre-funding Notice, to the Guarantor under its Guarantee Pre-funding Obligation (i) in relation to Guarantee Expenses already due, within one Business Day, (ii) in relation to Guarantee Expenses falling Due for Payment in the 60 Business Day period from and including the date of the Guarantee Pre-funding Notice, within five Business Days, and (iii) in relation to all other Guarantee Expenses properly quantified in the Guarantee Pre-funding Notice on the date falling 60 Business Days prior to the date when the relevant Guaranteed Amount or other amount shall become Due for Payment, or if this is not practicable such other date within such 60 Business Day period as specified in the Guarantee Pre-funding Notice.

In order to claim the relevant amounts from Cembra in respect of the other Pre-funding Obligations as defined herein, the Guarantor will also be obliged to serve a relevant Pre-funding Notice on Cembra.

If the Issuer fails to pay the amount owed by the due date specified in that Pre-funding Notice, then the Guarantor may utilise or liquidate a corresponding part of the Cover Pool Assets (including by way of sale of the Transferred Lease Assets) and, subject to the relevant Priority of Payments (see section "*Cashflows*"), use the proceeds to satisfy the claims of the Covered Bondholders and the other Relevant Creditors.

Following a Guarantor Event of Default on the date on which a Guarantor Acceleration Notice is served on the Guarantor (i.e. the **GED Guarantee Activation Date**), all Guaranteed Amounts will become immediately due and payable by the Guarantor and, following service of a Notice to Pay for all Guaranteed Amounts by the Trustee on the Guarantor, the Covered Bondholders (represented by the Bondholders' Representative as their direct representative (*direkter Stellvertreter*)) will have a claim against the Guarantor under the Guarantee for an amount equal to the Early Redemption Amount in respect of each Auto Covered Bond together with accrued and unpaid interest (and certain other amounts due under the Auto Covered Bonds as specified in the Conditions).

Unless and until certain trigger events occur as described in this Base Prospectus (including the occurrence of a Notification Event (i.e. the earlier of the occurrence of an Issuer Event of Default or a Servicing Termination Event) or for so long as no Breach of Pre-Event Test Notice in respect of a breach of the Asset Coverage Test or the Interest Coverage Test has been served on the Issuer and the Guarantor, which remains outstanding), Cembra shall be entitled to collect and retain all cashflows from the Cover Pool Assets. As Originator of the Lease Assets, Cembra will also continue to service and administer the Cover Pool Assets in accordance with its usual policies and processes until revocation of the relevant authority by the Guarantor.

The Cash Manager (on behalf of the Guarantor) will be obliged to distribute the Available Funds in accordance with the applicable Priority of Payments as set out in the Intercreditor Agreement (see "*Cashflows*"). The obligations of the Guarantor will be limited in recourse to the Available Funds from time to time, as described in this Base Prospectus. Upon the Cash Manager giving written notice to the Covered Bondholders that it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Cover Pool Assets and all other amounts which would be available to pay amounts owing to the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, and all such amounts have been so applied in accordance with the Transaction Documents, the Guarantor shall have no further obligations in respect of any amounts owed which remain unpaid and such unpaid amounts shall be deemed to be discharged in full as against the Guarantor (see

further Condition 18 (*Limited Recourse against the Guarantor*) and Clause 5 of the Guarantee (*Limited Recourse against the Guarantor*), each as set out in this Base Prospectus).

For the avoidance of doubt, the Covered Bondholders will continue to have recourse as against the Issuer in respect of any such amounts owing to them, which remain unpaid under the Guarantee.

SUMMARY

This summary should be read as an introduction to this Base Prospectus and, for purposes of the FinSA, constitutes a summary within the meaning of articles 40(3) and 43 thereof. Any decision to invest in the Auto Covered Bonds should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference herein, as completed and/or amended by the Applicable Final Terms. This summary is therefore qualified in its entirety by the remainder of this Base Prospectus and the Applicable Final Terms.

Potential investors in Auto Covered Bonds should be aware that liability under article 69 of the FinSA for any false or misleading information contained in this summary is limited to any such information that is false or misleading when read together with, or that is inconsistent with, the other parts of this Base Prospectus, as completed and/or amended by the information and terms and conditions set out in the Applicable Final Terms.

PRINCIPAL TRANSACTION PARTIES

The parties set out below may be replaced from time to time

Issuer

Cembra Money Bank AG

The Issuer was incorporated under Swiss law as a corporation (*Aktiengesellschaft*) with unlimited duration in 2009 in the Canton of Zurich, Switzerland under the register number CHE-115.295.655. The Issuer's registered and principal executive office is located at Cembra Money Bank AG, Bändliweg 20, 8048 Zürich, Switzerland. See "*Description of Cembra*".

Legal Entity Identifier (LEI) of the Issuer 549300ZDHOETLAIIVTE82

Guarantor

Cembra Auto Finance AG

The Guarantor was incorporated under Swiss law as a corporation (*Aktiengesellschaft*) with unlimited duration on 13 August 2024 in Zurich, Switzerland, and is registered with the Commercial Register of the Canton of Zurich under the number CHE-472.832.355. The Guarantor's registered seat is located at c/o Cembra Money Bank AG, Bändliweg 20, 8048 Zürich, Switzerland. See "*The Guarantor*". The Guarantor is a special purpose entity. Pursuant to its articles of association, its corporate purpose is limited to, *inter alia*, the issuance of guarantees for the benefit of holders of bonds issued by its majority shareholder or any of its majority shareholder's affiliates, to acquire, hold, manage, and realize leased vehicles, lease agreements and dealer agreements related to the leased vehicles as well as all claims and receivables under or in connection therewith (including claims arising from such lease and dealer agreements and any other related claims) which are transferred to the Guarantor as security for claims of the Guarantor, as well as certain activities and transactions ancillary thereto.

The shares of the Guarantor are held by Cembra (98 per cent. of voting rights) and two Independent Shareholders proposed by TMF Services SA (each holding 1 per cent. of voting rights).

Trustee

TMF Services SA

The Trustee is a company incorporated in Switzerland under register number CHE-106.263.314 having its registered office at rue de Jargonnant 2, 1207 Geneva, Switzerland. Pursuant to the Trust Agreement, the Issuer and the Guarantor may appoint a Successor Trustee. See "*Overview of the Principal Transaction Documents*—

Trust Agreement—Termination of appointment and appointment of Successor Trustee".

Account Bank

Zürcher Kantonalbank

If the rating of the Account Bank falls below the Minimum Account Bank Rating (see "*—Overview of Ratings and Rating Triggers*" below), the Guarantor shall within 60 calendar days appoint a Replacement Account Bank, obtain a guarantee from a financial institution having a Minimum Account Bank Rating or, subject to the Rating Agency Condition, take alternative remedial or other actions. See "*Overview of the Principal Transaction Documents—Master Bank Account Agreement—Account Bank Downgrade Event*".

Administration Services Provider

TMF Management Services SA

The Administrative Services Provider is a company incorporated in Switzerland under register number CHE-102.019.057 having its registered office at rue de Jargonnant 2, 1207 Geneva, Switzerland.

Asset Monitor

KPMG AG

The Asset Monitor is a company incorporated in Switzerland under register number CHE-106.084.881 having its registered office at Badenerstrasse 172, 8004 Zurich, Switzerland.

Assignor

Cembra Money Bank AG

Bondholders' Representative

TMF Services SA

The Bondholders' Representative is acting as bondholders' representative in the sense of articles 1158 *et seq.* CO (*Anleihensvertreter*). If more than one bondholders' representative is appointed as successor of the Bondholders Representative, **Bondholders' Representative** shall mean any Bondholders' Representative so appointed.

Corporate Services Provider

Cembra Money Bank AG

Upon the occurrence of a Corporate Services Provider Termination Event pursuant to the Corporate Services Agreement, the Guarantor may terminate the appointment of the Corporate Services Provider or take other remedial action. See "*Overview of the Principal Transaction Documents—Corporate Services Agreement—Termination*".

Cash Manager

TMF Management Services SA

Upon the occurrence of a Cash Manager Termination Event pursuant to the Cash Management Agreement, the Guarantor agrees to use its reasonable endeavours to promptly appoint a Replacement Cash Manager who, following a Cash Manager Termination Event, will perform the activities performed by the initial Cash Manager. See "*Overview of the Principal Transaction Documents—Cash Management Agreement—Termination*".

Initial Manager

Zürcher Kantonalbank

The Initial Manager is a company incorporated in Switzerland under register number CHE-108.954.607 having its registered office at Bahnhofstrasse 9, 8001 Zurich, Switzerland.

Managers The Initial Manager and any other Managers may be appointed from time to time by the Issuer either generally for the Programme or in relation to a particular Series or Tranche of Auto Covered Bonds in accordance with the terms of the Programme Agreement.

Originator Cembra Money Bank AG

Principal Paying Agent Zürcher Kantonalbank

Rating Agency Fitch Ratings Limited

Subject to any mandatory provisions of Swiss law applicable at the relevant time, the Issuer may, without the consent or sanction by any Covered Bondholder (i) remove a Rating Agency from rating of any Series of Auto Covered Bonds, and/or (ii) appoint (or reappoint) a Rating Agency to rate a Series of Auto Covered Bonds, provided that, in each case and at all times, such Series of Auto Covered Bonds continues to be rated by at least one Rating Agency (which qualifies for purposes of the inclusion of the Auto Covered Bonds in the Swiss Bond Index (SBI) by SIX).

Servicer Cembra Money Bank AG

Upon the occurrence of a Servicing Termination Event, the Servicing Facilitator shall use its reasonable endeavours to identify a Replacement Servicer to be appointed by the Assignee. See "*Overview of the Principal Transaction Documents—Security Transfer Agreement*".

Servicing Facilitator TMF Management Services SA

Subordinated Loan Provider Cembra Money Bank AG

Sole Arranger Zürcher Kantonalbank

AUTO COVERED BONDS AND PROGRAMME

Description CHF 1 billion Auto Covered Bond Programme

Risk Factors There are certain factors that may affect the Issuer's and/or Guarantor's ability to fulfil its obligations under the Auto Covered Bonds issued under the Programme or the Guarantee, as the case may be (see "*Risk Factors*").

Programme Description Programme for the issue of Auto Covered Bonds by the Issuer to Covered Bondholders on each Issue Date.

Programme Size Up to CHF 1 billion outstanding at any time as described herein. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Method of Distribution The Auto Covered Bonds will be distributed on a syndicated or non-syndicated basis.

Selling Restrictions The Auto Covered Bonds are subject to restrictions on their offering, sale, delivery and transfer both generally and specifically in the United States, the European Economic Area and the United Kingdom. These restrictions are described in the section "*Selling Restrictions*". Further restrictions may be required in connection with particular Series or Tranches of Auto Covered Bonds, and, if so, will

be, together with information on the particular offering, specified in the documentation relating to the relevant Series or Tranche of Auto Covered Bonds and, in particular, the respective Applicable Final Terms.

Issue Price

Auto Covered Bonds may be issued at par or at a discount or premium to par and on a fully-paid basis only, as specified in the Applicable Final Terms.

Currency

Auto Covered Bonds will be issued in Swiss francs.

Maturities

Auto Covered Bonds will be issued with such Final Maturity Dates as may be agreed from time to time between the Issuer and the relevant Manager(s) and specified in the Applicable Final Terms, subject to a maximum maturity until the Extended Due for Payment Date which will also be specified in the Applicable Final Terms.

Extended Due for Payment Date

The date falling after the Final Maturity Date of any Series of Auto Covered Bonds as specified in the Applicable Final Terms.

Redemption

Auto Covered Bonds may be redeemed at par or at such other redemption amount above or below par as in the Applicable Final Terms.

Extendable obligations under the Pass-Through Auto Covered Bonds

If, prior to the Conversion Event Date (being the date following an Issuer Event of Default on which a Breach of Amortisation Test Notice has been served), (x) the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date with respect to a Series of Auto Covered Bonds and (y) following the Guarantee Activation Date and subject to service of a Notice to Pay on the Guarantor for the Guaranteed Amount corresponding to such Final Redemption Amount, the Guarantor has insufficient money available under the Guarantee Priority of Payments to pay the Guaranteed Amount corresponding to such Final Redemption Amount in full in respect of the relevant Series of Auto Covered Bonds on the relevant Guarantor Payment Date, then the obligation of the Guarantor to pay the unpaid amount in respect of that Series of Auto Covered Bonds will be deferred (and a Guarantor Event of Default will not occur as a result of such failure) until the Extended Due for Payment Date in respect of that Series of Auto Covered Bonds (and that Series of Auto Covered Bonds will become Pass-Through Auto Covered Bonds), provided that any Guaranteed Amount corresponding to the Final Redemption Amount due and remaining unpaid shall be paid by the Guarantor (and to such extent be Due for Payment) to the extent it has funds available for distribution under the Guarantee Priority of Payments after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments. The Guarantor will apply any such funds (if any) in payment of the Guaranteed Amounts corresponding to the Final Redemption Amount(s) pertaining to all Pass-Through Auto Covered Bonds on a *pro rata* basis on any Guarantor Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

Upon the Conversion Event Date, all Series of Auto Covered Bonds will convert to Pass-Through Auto Covered Bonds immediately. If the Conversion Event Date occurs (subject as provided below), payment of the unpaid portion of the Guaranteed Amount corresponding to the Final Redemption Amount in respect of all Series of Auto Covered Bonds by the Guarantor under the Guarantee shall be deferred (and a Guarantor Event of Default will not occur as a result of such failure) until the Extended Due for Payment Date in

respect of the relevant Series of Auto Covered Bonds, provided that any Guaranteed Amount corresponding to the Final Redemption Amount of any Series of Auto Covered Bonds due and remaining unpaid shall be paid by the Guarantor (and to such extent be Due for Payment) to the extent it has funds available for distribution under the Guarantee Priority of Payments (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) on any Guarantor Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date. The Guarantor will apply any such funds (if any) in payment of the Guaranteed Amounts corresponding to the Final Redemption Amount(s) pertaining to all Pass-Through Auto Covered Bonds on a *pro rata* basis on any Guarantor Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

In each of the circumstances above, interest will accrue on any unpaid portion of a Series of Auto Covered Bonds during any such extended period and will be due and payable on each Interest Payment Date up to, and including, the Extended Due for Payment Date in respect of that Series of Auto Covered Bonds in accordance with Condition 4 (*Interest*).

Early Redemption

Early redemption will be permitted (i) for taxation reasons and, (ii) at the option of the Issuer or a Covered Bondholder on terms as may specified in the Applicable Final Terms (subject to all relevant legal requirements).

Interest

Auto Covered Bonds may or may not bear interest. Interest (if any) will be at a fixed rate.

Interest Payment Dates

Interest in respect of Auto Covered Bonds shall be payable on the Auto Covered Bonds of each Series on the Interest Payment Dates up to and including the Final Maturity Date or Extended Due for Payment Date (if applicable), each as specified in and subject to the Applicable Final Terms.

Form of Auto Covered Bonds

Each Series or Tranche of Auto Covered Bonds will be issued as uncertificated securities (*Wertrechte*) in accordance with article 973c CO and entered into the main register (*Hauptregister*) with SIX SIS or any other intermediary (*Verwahrungsstelle*) in Switzerland recognized for such purposes by SIX (SIX SIS or any such other intermediary, the **Intermediary**). Once the uncertificated securities are registered in the main register of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Auto Covered Bonds will constitute intermediated securities (*Bucheffekten*) within the meaning of the FISA (**Intermediated Securities**).

No individually certificated Auto Covered Bonds will be printed or delivered. None of the Issuer, the Covered Bondholders, the Principal Paying Agent, the Guarantor or any other party will at any time have the right to effect or demand the conversion of such Auto Covered Bonds into, or the delivery of, a permanent global certificate (*Globalurkunde*) or individually certificated securities (*Wertpapiere*).

Denominations

Auto Covered Bonds will be issued in such denominations as specified in the Applicable Final Terms (and any integral multiples thereof).

Swiss Withholding Tax	Payments of interest in respect of the Auto Covered Bonds (periodic payments, original issue discount and premium upon redemption) and payments of corresponding Guaranteed Amounts under the Guarantee will be subject to the Swiss federal withholding tax at the rate of currently 35 per cent. Neither the Issuer nor the Guarantor will be obliged to pay any additional amounts with respect to the deduction of such withholding tax.
Swiss Stamp Tax	The issuance of Auto Covered Bonds on the relevant Issue Date (primary market) will not be subject to Swiss federal stamp duty on the turnover of securities (<i>Umsatzabgabe</i>). Subsequent dealings in Auto Covered Bonds in the secondary markets may be subject to the tax at an aggregate rate of up to 0.15 per cent.
Cross Default	<p>If an Issuer Default Notice is served, then the Auto Covered Bonds of all Series outstanding will be accelerated against the Issuer.</p> <p>If a Guarantee Acceleration Notice is served, then the obligation of the Guarantor to pay the Guaranteed Amounts in respect of all Series of Auto Covered Bonds outstanding will be accelerated.</p>
Status and Ranking	The Auto Covered Bonds will be direct, unsecured, unsubordinated and unconditional obligations of the Issuer and rank <i>pari passu</i> with all other present or future unsecured and unsubordinated obligations of the Issuer and without any preference among themselves, except for such preferences as are provided by mandatory law.
Series and Tranches	The Auto Covered Bonds will be issued in Series and/or Tranches as specified in the Applicable Final Terms.
Date and Approval of Programme	<p>This Base Prospectus dated 20 June 2025 has been approved by the Swiss Review Body as a base prospectus within the meaning of article 45 of the FinSA on 20 June 2025.</p> <p>In respect of any Tranche of Auto Covered Bonds to be issued during the 12 months from the date of this Base Prospectus, this Base Prospectus (as completed and/or amended by the Applicable Final Terms) will constitute the prospectus for purposes of the FinSA.</p> <p>On or after the date of this Base Prospectus, in the case of any Tranche of Auto Covered Bonds to be publicly offered in Switzerland and/or with respect to which application will be made to admit such Auto Covered Bonds to trading on SIX Swiss Exchange or any other exchange or trading venue in Switzerland, the Applicable Final Terms will be filed with the Swiss Review Body and published in accordance with the FinSA as soon as the final terms of such Auto Covered Bonds are available, but, in the case of an admission to trading, in any case no later than the first day of trading for such Auto Covered Bonds on SIX Swiss Exchange. The Applicable Final Terms for such Auto Covered Bonds will not be reviewed or approved by the Swiss Review Body.</p>
Admission to Trading and Listing and/or Quotation	Each Tranche of Auto Covered Bonds may be admitted to trading and listing on SIX Swiss Exchange or may be unlisted. A Tranche of Auto Covered Bonds may also be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Manager. The specific terms of any admission to trading and listing of any Tranche of Auto Covered Bonds will be set out in the Applicable Final Terms.

Prospectus	Auto Covered Bonds issued under the Programme may be issued pursuant to this Base Prospectus, including documents incorporated by reference and any amendments or supplements thereto as well as the Applicable Final Terms.
Governing Law	All Transaction Documents, including the Conditions and the Guarantee shall be governed by and construed in accordance with the substantive laws of Switzerland.
Jurisdiction	The exclusive place of jurisdiction for any dispute, claim or controversy related to each Transaction Document, including the Conditions and the Guarantee, shall be the ordinary courts of Zurich, Switzerland.
Clearing Systems	SIX SIS AG, Baslerstrasse 100, 4600 Olten, Switzerland or any other and/or any other agreed clearing system.

GUARANTEE AND GUARANTEE SUPPORT

Guarantee

Upon the occurrence of an IED Guarantee Activation Date (but prior to the GED Guarantee Activation Date) and following the service of a Notice to Pay by the Trustee on the Guarantor for the relevant Guaranteed Amount, the Guarantor, as an independent obligation, irrevocably undertakes to the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, to pay such Guaranteed Amounts Due for Payment in relation to the relevant outstanding Series of Auto Covered Bonds subject to and in accordance with the terms and conditions of the Guarantee and the Guarantee Priority of Payments solely and exclusively to the Principal Paying Agent for distribution to the relevant Covered Bondholders.

Pursuant to the terms of the Guarantee Mandate Agreement, the Issuer has agreed that it will pre-fund or reimburse or indemnify all Guarantee Expenses (consisting of, *inter alia*, of all sums paid or payable by or on behalf of the Guarantor under the Guarantee upon receipt of a Notice to Pay and certain increased amounts due by the Guarantor resulting from Third Party Services Provider being appointed to replace Cembra if Cembra ceases to be eligible to provide its services) by making a corresponding payment to the Guarantor in advance of the relevant Guaranteed Amounts falling Due for Payment.

To secure, *inter alia*, its Pre-funding Obligations described above, the Issuer has agreed, pursuant to the Security Transfer Agreement, to, *inter alia*, assign and transfer for security purposes to the Guarantor Eligible Lease Assets and transfer for security purposes certain Substitute Assets. Because recourse under the Guarantee will be limited to Available Funds of the Guarantor from time to time, subject to the applicable Priority of Payments, the ability of the Guarantor to make payments under the Guarantee will ultimately depend on the Transferred Lease Assets and the Substitute Assets assigned and transferred to the Guarantor for security purposes.

Payments of the Guarantor under the Guarantee will be made subject to the Guarantee Priority of Payments or the Post-Insolvency Priority of Payments, as applicable, and will be made directly to the Principal Paying Agent for distribution to the Covered Bondholders.

See the Guarantee set out in full under "*The Guarantee*" below.

Status of Guarantee The obligations of the Guarantor under the Guarantee are direct, unsecured, unsubordinated and, following the Guarantee Activation Date and subject to the service of a Notice to Pay by the Trustee on the Guarantor for the relevant Guaranteed Amounts, unconditional obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank *pari passu* and at least equally with all other present or future, unsecured and unsubordinated obligations of the Guarantor.

OVERVIEW OF THE LEASE ASSETS AND SERVICING

Transferred Lease Assets The Transferred Lease Assets consist of (a) the Transferred Lease Agreements (including, for the avoidance of doubt, any Assigned Lease Receivables), (b) the Transferred Dealer Agreements (including, for the avoidance of doubt, any Assigned Dealer Receivables), (c) the Transferred Leased Vehicles and (d) all related Assigned Ancillary Rights. Please see also "*Risk Factors – Risks relating to the Cover Pool*" and "*Characteristics of the Lease Assets and Cembra's Business*".

Lease Agreement A lease agreement substantially in the form of Cembra's Standard Contracts (originally) entered into between Cembra as lessor and a Lessee as lessee under which a Leased Vehicle is leased to the Lessee. Cembra as Assignor will transfer (by way of transfer and assumption of contract (*Vertragsübernahme*)) to the Guarantor as Assignee certain Lease Agreements.

Lease Receivables Any and all claims of Cembra under a Lease Agreement existing now or in the future. Cembra as Assignor will assign certain Lease Receivables to the Guarantor as Assignee for security purposes.

Leased Vehicle Any vehicle that is leased to a Lessee under a Lease Agreement. Cembra as Assignor will transfer for security purposes legal title to certain Leased Vehicles to the Guarantor as Assignee.

Dealer Agreement A vehicle sale and purchase agreement substantially in the form of Cembra's Standard Contracts (originally entered into) between Cembra as purchaser and a Dealer as seller relating to the sale of a Leased Vehicle to Cembra that will be the subject of a Lease Agreement and which includes a Dealer Repurchase Obligation. Cembra as Assignor will transfer (by way of transfer and assumption of contract (*Vertragsübernahme*)) to the Guarantor as Assignee certain Dealer Agreements.

Dealer Receivables Any rights and claims of Cembra under a Dealer Agreement existing now or in the future. Cembra as Assignor will assign certain Dealer Receivables to the Guarantor as Assignee for security purposes.

Ancillary Rights

- (a) any and all assignable rights and claims in relation to any claims under any insurance policies entered into by a Lessee (which have been assigned to Cembra) relating to the relevant Leased Vehicle;
- (b) any and all assignable rights and claims in relation to any claim made by Cembra under an insurance policy held by Cembra;
- (c) any and all assignable rights and claims to Residual Value Proceeds relating to the Leased Vehicles; and

- (d) any right to any amount or sum payable by or on behalf of a Lessee under or in connection with a Lease Asset (for example, rights of action against the relevant Lessee or rights against any person or entity guaranteeing the obligations (in whole or in part) of the relevant Lessee under the applicable Lease Agreement).

Eligibility Criteria

Each Lease Asset to be transferred from Cembra as Assignor to the Guarantor as Assignee must meet the Eligibility Criteria at the "Cut-off Date" immediately preceding the relevant Transfer Date.

See "*Overview of the Principal Transaction Documents—Security Transfer Agreement*".

Representations and Warranties

In the Security Transfer Agreement the Assignor will make as of the date of the Security Transfer Agreement and as of each Issue Date certain general representations and warranties with respect to itself and as of the relevant Transfer Date the Lease Asset Representations and Warranties with respect to the Transferred Lease Assets (certain Lease Asset Representations and Warranties to be repeated on each Guarantor Payment Date).

See "*Overview of the Principal Transaction Documents—Security Transfer Agreement*".

Servicing of Transferred Lease Assets

Cembra as the servicer (the **Servicer**) will service and administer the Transferred Lease Assets on an ongoing basis pursuant to the Security Transfer Agreement.

The Trustee, the Guarantor and the Assignor will enter into a Servicing Facilitator Agreement with TMF Mangement Services SA as Servicing Facilitator. Upon the occurrence of certain events, the Servicing Facilitator will assist the Guarantor in the appointment of a Replacement Servicer as set out herein. Any Replacement Servicer so appointed will assume the role as Servicer upon the termination of the appointment of the Servicer by the Guarantor following the occurrence of a Servicing Termination Event, upon the resignation of the Servicer or upon the termination by notice by the Guarantor.

Servicing

Pursuant to the Security Transfer Agreement, the Servicer shall continue, subject to revocation of the authorisation upon a Servicing Termination Event, to service and administer the Serviced Lease Assets, *inter alia*, in accordance with the terms of the Security Transfer Agreement and the Credit and Collection Policies and Procedures.

See "*Overview of the Principal Transaction Documents—Security Transfer Agreement*".

ASSET MONITORING

Asset Monitoring

The calculations of Cembra as Assignor relating to the Pre-Event Tests and (if applicable) the Amortisation Test will be periodically verified by the Asset Monitor in accordance with the Asset Monitor Agreement (see "*Overview of the Principal Transaction Documents— Asset Monitoring Agreement*").

CASH FLOWS

Guarantor Accounts and Priority of Payments

Prior to the occurrence of a Notification Event, the Assignor will generally be entitled to receive and retain all Collected Lease

Payments for its own benefit and no Lease Payments will run through the Assignee.

Upon the earlier of an IED Guarantee Activation Date and service of a Notice to Pay or a GED Guarantee Activation Date, the Lease Payments will be collected by the Guarantor and will be applied in accordance with the relevant Priority of Payments.

Pursuant to the Guarantee Mandate Agreement, the Issuer will pay a Guarantee Fee to the Guarantor as consideration for issuing the Guarantee and the Guarantor will pay the Collateral Differential to the Issuer as consideration for providing collateral.

See "*Cash Flows*" below.

Pre-Guarantee Priority of Payments See "*Cash Flows—Allocation and distribution of amounts prior to the Guarantee Activation Date—Pre-Guarantee Priority of Payments*".

Guarantee Priority of Payments See "*Cash Flows—Allocation and distribution of amounts following the IED Guarantee Activation Date—Guarantee Priority of Payments*".

Post-Insolvency Priority of Payments See "*Cash Flows—Allocation and distribution of amounts following the GED Guarantee Activation Date—Post-Insolvency Priority of Payments*".

Liquidity Reserve Fund The Guarantor will be required to maintain a reserve fund (the **Liquidity Reserve Fund**) from time to time up to an amount equal to the Liquidity Reserve Fund Required Amount.

Prior to the occurrence of an Issuer Event of Default, the Liquidity Reserve Fund will be funded by the Subordinated Loan granted by Cembra as Subordinated Loan Provider to the Guarantor in an amount at least equal to the Liquidity Reserve Fund Required Amount applicable prior to the occurrence of an Issuer Event of Default (see section "*Overview of the Principal Transaction Documents—Subordinated Loan Agreement*"). Following the occurrence of an Issuer Event of Default and service by the Trustee of a Guarantee Activation Notice, the Liquidity Reserve Fund will be funded by Enforcement Proceeds applied in accordance with the Guarantee Priority of Payments (see section "*Credit Structure—Liquidity Reserve Fund*").

Limited Recourse and Non-Petition The Guarantee and the Guarantor's obligations under the Transaction Documents will constitute limited recourse obligations of the Guarantor.

All payments under the Transaction Documents will be payable to the parties thereto only from all amounts available after giving effect to the applicable Priority of Payments.

The Transaction Documents provide that none of the parties shall for so long as the Auto Covered Bonds are outstanding and until the expiry of a period ending 366 calendar days after the date on which all potential liabilities secured by the Guarantee have been discharged or satisfied in full:

- (a) take any legal steps nor institute any legal proceedings against the Guarantor or its assets or corporate bodies for the purpose of asserting or enforcing any of its rights or claims against the Guarantor; in particular it will not:

- i) file a request for payment (*Betriebsbegehren*) under the DEBA or otherwise initiate any debt collection, attachment or enforcement proceedings against the Guarantor or support any such proceedings; or
 - ii) initiate any arbitration, court, administrative or other proceedings against the Guarantor, its assets or executive bodies or support any such proceedings, except for any such action (x) solely seeking declaratory relief without requesting the adjudication of damages, or (y) solely seeking specific performance of the Guarantor's obligations under the Transaction Documents to serve Pre-funding Notices and/or Recourse Notices; or
 - iii) except as explicitly provided for in the Transaction Documents, exercise any right of set-off;
- (b) take any steps nor institute any proceedings to procure the bankruptcy, winding up, liquidation, restructuring, administration or any similar procedure in respect of the Guarantor, and in particular it will not initiate or support any Insolvency Proceedings against the Guarantor; and
- (c) other than by virtue of filing any of its claims in an insolvency of the Guarantor, it will not claim, rank, prove or vote as creditor of the Guarantor or its estate in competition with any prior ranking creditors in the relevant Priority of Payments until all amounts then due and payable to creditors who rank higher in the relevant Priority of Payments have been paid in full,

provided, however, that Sub-clauses (a)(i) and (a)(ii) shall become inapplicable if the Guarantor is adjudicated bankrupt by a competent Swiss court. In such case, each Relevant Creditor shall submit its claims against the Guarantor with the bankruptcy administrator of the Guarantor and clarify that the claims are subject to rights of higher ranking creditors pursuant to the Post-Insolvency Priority of Payments.

There is no guarantee that a court would grant any such relief (the award of specific performance in particular being subject to the court's discretion and granted only if it determines that other remedies are not available) or that receipt of declaratory judgment would procure enforcement of the relevant obligation by the Guarantor. See also clause 5 (*Limited recourse against the Guarantor*) and clause 10 (*Non-petition*) of the Guarantee set out in full in "*The Guarantee*" and "*Risk Factors—Risks relating to the Programme legal and regulatory matters—Insolvency proceedings and subordination provision*".

OVERVIEW OF RATINGS AND RATING TRIGGERS

Ratings

Auto Covered Bonds to be issued under the Programme are at the time of issue expected to be rated "AAA" by Fitch. The rating of certain Series of Auto Covered Bonds to be issued under the Programme may be specified in the Applicable Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, modification or withdrawal at any time. See also "*Risk Factors—Risks relating to the Auto Covered Bonds—Credit ratings may not reflect all risks*".

Rating Triggers

As described further in this Base Prospectus, and in each case subject to the Rating Agency Condition, certain consequences will arise as a result of the breach of relevant rating triggers. Set out below is a summary list of these rating triggers:

Rating Trigger	Consequence
If the rating of the Account Bank falls below Minimum Account Bank Rating.	Account Bank to be replaced or guaranteed or, subject to the Rating Agency Condition, alternative remedial or other actions taken

Minimum Account Bank Rating means, in relation to the Account Bank:

- (a) if an Account Bank deposit rating is available: either (i) a short-term deposit rating of 'F1' by Fitch or (ii) a long-term deposit rating of 'A-' by Fitch; or
- (b) if an Account Bank deposit rating is not available: either (i) a Fitch Short-Term Issuer Default Rating of 'F1' or (ii) a Fitch Long-Term Issuer Default Rating of 'A-'.

Fitch Long-Term Issuer Default Rating means in respect of any entity, the long-term issuer default rating assigned to such entity by Fitch or any equivalent long-term rating which may be assigned by Fitch in the future.

Fitch Short-Term Issuer Default Rating means in respect of any entity, the short-term issuer default rating assigned to such entity by Fitch or any equivalent short-term rating which may be assigned by Fitch in the future.

For as long as Cembra is acting as Corporate Services Provider, the Corporate Services Provider's long-term "Issuer Default Rating" assigned by Fitch falls below 'BBB-'. Termination of Cembra as Corporate Services Provider.

RISK FACTORS

The Issuer believes that the risks described below may affect its ability to fulfil its obligations under Auto Covered Bonds issued under the Programme and/or the Guarantor's ability to fulfil its obligations under the Guarantee and could be material for the purpose of assessing the market risks associated with the Auto Covered Bonds. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Auto Covered Bonds issued under the Programme are described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Auto Covered Bonds issued under the Programme, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Auto Covered Bonds or the Guarantee, as applicable, may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on information currently available to them and which they may not currently be able to anticipate. The Issuer does not represent that the statements below regarding the risks of holding any Auto Covered Bonds are exhaustive. Additional risks and uncertainties that the Issuer and the Guarantor are unaware of, or that they currently deem to be immaterial, may also become important risk factors that affect them.

Prospective investors should carefully read and consider the risks and uncertainties described below together with all other detailed information contained elsewhere and incorporated by reference in this Base Prospectus and reach their own view, based upon their own judgment and upon advice from such financial, legal and tax advisers as they have deemed necessary, before making any investment decision.

Words and expressions defined in the Conditions or elsewhere in this Base Prospectus have the same meanings in this section.

RISKS RELATING TO CEMBRA AND THE GROUP

Competition in the financial services industry is intense and increasing competition may adversely affect the Group's business.

The industry in which the Group operates is highly competitive and the competitive conditions are expected to continue. The Group's ability to compete depends on many factors, including its reputation, the product offering and quality of its services, product innovation, execution ability, pricing, sales efforts, and the talent of its employees.

In particular, the Group competes with consumer financial services businesses of a number of large international financial institutions as well as with established local and regional competitors based in Switzerland. Many of its competitors are part of larger financial services groups and may therefore have greater access to capital, financial or other resources than the Group. Furthermore, competition might lead to pressure on financial margins.

In addition, there has been some consolidation in the financial services industry in the past and there may be more in the future. If competitors consolidate, the combined businesses may gain economies of scale and develop new products. As a result, they may be able to compete more effectively on the basis of product offerings and price.

The competition the Group faces in respect of a particular product may depend on the level of sophistication that customers have reached. In respect of many products, customers are becoming more demanding and sophisticated in their needs. To the extent the Group is not in a position to satisfy all customers' needs, it is exposed to the risk that competitors may be more successful in attracting and retaining customers, growing their service offerings and, consequently, improving their business, results of operations, financial condition, and/or prospects.

To the extent that the Group does not successfully compete in terms of the development of its customer base, product offering, pricing, performance, distribution channels or service, its business, results of operations, financial condition and/or prospects may be adversely affected as a result.

In the recent years, several new market entrants or existing competitors launched new credit cards or digital and other technology-based payment tools with credit features which may substitute conventional credit cards. Some of these competitors may be able to offer services or credit at significantly lower cost than the Group currently does. This may force the Group to lower its fees and/or adapt its products, services or distribution channels in

order to retain its customers. If the Group is unable to adequately address these challenges, this could have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's business is focused on providing credit products principally to individuals and to small businesses

The Group's revenue is derived almost entirely from the provision of credit products (and insurance sold with those products) to individuals and small businesses in Switzerland. The demand for, and profitability of, the credit products the Group offers may be reduced due to a variety of factors, such as demographic patterns, changes in customer preferences or financial conditions, regulatory restrictions that, among other things affect the pricing of, and/or decrease customer access to, or demand for, particular products or the availability of competing products. A significant reduction in the demand for, or the profitability of, such products could have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's business is exposed to adverse competitive, economic, political, regulatory or market changes in Switzerland. Such changes could have an influence on the demand for the Group's credit products and their pricing. Moreover, being based almost entirely in Switzerland, the Group's business is subject to greater geographic concentration risks than some of its competitors.

The Group operates in an industry that is highly regulated and may be adversely affected by legal or regulatory risks and reputational implications from the legal and regulatory environment

In recent years, there has been increased regulation of the financial services industry in Switzerland that has imposed substantial new or more stringent regulations in different areas such as internal practices, capital requirements, procedures and controls, know your customer rules, disclosure requirements, financial reporting, corporate governance, auditor independence, equity compensation plans, distribution fees and money laundering.

The implementation of and/or any changes to the Basel III framework (or its successor) may affect the capital requirements and could eventually impact the profitability, capital management, business strategy and operations of the Group.

Changes in legislation affecting the Group's business, such as the lowering of maximum annual interest rates chargeable on consumer credit products, could have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.

In addition, the Group is regulated by the Swiss Financial Market Supervisory Authority (**FINMA**) and holds a Swiss banking licence that is essential for its continuing operation. In case of non-compliance with regulatory requirements, FINMA may impose enforcement actions, such as reprimand, disgorgement of profits and injunctive relief. Such non-compliance with regulatory requirements may ultimately result in the revocation of the Company's banking licence or other enforcement or insolvency measures being applied.

In addition, non-compliance with banking regulations, including in particular the new or more stringent regulation described above, such as with regards to operational and other risks, money laundering, know your customer rules, etc. may further result in fines and criminal sanctions and may harm the Group's reputation.

Swiss consumer protection laws may have an adverse effect on the Group's business

The Group's business is affected by Swiss consumer protection laws, including the Swiss Federal Consumer Credit Act of 23 March 2001, as amended (the **CCA**). The CCA (and the corresponding ordinance, the **COO**, respectively), among other things, sets the maximum effective annual interest rate that may be charged on consumer credit products, specifies information that must be included in a consumer credit agreement and requires the Group to perform a credit capacity check on consumers prior to entering into a credit agreement with them that falls within the scope of CCA.

As of 1 January 2025, the Federal Council lowered the maximum effective annual interest rates that may be charged on consumer credit products by 1% from 12% to 11% for cash credits and from 14% to 13% for credit cards overdrafts. Such lowering as well as any potential future lowering of these rates by the Federal Council may have an adverse effect on the Group's business, results of operations, financial condition and / or prospects.

The CCA requirements are subject to interpretation giving courts a considerable discretion in their interpretation. For example, if any court were to find that the Group violated the applicable credit capacity check requirements with respect to any consumer credit product, the Group would not be entitled to any past due or future payments

of interest and fees under the credit agreement and it cannot be excluded that such court could find that the Group must repay to the customer all interest and fees already paid thereunder. However, the consumer would remain obliged to repay the original credit amount extended. If the court were to find that there had been a severe violation of the credit capacity check requirements, the customer would not be required to repay the Group for the original credit amount extended and could require the Group to repay all past payments already made under the credit agreement.

The content and form of the information required to be included in a consumer credit agreement under the CCA varies depending on the type of consumer credit product being offered. Even if a consumer credit agreement of the Group fulfils the information requirements of the CCA as to content, it may not necessarily fulfil the information requirements as to form. If a consumer credit agreement does not fully satisfy the applicable CCA information requirements (whether as to content or form), such credit agreement is void. In such a case, the Group would not be entitled to any past due or future payments of interest and fees under the credit agreement and the customer could demand the Group to repay all interest and fees already paid thereunder. However, the customer would remain obliged to repay to the Group the original credit amount extended following the repayment obligations set forth in the consumer credit agreement or in monthly instalments in accordance with the CCA.

Failure to conduct the required credit capacity check or breach of information requirements with respect to a significant volume of the Group's consumer credit agreements could have an adverse effect on the Group's reputation, business, results of operations, financial condition and/or prospects (see also "*Risks relating to the Cover Pool — Application of the CCA*").

The Group may fail to adequately maintain and protect customer information

The Group collects and processes sensitive personal data (including names, addresses, age and other personal data) from its customers and employees as part of the operation of its business and therefore must comply with relevant data protection and privacy laws as well as the FBA, and industry standards. The Group makes use of services of various third party providers in Switzerland and abroad. The Group must comply with all applicable FINMA circulars and data protection and privacy laws in case it outsources any activities. If the Group or any of its service providers in relation to outsourced activities were to violate any regulation applicable to the Group, the Group may be subject to regulatory sanctions, including the revocation or limitation of the Company's banking licence and/or civil or criminal sanctions for violation of banking secrecy and data protection laws (see also "*Risks relating to the Cover Pool — The waivers of banking secrecy and the transfer clauses necessary for the transfer of Cover Pool Assets, as well as other relevant provisions in Cembra's Standard Contracts may be deemed by Swiss courts to be insufficient or inapplicable, which may negatively affect the validity of the transfer of Cover Pool Assets to the Guarantor, the replenishment of the Cover Pool as well as the value and/or the enforceability of the Cover Pool Assets*").

The Group is exposed to operational risks and relies on information technology systems and is exposed to the failure of such systems, associated back-up facilities or cyber-security risks

The Group is exposed to operational risks, i.e., the risk of loss resulting from inadequate or failed internal processes, people, systems, external events or fraud. The Group is exposed to the risk of unexpected losses from such events, caused, e.g., by faulty information systems, unsuitable organizational structures or deficient control systems.

In particular, the Group's business is highly dependent on its information technology systems and those of key service providers and is exposed to any failure of, or interruption to, such systems. Risks arise from errors made in the automated underwriting and credit scoring systems or the confirmation or settlement of transactions or from the improper recording or accounting of transactions. On the market, the number of cyber-attacks increased, and such attacks are more sophisticated in the recent years. Although the Group is continuously implementing tools and processes to manage this growing risk, it may not be excluded that the Group will become the target of such cyber-attacks in the future.

The Group relies heavily on financial, accounting and other data processing systems. If any of these do not function properly or are the subject of a cyber-attack, it could suffer financial loss, business disruption, customer liability, regulatory intervention or damage to its reputation. Although the Group has back-up systems and business continuity measures in place, it cannot be certain that these systems will not fail or will be adequate if needed.

The Group's business depends in particular on the ability to process a large number of transactions efficiently and accurately. Losses can result from inadequate personnel, inadequate or failed internal processes and systems, or from external events that interrupt normal business operations.

The services the Group provides involve the storage and transmission of customers' information. The Group's information technology systems and network infrastructure, or those of third party service providers or its credit card and online affiliate partners, may be exposed to physical damage or cyber-attacks. The Group's customers may be exposed to cyber-attacks resulting in leakage of personal data which may in turn result in fraudulent transactions, with the Group generally bearing the risk of loss in such cases. Such attacks could result in material financial loss, regulatory actions, breach of customer contracts, reputational harm or legal liability, which, in turn, could adversely affect the Group's business, results of operations, financial condition, and/or prospects.

Any security breach, such as a cyber-attack, a malware, or an internal problem with information protection, such as failure to control access to sensitive systems, could impact availability, integrity, confidentiality of data and materially interrupt the Group's business operations or cause compromise of sensitive or confidential information. Such a failure could result in material financial loss, regulatory actions, breach of customer contracts, reputational harm or legal liability, which, in turn, could adversely affect the Group's business, results of operations, financial condition, and/or prospects.

Risks related to the increasing use of AI systems or tools might lead to additional data security risks, lack of transparency or bias in decision making, might jeopardize compliance in a changing regulatory environment and can lead to fraudulent or other unwanted behaviours.

The Group has adopted risk management framework enhancements in line with fully revised regulatory requirements on operational risk and resilience at banks which entered into force on 1 January 2024.

The Group operates in an industry characterised by continued improvements in operational and information technology infrastructure

The financial services industry is characterised by continued improvements in operational and information technology infrastructure, including changes in use and customer requirements and preferences, frequent product and service introductions employing new technologies, and the emergence of new industry standards and practices that could render the Group's existing technology infrastructure obsolete or less effective.

There can be no assurance that the Group will be able to anticipate and respond as quickly and in a cost-effective manner to the demand for new services and technologies, and to adapt its infrastructure to technological advancements and changing standards, especially with increasing adoption of technology by consumers in the pandemic era. Failure to do so could adversely affect the Group's business, results of operations, financial condition, and/or prospects.

The Group is exposed to reputational risks related to its operations, third parties and the financial services industry as a whole

The Group is exposed to the risk that threatened or actual legal proceedings, misconduct, operational failures, negative publicity and press speculation, whether or not valid, may harm its reputation and create disproportionate negative media coverage of it or some or all of its employees, directors, credit card or online affiliate partners, auto dealers or independent agents. The Group's reputation could also be adversely affected, for instance, if its products fail to meet customers' expectations. Negative publicity resulting from legal proceedings could also result from failure in the Group's information technology systems, loss or theft of customer data or confidential information, failure in its risk management or internal control procedures, failure or alleged failure in the Group's obligations, failure of its products to comply with regulatory requirements, or fraud or misconduct committed by customers or one of its employees, directors, credit card or online affiliate partners, auto dealers or independent agents.

The Group is also exposed to adverse publicity or speculation relating to the financial services industry as a whole. Financial scandals unrelated to it or questionable ethical conduct by a competitor may taint the reputation of the financial services industry as a whole or specific financial products also offered by the Group, and affect the perception of investors, public opinion and the attitude of regulators.

Any damage to its reputation, or to the reputation of the financial services industry, could cause existing customers to withdraw from doing business with, and lead potential customers to be reluctant to do business with, the Group. Any resulting damage to the Group's reputation could cause disproportionate damage to its business regardless of

whether the negative publicity or speculation is factually accurate. Negative publicity may result also in greater regulatory scrutiny or in negative influences on the perception of the Company by rating agencies. In some circumstances, negative publicity may result in a gradual increase in the Group's cost of funding as it refinances its indebtedness.

Any of these negative effects could adversely affect the Group's reputation, business, results of operations, financial condition, and/or prospects.

The third-party risk arises from the business relationships with external parties, such as vendors, suppliers or partners. Geopolitical risk factors related to wars and geopolitical conflicts may have direct or indirect impact on the exposure to third party risk. The Group has chosen to use third parties to support its business activities. With the implementation of policies governing this area and an ongoing monitoring process, the Group ensures compliance with relevant regulatory requirement. One of the main source of third party risk for the Group is the outsourcing of critical or significant functions and processes to external vendors and service providers. The Group utilizes outsourcing of ICT services, payment processing and customer support as well as business process outsourcing (**BPO**). The Group also relies on external data providers for credit risk assessment, external fraud detection and customer data management. The Group is building up BPO in Riga, Latvia in accordance with applicable outsourcing and operational risk and resilience regulations.

The Group may be subject to litigation, regulatory and other sanctions and harm to its reputation as a result of employee, independent agent or auto dealer misconduct or errors that are difficult to detect and deter

The Group is exposed to risk of fraud and misconduct by its employees, independent agents and auto dealers. There have been a number of highly publicised cases involving fraud or other misconduct by employees of financial services firms in the past. The Group's employees could execute transactions that exceed authorised limits or commit the Group to unacceptable risks or divert funds from the Group. In addition, the Group's employees, independent agents or auto dealers could use information about the Group, confidential customer information or other confidential information provided by third parties to the Group for personal or other improper purposes, as well as misrepresent or conceal improper activities from the Group. Employee, independent agent and auto dealer errors expose the Group to the risk of material losses, in particular if errors are not detected promptly and/or the related transactions cannot be reversed without adverse consequences. Such errors may be more likely to occur if the Group expands its business to new products and new technological systems.

Misconduct by any of the Group's employees, former employees, independent agents or auto dealers could subject it to financial losses or regulatory sanctions and seriously harm its reputation. It may not be possible to deter or detect such misconduct and the precautions the Group takes to prevent and detect this activity may not be effective in all cases.

The Group's employees, independent agents and auto dealers may also commit errors or take actions that could subject the Group to financial claims for negligence or otherwise, as well as regulatory actions. Such errors or actions could result in unforeseen business risk, losses, and regulatory and other sanctions, could seriously damage the Group's reputation and expose it to litigation, including financial losses resulting from the need to reimburse customers or business partners or as a result of fines or other regulatory sanctions. Any delinquencies or trading errors on the part of any of the Group's employees, independent agents and auto dealers could, therefore, have an adverse effect on its reputation, business, results of operations, financial condition and/or prospects.

The current legal regime in Switzerland does not provide for class actions or similar collective claims in principle. Collective claims facilitate to claim damages and are in particular less expensive for claimants. The Swiss law regime currently in force requires that each individual who suffered a damage raises a claim. However, in 2018, the Federal Council proposed amendments to the Swiss Federal Civil Procedure Code that introduce collective claims. As the amendments regarding collective claims were highly controversial, the Federal Council decided to carve-out this part from the amendments and to debate it separately. If adopted, the Group may be exposed to novel claims and/or claims with higher amounts. These claims could therefore have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group is exposed to the risk of fraudulent behaviour of customers, depositors, merchants, auto dealers, independent agents, credit card partners, online affiliate partners, suppliers and others

The Group is exposed to the risk that customers, depositors, merchants, auto dealers, independent agents, credit card partners, online affiliate partners, suppliers and others with which it deals will behave fraudulently. The

Group diligently seeks to manage this risk and takes steps to detect any such fraud wherever possible. However, the Group may not detect all such fraudulent activity, and, even where it does, may not be able to prevent or recover losses incurred. Significant or regular fraudulent activity may have an adverse effect on the Group's business, results of operations, financial condition, and/or prospects.

The Group's business depends on the accuracy and completeness of information about existing customers and applicants

In deciding whether to approve loans or to enter into other transactions with existing customers or applicants, the Group must rely on information and documentation furnished to it by or on behalf of the existing customer or applicant (for example by auto dealers or independent agents), including financial information. The Group may also rely on representations of existing customers and applicants, auto dealers or independent agents as to the accuracy and completeness of that information and/or documentation. If any of this information and/or documentation is inaccurate (whether intentionally or otherwise) and such inaccuracy is not detected prior to the Group advancing funds or granting auto leases, the value of the personal loan, auto lease and loan, credit card or any other receivable may be significantly lower than expected. Whether an inaccurate statement is made, or inaccurate document is produced, by the existing customer, applicant, auto dealer or independent agent, the Group generally bears the risk of loss associated with the inaccuracy. The Group's controls and processes may not have detected or may not detect all inaccurate information and/or documentation provided by or on behalf of its existing customers and applicants. Any such inaccurate information and/or documentation could adversely affect the Group's business, results of operations, financial condition and/or prospects.

The Group's business is dependent on its relationships with credit card partners, auto dealers and merchants, independent agents and online affiliate partners

The Group has arrangements with credit card partners, auto dealers, independent agents, online affiliate partners and suppliers. Failure by these third parties to continue to generate business, or a failure by the Group to maintain these, or establish new relationships, could have an adverse effect on the business, results of operations, financial condition and/or prospects of the Group.

The Group could be exposed to adverse changes in tax laws or practice

Future changes in tax laws, e.g. following international tax developments of the Organisation for Economic Cooperation and Development or changes in the application of tax rules e.g. in the area of transfer pricing, could result in additional taxes. In addition, The Group may become subject to tax audits which could cause the amount of tax payable to increase materially and may result in penalties or interest.

The Group is exposed to adverse changes in general economic, political and market conditions, pandemics and natural disasters

In addition to the risks specific to the offering of financial services in which the Group is engaged, its business is also exposed to general downturns in economic, political and market conditions, pandemics and natural disasters. Any such change or event may have an adverse effect on the Group's business, results of operations, financial condition and/or prospects. The Group's financial performance is particularly subject to a reduction in the overall consumer consumption caused by the materialization of any such event. The Group may not exclude that, to the extent it relies directly or indirectly on a third party for a service, it may face a disruption of such services, which may impact its performance. Disruptive events might be unpredictable for the Group.

Increasing or changing geopolitical risks might have direct or indirect impact on business operations, reputation or the financial position of the bank. Indirect impact might be caused by the macroeconomic consequences of geopolitical conflicts while direct impact can be related to physical locations such as Cembra Latvia SIA or location of critical third parties.

The Group is exposed to sustainability risk

Sustainability risk is defined as the risk that the Group negatively impacts or is impacted by ESG matters including climate-related changes.

Particularly, climate-related risks can typically be mapped into other categories of risk such as credit risk, market risk, operational risk or other risk. Consequently, climate-related risks do not necessarily represent a new risk category, but rather an underlying risk driver for a risk category or individual risk.

Climate-related risks include physical, transition, or legal and reputational risks. Physical risks might result in costs and losses due to the increasing severity and/or frequency of weather events. These can be acute and result from extreme weather events, or chronic events, arising from progressive shifts in weather patterns. Transition risks arise from disruptive technological breakthroughs or action taken on climate policies that will transform the economy, with the implication that assets in certain sectors may lose value. Such events, as changes in law and regulation, shareholders expectations or state policies could impact the Group's core business and operations and may drive legal, financial or reputational damage, if not adequately addressed. Legal risks may arise among others from legal claims seeking compensation for losses suffered because of actions or inactions of governments or corporations.

Transition risks could gradually materialise in the form of credit risk where the leased assets may lose value over medium to long term. In connection with its auto lease business, the Group purchases vehicles and resells them in accordance with the lease agreement. The risk that the re-sale value of any lease vehicle may be less than the remaining outstanding balance at the time such lease agreement is terminated, at contractual end or during contract term, is borne by the Group. This risk is mitigated by the Group's right under the dealer agreements obliging a dealer to repurchase a lease vehicle at the contractually defined price. Shifting of consumer preferences, including environmental considerations or potential bans for certain engines, such as combustion ones are among others potential reasons for a lower residual value of purchased lease assets, which may have a negative impact on new vehicle sales or used vehicle supply. The Group regularly monitors vehicle brand and model diversification and adopts bespoke mitigation measures.

Immediate physical risks are generally considered low due to being a financial services provider that operates predominantly in Switzerland. The Group assesses physical security of its office locations on a regular basis.

The Group is committed to ensure compliance with relevant climate-related regulations and guidelines and adapts risk management practices accordingly. This includes the consideration of climate-related impacts or the assessment of climate-related risks in strategic planning and decision making processes as well as in the assessment of all categories of risk. In particular, the assessment of existing and new risks is based, among others, also on climate-related changes impact criteria. Therefore, climate-related risk as a driver for other categories of risk is actively identified, assessed, monitored and managed.

The residual value of a leased vehicle may not be reclaimed in full or at all by the Group upon sale

In connection with its auto lease business, the Group purchases vehicles and resells them in accordance with the lease agreement. The risk that the re-sale value of any lease vehicle may be less than the remaining outstanding balance at the time such lease agreement is terminated, at contractual end or during contract term is borne by the Group. This risk is mitigated by the Group's right under the dealer agreements to oblige a dealer to repurchase a lease vehicle at the contractually defined price set out in such dealer agreement upon termination of the lease agreement related to such dealer agreement. However, there is no assurance that the respective values of the leased vehicles to which the purchased lease assets relate have not depreciated or will not depreciate at a rate greater than the rate at which they were expected to do so on the date of origination. Reasons for a lower residual value of purchased lease assets which may have a negative impact on new vehicle sales or used vehicle supply include, among others, developments in the vehicle market, the actual or perceived quality, safety or reliability of certain brands, recalls by manufacturer, the shifting of consumer preferences, including environmental considerations, engine issues or potential bans for certain vehicles, such as diesel ones, a general deterioration of the economic conditions in Switzerland or damages of a vehicle which impair the vehicle's value. In addition, the market for leased vehicles in Switzerland is limited and the Group may not be able to sell a vehicle at expected terms or at all (see also "*— Certain developments relating to diesel-engine vehicles*" and "*— Risks related to the market for Leased Vehicles*"). Any such scenario could have an adverse effect on the amount recovered upon a sale of a leased vehicles, upon default by a lessee or at the end of the term of a lease agreement.

The Group is exposed to credit risk

The Group is exposed to the risk that customers holding its credit products may not make interest, fee, instalments and/or principal payments due in a timely manner, in part or in their entirety, and that if they fail to do so the Group may not be able to enforce any security interest it might have. The obligations owed to the Group under its personal loan and credit card products, as well as a portion of those owed under its auto loan products, are unsecured. Only the obligations owed to the Group under its auto leases and some of its auto loans are secured. Vehicles may be lost, damaged or stolen and as such the Group may not be able to recover the full value of its secured loans and leases even where it successfully enforces its security. The Group may be exposed to the risk that auto dealers with whom it has contracted will not be able to fulfil their repurchase obligations. Furthermore,

the Group does not conduct an extensive due diligence on a purchased lease asset but rather relies on representations and warranties of a seller which is obliged to indemnify the Group in case of a breach. However, such indemnifications are not secured. If the seller is not able to indemnify the Group in case of a breach of representations or warranties, this could have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Consumer lending in Switzerland is mature and the Group has policies in place to assess the credit risk of borrowers. However, there can be no guarantee that the Group will accurately evaluate the credit risk of borrowers. If losses due to customer and counterparty defaults significantly exceed the amounts of the Group's provisions, this could have an adverse effect on its business, results of operations, financial condition and/or prospects.

The Group's business is exposed to interest rate risk, liquidity and refinancing risk

Most of the Group's existing interest-earning assets and interest-bearing liabilities bear interest at fixed rates. However, the fact that such assets and liabilities mature at different times may expose the Group to the risk of a pricing mismatch between the two. The Group has policies in place to mitigate this interest rate risk, but these policies may be inadequate or ineffective. In addition, the legal limits on the effective annual interest rate chargeable on consumer credit products may prevent the Group from maintaining profitability across all products in an increasing interest rate environment. These factors could result in the Group's profit margins on credit products being reduced. Increasing interest rates will also make credit products in general less attractive to existing customers and applicants. On the other hand, the Group may not be able to take full advantage of declining interest rates in the future as it is primarily exposed to fixed rate liabilities.

There is no assurance that the Company's assigned credit rating remains the same in the future. If rating agencies downgrade the Company's rating, the Group may only be able to borrow debt at less favourable conditions or not at all. Further, a default by a financial market participant (whether or not it is one with whom the Group has direct dealings) could lead to significant liquidity problems, losses or defaults by other financial institutions because the commercial soundness of many financial institutions may be closely related to each other as a result of credit, trading, clearing or other relationships between financial institutions. The risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries and banks with which the Group interacts regularly, including those banks with which the Group deposits its cash reserves, and could, as a result, also indirectly adversely affect the Group. Although the Group has a diverse range of funding sources with a diversified maturity profile and policies in place to deal with liquidity risk and refinancing risk, these policies may be inadequate or ineffective during volatile and changing markets with fast rising interest rates and/or other macroeconomic or external crisis scenarios.

Any of the above factors may have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group may fail to implement an adequate risk management framework

In doing business, the Group is exposed to numerous risks, including but not limited to credit risks, liquidity and funding risks and risks in connection with information security, cyber security or data privacy. The Group maintains a risk management framework in order to control its risks. Although the Group constantly assesses and further develops its risk management, processes and controls, it may fail to identify or underestimate risks and to implement adequate measures given the complexity of risk management. If the Group's risk management proves to be insufficient, this may result in an adverse effect on its business, results of operations, financial condition and/or prospects.

The Group's failure to retain key personnel in management and the information technology department could adversely affect the Group's operating performance

The Group's success depends to a great extent on the ability and experience of its key personnel, in particular in its management and information technology department but also other critical functions. The loss of the services of certain key personnel particularly to competitors, could have an adverse effect on the Group's results of operations. The failure to retain a sufficient number of qualified employees could significantly impede the Group's financial plans, growth and other objectives and have an adverse effect on the Group's results of operations. The Group may be able to retain key personnel only if it increases retention payments and otherwise increases the compensation the Group pays to its key personnel.

RISKS RELATING TO THE TRANSACTION STRUCTURE GENERALLY

The Auto Covered Bonds may not be a suitable investment for all investors

Each potential investor in the Auto Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Auto Covered Bonds, the merits and risks of investing in the Auto Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement or Applicable Final Terms, (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Auto Covered Bonds and the impact the Auto Covered Bonds will have on its overall investment portfolio, (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Auto Covered Bonds, including Auto Covered Bonds where the currency for principal or interest payments is different from the potential investor's currency (also see "*Risks relating to the Auto Covered Bonds - Currency and exchange rate risks*"), (iv) understand thoroughly the terms of the Auto Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets, (v) understand thoroughly that certain events do not constitute Issuer Events of Default under the Auto Covered Bonds and (vi) be able to evaluate (either alone or with the help of a financial, tax, legal or other relevant adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Auto Covered Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios.

A potential investor should not invest in the Auto Covered Bonds unless it has the knowledge and expertise (either alone or with its financial, tax, legal or other relevant advisers) to evaluate how the Auto Covered Bonds will perform under changing conditions and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Base Prospectus or incorporated by reference herein, any applicable supplement or Applicable Final Terms.

The Auto Covered Bonds are obligations of the Issuer and the Guarantee is an obligation of the Guarantor only

The payment obligations in relation to the Auto Covered Bonds will be solely obligations of the Issuer and, subject to the terms of the Guarantee, obligations of the Guarantor. Accordingly, the obligations under the Auto Covered Bonds and the Guarantee will not be obligations of, or guaranteed by, any other member of the Group or any other entity. In particular, the Auto Covered Bonds will not be obligations of, and will not be guaranteed by, the Sole Arranger, any of the Managers, the Trustee, the Bondholders' Representative, the Principal Paying Agent, any company in the same group of companies of such entities or any other party to the Transaction Documents relating to the Programme. Any failure by the Issuer or the Guarantor to pay any amount due under the Auto Covered Bonds and/or the Guarantee (as applicable) shall not result in any liability whatsoever in respect of such failure being accepted by the Sole Arranger, any of the Managers, the Bondholder's Representative, the Trustee, the Principal Paying Agent, any company in the same group of companies of such entities or any other party to the Transaction Documents relating to the Programme. Consequently, to the extent that the Issuer's and the Guarantor's assets are not sufficient to fulfil their obligations under the Auto Covered Bonds or the Guarantee, respectively, Covered Bondholders will not be able to take recourse against third parties for payment and the Guarantor's obligations under the Guarantee may not be fully met.

The Guarantor's ability to make payments under the Guarantee will depend primarily on the ability of the Issuer to pay the amounts due under the Pre-Funding Obligations

Following a call on the Guarantee, the receipt by Covered Bondholders of repayments of principal and payments of interest under the Auto Covered Bonds will depend on the Guarantor's ability to make payments of corresponding amounts under the Guarantee. The Guarantor's ability to make payments under the Guarantee in respect of a Series or Tranche of Auto Covered Bonds will depend primarily on the ability of the Issuer to pay the amounts due under the Pre-funding Obligations and, secondly on cash and cash equivalents being available to the Guarantor from the amounts received by the Guarantor from the enforcement of the Cover Pool Assets.

Besides the above, the Guarantor will not have any other significant sources of funds available to meet its obligations to pay Guaranteed Amounts. For the avoidance of doubt, any inability of the Guarantor to make payments under the Guarantee if and when they fall due will not affect the claims of the Covered Bondholders against the Issuer in respect of any such amounts owed which remain unpaid under the Guarantee.

The Cover Pool is transferred by Cembra to the Guarantor by way of security only and the Guarantor's ability to enforce the assets in the Cover Pool is subject to certain limitations

Cembra will not sell the Cover Pool Assets to the Guarantor. Instead, the Cover Pool Assets will serve as security for the Secured Obligations in favour of the Guarantor (see "*The Guarantor does not provide any direct security to Covered Bondholders for its obligations under the Guarantee*"). The Cover Pool Assets comprise of a portfolio of Lease Assets and certain Substitute Assets transferred to the Guarantor by way of security only.

The Secured Obligations of Cembra are its obligations to (i) pay any and all Guarantee Fees to the Guarantor, (ii) pay any and all amounts owed under any and all Pre-funding Obligations and (iii) pay any and all amounts owed under any and all Recourse and Indemnity Obligations (see "*Overview of the Principal Transaction Documents – Security Transfer Agreement*").

The Guarantor's ability to enforce against the Cover Pool Assets in respect of the Pre-funding Obligations will be subject to certain conditions being met, including the service of (i) a Guarantee Activation Notice and an initial Notice to Pay by the Trustee for the relevant amount on the Guarantor following the occurrence of an Issuer Event of Default and service of an Issuer Default Notice by the Bondholders' Representative, (ii) periodic Notices to Pay that include, *inter alia*, Guarantee Expenses already due for payment and falling Due for Payment in the 60 Business Day period from and including the date of the relevant periodic Notice to Pay, (iii) service by the Guarantor of Pre-funding Notices for amounts pursuant to the relevant Notices to Pay and (iv) the failure of Cembra to pay all or part of the amounts owed by the due date, as specified in the relevant Pre-funding Notice.

In the event that the above conditions are met, the Guarantor may enforce a corresponding part (only) of the Cover Pool Assets, including by way of sale of Transferred Lease Assets (selected on a random basis) in accordance with the terms and conditions of the Trust Agreement (see "*Overview of the Principal Transaction Documents – Trust Agreement*"), provided that the Guarantor cannot, except in certain circumstances, finalise any sale of the Transferred Lease Assets unless and until the Issuer has failed to pay the amount on or before the due date as specified in the Guarantee Pre-funding Notice, which cannot be served by the Guarantor more than 65 Business Days prior to the date that the relevant Guaranteed Amounts become Due for Payment. There can be no guarantee that the Guarantor will be able to complete the relevant enforcement actions. The inability of the Guarantor to enforce the Cover Pool Assets could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

If there is a call on the Guarantee, the claims of Covered Bondholders will be limited to the Guarantor's Available Funds from time to time, which may be insufficient to meet the Guarantor's obligations under the Guarantee in full or at all

There is a risk that, if there is a call on the Guarantee, the Guarantor will be unable to make payments under the Guarantee due to the Issuer not pre-funding in accordance with the terms of the Guarantee Mandate Agreement. There is also the risk that there will be a lack of liquidity upon the Guarantor's enforcement of the Cover Pool Assets. Furthermore, the maturities of the Transferred Lease Assets may not match those of the Auto Covered Bonds. In addition, should an Issuer Event of Default or other Notification Event occur, there may be a delay in any and all Lessees under Transferred Lease Agreements or other debtors under Transferred Lease Assets switching payments to the Guarantor. Accordingly, the Guarantor's Available Funds from time to time may not be sufficient for the Guarantor to meet its payment obligations under the Guarantee in full.

Any sale by the Guarantor of Transferred Lease Assets will have to be made in accordance with the provisions of the Security Transfer Agreement (see "*Overview of the Principal Transaction Documents – Security Transfer Agreement*") and the Trust Agreement (see "*Overview of the Principal Transaction Documents – Trust Agreement*"). Prior to the GED Guarantee Activation Date, the Guarantor shall undertake its reasonable best efforts to sell the Transferred Lease Assets by no later than the sixth Guarantor Payment Date after the date of the service of such Guarantee Pre-funding Notice or Guarantee Recourse Notice on the Issuer (the **First Sale Date**) and thereafter, by every sixth Guarantor Payment Date after the First Sale Date (each such date a **Subsequent Sale Date**, and of the First Sale Date and the Subsequent Sale Dates, each a **Sale Date**). Before agreeing on a sale of Transferred Lease Assets on any Sale Date prior to the GED Guarantee Activation Date, the Guarantor shall ensure that, *inter alia*, (i) any sale of Transferred Lease Assets is made with a view to obtain the best price

reasonably available in light of prevailing market conditions but not less than the Adjusted Required Sale Amount and (ii) such sale of Transferred Lease Assets and subsequent redemption of the respective Auto Covered Bonds (if any) does not result in a deterioration of the quotient of (A) the Amortisation Adjusted Aggregate Lease Balance and (B) the Aggregate Principal Amount Outstanding (see also "*Overview of the Principal Transaction Documents — Trust Agreement*"). Since potential purchasers of Transferred Lease Assets are limited in number and in view of the amount and complexity of a potential transaction, there can be no assurance that the sales requirements set forth in the Trust Agreement can be met and that the Guarantor will be entitled to sale the Transferred Lease Assets. Accordingly, there is a risk that no sale of Transferred Lease Assets can be finalised and that no sales proceeds will be available to discharge the Guaranteed Amounts due but unpaid.

Furthermore, in the event of an occurrence of an Insolvency Event in relation to the Guarantor, there is no assurance that the administrator in bankruptcy or other bankruptcy official appointed would liquidate the Transferred Lease Assets in the Cover Pool in accordance with the provisions of the Security Transfer Agreement or that the proceeds of such liquidation would equal those which may be achieved in a solvent liquidation of the Cover Pool Assets (see "*When realizing Cover Pool Assets following the occurrence of a Guarantor Event of Default, the proceeds may be insufficient to repay all amounts due to Covered Bondholders*" and "*Risks relating to the Guarantor — Insolvency of the Guarantor may negatively affect the rights and claims of the Covered Bondholders under the Guarantee*" and "*Programme related legal and regulatory risks — Insolvency proceedings and subordination provisions*"). Accordingly, there is a risk that the proceeds of such liquidation would not be sufficient for the Guarantor to meet its obligations under the Guarantee.

The obligations of the Guarantor to pay Guaranteed Amounts in respect of one or all Series of Auto Covered Bonds may be extended to the relevant Extended Due for Payment Date

All Series of Auto Covered Bonds are subject to an Extended Due for Payment Date, being the date falling after the Final Maturity Date of such Series of Auto Covered Bonds as specified as such in the Applicable Final Terms (see Condition 6.1 (*Redemption at Maturity*)).

Accordingly, if, prior to the Conversion Event Date (being the date following an Issuer Event of Default on which a Breach of Amortisation Test Notice has been served), (x) the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date with respect to a Series of Auto Covered Bonds and (y) following the Guarantee Activation Date and subject to service of a Notice to Pay on the Guarantor for the Guaranteed Amount corresponding to such Final Redemption Amount, the Guarantor has insufficient money available under the Guarantee Priority of Payments to pay the Guaranteed Amount corresponding to such Final Redemption Amount in full in respect of the relevant Series of Auto Covered Bonds on the relevant Guarantor Payment Date, then the obligation of the Guarantor to pay the unpaid amount in respect of that Series of Auto Covered Bonds will be deferred (and a Guarantor Event of Default will not occur as a result of such failure) until the Extended Due for Payment Date in respect of that Series of Auto Covered Bonds (and that Series of Auto Covered Bonds will become Pass-Through Auto Covered Bonds), provided that any Guaranteed Amount corresponding to the Final Redemption Amount due and remaining unpaid shall be paid by the Guarantor (and to such extent be Due for Payment) to the extent it has funds available for distribution under the Guarantee Priority of Payments after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments. The Guarantor will apply any such funds (if any) in payment of the Guaranteed Amounts corresponding to the Final Redemption Amount(s) pertaining to all Pass-Through Auto Covered Bonds on a *pro rata* basis on any Guarantor Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

In addition, upon the Conversion Event Date, all Series of Auto Covered Bonds will convert to Pass Through Auto Covered Bonds immediately. If the Conversion Event Date occurs (subject as provided below), payment of the unpaid portion of the Guaranteed Amount corresponding to the Final Redemption Amount in respect of all Series of Auto Covered Bonds by the Guarantor under the Guarantee shall be deferred (and a Guarantor Event of Default will not occur as a result of such failure) until the Extended Due for Payment Date in respect of the relevant Series of Auto Covered Bonds, provided that any Guaranteed Amount corresponding to the Final Redemption Amount of any Series of Auto Covered Bonds due and remaining unpaid shall be paid by the Guarantor (and to such extent be Due for Payment) to the extent it has funds available for distribution under the Guarantee Priority of Payments (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) on any Guarantor Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date. The Guarantor will apply any such funds (if any) in payment of the Guaranteed Amounts corresponding to the Final Redemption Amount(s) pertaining to all PassThrough Auto Covered Bonds on a *pro rata* basis on any Guarantor Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

The Guarantor shall also pay Guaranteed Amounts corresponding to Scheduled Interest in respect of each Series of Pass-Through Auto Covered Bonds on the basis set out in the Applicable Final Terms or, if not set out therein, in accordance with Condition 4 (*Interest*), without prejudice to the Guarantor's obligation to pay any other Guaranteed Amount (i.e. other than the Final Redemption Amount) when Due for Payment.

In each of the circumstances set out above, except where the Guarantor has failed to apply any money in accordance with the Guarantee Priority of Payments, failure by the Guarantor to make payment in respect of Guaranteed Amounts corresponding to the Final Redemption Amount on the Final Maturity Date in respect of a Series of Auto Covered Bonds (or such later date within any applicable grace period) will not constitute a Guarantor Event of Default. However, failure by the Guarantor to pay Guaranteed Amounts corresponding to the Final Redemption Amount or the balance thereof, as the case may be, on the Extended Due for Payment Date in respect of a Series of Auto Covered Bonds and/or pay Guaranteed Amounts corresponding to Scheduled Interest on any Due for Payment Date up to and including the Extended Due for Payment Date in respect of a Series of Auto Covered Bonds will (subject to any applicable grace period) will constitute a Guarantor Event of Default. Therefore, Covered Bondholders may not receive payments at the moment they anticipated to receive payments and these payments may not cover all amounts Covered Bondholders may expect to receive.

The Extended Due for Payment Date for different Series of Auto Covered Bonds may not be the same. On each Guarantor Payment Date following the service of a Notice to Pay on the Guarantor (but prior to the service of a Guarantee Acceleration Notice), the Guarantor will apply the Available Funds in accordance with the Guarantee Priority of Payments. To the extent that the amount available for distribution under the Guarantee Priority of Payments would be insufficient to pay Guaranteed Amounts relating to Scheduled Interest, Scheduled Principal or Final Redemption Amount of any Series of Auto Covered Bonds to which an Extended Due for Payment Date applies, the shortfall will be divided amongst all such Series of Auto Covered Bonds on a *pari passu* and *pro rata* basis. Therefore, Covered Bondholders may not receive payments at the moment they anticipated to receive payments and these payments may not cover all amounts owed to the Covered Bondholders by the Guarantor under the Guarantee.

Prior to the occurrence of the Conversion Event Date, the Guarantor will be obliged to apply the Available Funds in order to repay earlier maturing Series of Auto Covered Bonds. Since the Transferred Lease Assets are not segregated for different Series of Auto Covered Bonds, this may mean that there may be fewer (or no) assets available to support later maturing Series of Auto Covered Bonds (see "*—Later maturing Auto Covered Bonds may not be paid in full or at all under the Guarantee as Cover Pool Assets are not segregated for different Series of Auto Covered Bonds and will be used to repay earlier maturing Auto Covered Bonds first*").

Furthermore, if as a result of the occurrence of a Conversion Event Date, all Auto Covered Bonds become Pass-Through Auto Covered Bonds, there is a risk that Covered Bondholders of Auto Covered Bonds with a Final Maturity Date after such date, receive principal repayments prior to the Final Maturity Date and therefore earlier than expected, which may result in a lower yield on such Covered Bondholders' investment than expected and/or such Covered Bondholders may not be able to reinvest such received principal repayments at an effective interest rate as high as the interest rate on the Auto Covered Bonds being redeemed.

Later maturing Auto Covered Bonds may not be paid in full or at all under the Guarantee as Cover Pool Assets are not segregated for different Series of Auto Covered Bonds and will be used to repay earlier maturing Auto Covered Bonds first

Although each Series of Auto Covered Bonds will rank *pari passu* with all other Series of Auto Covered Bonds pursuant to the Conditions and the terms of the Intercreditor Agreement, each Series of Auto Covered Bonds is likely to have a different Final Maturity Date. As Cover Pool Assets are not segregated for different Series of Auto Covered Bonds and will be used to repay earlier maturing Auto Covered Bonds first, there is a risk that later maturing Auto Covered Bonds will not be paid in full (or at all) under the Guarantee. The Amortisation Test may not mitigate this risk. A breach of the Amortisation Test will occur if the aggregate principal amount outstanding of the Auto Covered Bonds is greater than the aggregate outstanding principal balance of the Cover Pool Assets.

Upon the occurrence of a breach of the Amortisation Test, the Conversion Event Date will occur and all Auto Covered Bonds become Pass-Through Auto Covered Bonds (see "*—The obligations of the Guarantor to pay Guaranteed Amounts in respect of one or all Series of Auto Covered Bonds may be extended to the relevant Extended Due for Payment Date*"). However, a breach of the Amortisation Test will not result in a Guarantor Event of Default which would (subject to the Conditions) lead to the service of a Guarantor Acceleration Notice on the Guarantor and the acceleration of the obligations under the Guarantee in relation to all Auto Covered Bonds then outstanding. Hence, any timing subordination will continue to exist and there is no guarantee that the

remaining Cover Pool Assets will be sufficient to meet the claims of the remaining Covered Bondholders under the Guarantee in full.

Claims of Covered Bondholders are limited recourse obligations of the Guarantor

The claims of Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, against the Guarantor will be limited in amount and recourse to an amount corresponding to the *pro rata* share of such claim in the Available Funds of the Guarantor from time to time, after giving effect to the applicable Priority of Payments (see "*Cash Flows*"). Upon the Cash Manager giving written notice to the Covered Bondholders that it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Cover Pool Assets which would be available to pay amounts owed to Covered Bondholders and all amounts available to be applied to pay amounts owed to Covered Bondholders have been so applied in accordance with the Transaction Documents, the Covered Bondholders shall have no further claim against the Guarantor in respect of any amounts owed to them which remain unpaid. For a discussion of certain risks related to an insolvency of the Guarantor, see "*Risks relating to the Guarantor — Insolvency of the Guarantor may negatively affect the rights and claims of the Covered Bondholders under the Guarantee*".

The Covered Bondholders are limited in enforcing their rights and claims against the Guarantor under the Guarantee

The Guarantee provides that, for as long as the Auto Covered Bonds are outstanding and until the expiry of the date on which all potential liabilities secured by the Guarantee have been discharged or satisfied in full, neither the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, nor the Covered Bondholders themselves may take any legal steps or institute legal proceedings against the Guarantor or its assets for the purpose of enforcing any of its rights or claims against the Guarantor, take any steps or institute an Insolvency Proceedings or other proceedings to procure the bankruptcy, winding-up, liquidation, restructuring, administration or similar procedure in respect of the Guarantor, and other than by virtue of filing of its claims in an insolvency of the Guarantor, claim, rank, prove or vote as creditor of the Guarantor or its estate in competition with any prior ranking creditors in the relevant Priority of Payments until all amounts then due and payable to creditors who rank higher in the relevant Priority of Payments have been paid in full: See "*The Guarantee*". For a discussion of certain risks in relation to this limitation in an insolvency of the Guarantor, see "*Risks relating to the Guarantor — Insolvency of the Guarantor may negatively affect the rights and claims of the Covered Bondholders under the Guarantee*".

Certain amounts due to other creditors of the Guarantor will rank ahead of the claims of the Covered Bondholders

Under each Priority of Payments, certain amounts due to Third Party Services Providers rank higher than payments of Guaranteed Amounts corresponding to Scheduled Interest and Scheduled Principal under the Guarantee to Covered Bondholders. Consequently, any payment to such Third Party Services Providers may reduce the funds available for payments to Covered Bondholders under the Guarantee. Amounts that rank higher under each Priority of Payments include amounts payable to the Trustee pursuant to the Trust Agreement, to the Principal Paying Agent pursuant to the Paying Agency Agreement, to the Cash Manager pursuant to the Cash Management Agreement, the Account Bank pursuant to the terms of the Master Account Bank Agreement, the Corporate Services Provider under the Corporate Services Agreement, any Replacement Servicer under the Security Transfer Agreement, the Asset Monitor pursuant to the Asset Monitor Agreement, the Administration Services Provider pursuant to the Administration Services Agreement and the Servicing Facilitator pursuant to the Servicing Facilitator Agreement.

Furthermore, there are also certain creditors of the Guarantor that are not subject to the relevant Priority of Payments, such as tax authorities, the Dealers, Lessees and third party debtors of Assigned Ancillary Rights. These creditors are not bound by the limited recourse (as against the Guarantor) and non-petition provisions in the Intercreditor Agreement or the Guarantee. Consequently, payments to such creditors will reduce funds available for payments to Covered Bondholders under the Guarantee.

Failure to maintain the Cover Pool in compliance with the Pre-Event Tests or the Amortisation Test may affect the realisable value of the Cover Pool or any part thereof

Pursuant to the terms of the Security Transfer Agreement, the Assignor undertakes to secure the Secured Obligations by assigning and transferring the Cover Pool Assets to the Assignee in amount and composition

sufficient to ensure that each Pre-Event Test is met as of any Cut-Off Date prior to the occurrence of an Issuer Event of Default and service of the Guarantee Activation Notice. These Pre-Event Tests are intended to ensure that the assets of the Guarantor do not fall below a certain threshold to ensure that the assets of the Guarantor are sufficient to meet its obligations under the Guarantee.

If the aggregate collateral value of the Cover Pool has not been maintained in accordance with the terms of the Asset Coverage Test or the Amortisation Test, then that may affect the realisable value of the Cover Pool or any part thereof (both before and after the IED Guarantee Activation Date) and/or the ability of the Guarantor to make payments under the Guarantee.

The Amortisation Test is intended to ensure that if, following an Issuer Event of Default (but prior to a Guarantor Event of Default and service on the Guarantor of a Guarantor Acceleration Notice), the Cover Pool Assets are sufficient to meet its obligations under the Guarantee and senior expenses which rank in priority or *pari passu* and rateably with amounts due on the Auto Covered Bonds (see "*Credit Structure*"). Failure to satisfy the Amortisation Test on any Test Date following an Issuer Event of Default will result in the Trustee serving a Breach of Amortisation Test Notice on the Issuer and the Guarantor and immediately upon the service of such notice, the Conversion Event Date will occur. Upon the occurrence of the Conversion Event Date, all Series of Auto Covered Bonds will become Pass-Through Auto Covered Bonds and accordingly, payment of the unpaid Guaranteed Amount corresponding to the Final Redemption Amount in respect of all Series of Auto Covered Bonds will be deferred until the Extended Due for Payment Date (see "*—The obligations under the Guarantee in respect of a Series of Auto Covered Bonds may be extendable to an Extended Due for Payment Date*").

Following the IED Guarantee Activation Date (but prior to the GED Guarantee Activation Date), the Asset Monitor will also be required to test the arithmetical accuracy of the calculations performed by the Assignor or the Replacement Servicer, as applicable, on its behalf, in respect of the Amortisation Test (see "*Overview of the Principal Transaction Documents — Asset Monitor Agreement*"). The Trustee shall not be responsible for monitoring compliance with, nor the monitoring of, the Asset Coverage Test, the Interest Coverage Test or the Amortisation Test or any other test, or supervising the performance by any other party of its obligations under any Transaction Document.

While the Asset Coverage Test, the Amortisation Test and the Interest Coverage Test have been designed to mitigate certain economic and legal stresses in connection with the performance and valuation of the Cover Pool in order to ensure that the Guarantor is able to meet its ongoing requirements at all relevant times, in setting the values and criteria for such tests, modelling has been undertaken on the basis of certain assumptions in certain stress scenarios. No assurance can be given that the assumptions utilised in such modelling have been able to incorporate or examine all possible scenarios that may occur in respect of the Guarantor and the Cover Pool. As such, no assurance can be given that the methodology and modelling utilised to set the relevant values and criteria within such tests will be sufficient in all scenarios to ensure that the Guarantor will be able to meet its obligations in full.

Transferred Lease Agreements may be terminated in the period between two Cut-Off Dates on which compliance with the Asset Coverage Test and the Interest Coverage Test is verified. Furthermore, the amount of Excess Cover Pool Assets available to the Assignor for retransfers under the Security Transfer Agreement is always based on the Cover Pool Report issued with reference to the last Cut-Off Date without taking into account the termination of Transferred Lease Agreements which have occurred since such Cut-Off Date. Accordingly, at any given date following the relevant Cut-Off Date the Cover Pool may be lower than as set forth in the latest Cover Pool report.

The Guarantor does not provide any direct security to Covered Bondholders for its obligations under the Guarantee

The Guarantor will not provide any direct security for its obligations under the Guarantee. The claims of each Covered Bondholder against the Guarantor under the Guarantee are limited to the *pro rata* share of such claims (after giving effect to the Priority of Payments) in the Available Funds arising from the Cover Pool Assets (see "*Claims of Covered Bondholders are limited recourse obligations of the Guarantor*"). As such, claims under the Guarantee would rank *pari passu* with all other unsecured and unsubordinated holders of claims against the Guarantor not benefiting from any bankruptcy privilege under applicable laws. While the Guarantor has undertaken not to grant any security over its assets to third parties (unless arising by operation of law), the secured claims of certain statutorily preferred creditors (such as tax) may rank ahead of the Covered Bondholders and the other Relevant Creditors. This may adversely affect the Guarantor's ability to pay the Guaranteed Amounts, in particular in the event of bankruptcy proceedings (see "*—Risks relating to the Guarantor — Insolvency of the Guarantor may negatively affect the rights and claims of the Covered Bondholders under the Guarantee*").

There is no tax gross-up under the Auto Covered Bonds or the Guarantee

Payments of interest in respect of an Auto Covered Bond by the Issuer, and payments under the Guarantee by the Guarantor in respect thereof, are subject to Swiss federal withholding tax at a rate of 35 per cent. Neither the Issuer nor the Guarantor will pursuant to the Conditions and the Guarantee be obliged to pay any additional amounts with respect to any interest payments in respect of an Auto Covered Bond as a result of the deduction or imposition of such Swiss federal withholding tax. A holder of an Auto Covered Bond who resides in Switzerland and who, at the time the payment of interest is due, is the beneficial recipient of the payment of interest and, in the case of a holder who is an individual, duly reports the gross payment of interest in their tax return and, in the case of a holder who is a legal entity or an individual required to keep accounting books, includes such payment as earnings in its income statement, is entitled to a full refund of, or a full tax credit for, the Swiss federal withholding tax. A holder of an Auto Covered Bond who does not reside in Switzerland may be able to claim a full or partial refund of the Swiss federal withholding tax by virtue of the provisions of an applicable double taxation treaty, if any, between Switzerland and the country of residence of such holder.

When realising Cover Pool Assets following the occurrence of a Guarantor Event of Default, the proceeds may be insufficient to repay all amounts due to Covered Bondholders

All Guaranteed Amounts will immediately become due and payable following the occurrence of a Guarantor Event of Default and the service of a Guarantor Acceleration Notice on the Guarantor. Upon receipt of a Notice to Pay for the relevant amounts by the Guarantor, the Guarantor will be required to serve a corresponding Guarantee Pre-funding Notice on the Issuer. If the Issuer fails to duly pre-fund such Guaranteed Amounts, the Guarantor will be entitled to sell Transferred Lease Assets and otherwise enforce Cover Pool Assets in accordance with, and subject to, the provisions of the Security Transfer Agreement. The enforcement proceeds thereof may be used by the Guarantor to make payments to the Guarantor's creditors, including payments under the Guarantee in accordance with the Post-Insolvency Priority of Payments, described in the section entitled "*Cash Flows*". However, there is no guarantee that the proceeds of enforcement of the Cover Pool Assets will be in an amount sufficient to repay all amounts due to the Covered Bondholders.

In particular, in the event of an occurrence of an Insolvency Event in relation to the Guarantor, there is no assurance that the administrator in bankruptcy or other bankruptcy official appointed would liquidate the Lease Assets in the Cover Pool in accordance with the provisions of the Security Transfer Agreement or that the proceeds of such liquidation would equal those which may be achieved in a solvent liquidation of the Cover Pool Assets (see "*Risks relating to the Guarantor — Insolvency of the Guarantor may negatively affect the rights and claims of the Covered Bondholders under the Guarantee*" and "*Programme related legal and regulatory risks — Insolvency proceedings and subordination provisions*"). Thus, if a Guarantor Acceleration Notice is served on the Guarantor, then the Auto Covered Bonds may be repaid sooner or later than expected, in part only or not at all.

RISKS RELATING TO THE COVER POOL

Cash flows related to the Cover Pool Assets will be received and collected by Cembra (subject to transfer to the Guarantor in certain circumstances) and will be paid directly to the Guarantor only following the occurrence of a Notification Event

Prior to the occurrence of a Notification Event, Cembra shall be entitled to receive and collect all cash flows received in respect of the Cover Pool Assets (subject to an obligation to transfer collected Lease Payments to the Guarantor under the limited circumstances described in more detail in "*Overview of the Principal Transaction Documents — Security Transfer Agreement*"). To the extent that Cembra has not transferred Collected Lease Payments to the Guarantor prior to its insolvency, such amounts will not be protected and will be commingled with other funds of Cembra and not be part of the security granted to the Guarantor under the Security Transfer Agreement and the Guarantor would only have an unsecured claim against the estate of Cembra for such amounts.

Lessees, Dealers and third party debtors of Assigned Ancillary Rights may not be immediately notified of the transfer of the related Transferred Lease Assets (other than the Lessees with respect to the transfer of the Transferred Leased Vehicles only (See "*Transfer of Leased Vehicles*") to the Guarantor. Notice of the transfer of the relevant Lease Assets and instruction to pay further amounts due to the Guarantor is usually given to Lessees, Dealers and third party debtors of Assigned Ancillary Rights following a Notification Event. Until such notice is received by the Lessees, Dealers and third party debtors of Assigned Ancillary Rights, the relevant debtors may validly discharge their obligations under the Transferred Lease Agreements, Transferred Dealer Agreements or Assigned Ancillary Rights (as applicable) by making payment to Cembra. There can be no assurance, however, that a notification of the Lessees, Dealers and third party debtors of Assigned Ancillary Rights

will be made due and timely. If notification is not made due and timely, any amounts paid by Lessees, Dealers and third party debtors of Assigned Ancillary Rights to Cembra prior to such notice will not be protected by the security granted under the Security Transfer Agreement and the Guarantor may only have an unsecured claim against the estate of Cembra for such amounts.

A manufacturer recall may adversely affect the Transferred Lease Assets

Vehicle manufacturers have in the past and may in the future announce recalls and temporary suspension of sales and production of certain models of their vehicles due to a discovered defect or other issue which affects the performance, safety or use of such vehicles. In addition, on 27 January 2016 the European Commission announced plans to implement European legislation allowing it to impose a recall of vehicles in certain circumstances. As of the date of this Base Prospectus, it is not known whether Switzerland intends to adopt similar legislation.

In the event of any recall, Lessees may attempt (whether legally entitled or otherwise) to withhold or set-off payments due under a Transferred Lease Agreement, terminate their lease agreements (with or without the payment of an early repayment fee or charge) or claim for any loss suffered by them as a result of such recall (for further discussion of these risks, see "*—Lessees may default or seek to withhold payments due under the Transferred Lease Agreements (whether legally entitled to or not)*", "*—Risks relating to the validity of the waiver of a Lessee's right of set-off amounts against Cembra*", "*—Risks relating to early repayment clauses in Lease Agreements*" and "*—Application of the CCA*"). Additionally, any recall of vehicles may adversely impact the demand for used vehicles or the residual value for any affected Leased Vehicles (see "*—Risks related to market for Leased Vehicles*") which could adversely affect the Transferred Lease Assets and the ability of the Guarantor to pay the Guaranteed Amounts.

Certain developments relating to diesel-engine vehicles

Diesel vehicles have been subject to greater scrutiny since the beginning of certain investigations of US, EU and certain European countries' authorities in 2015 regarding diesel engines and improperly installed engine control units (the **Engine Issue**) and in particular in light of statistics which suggest that pollution levels in many European countries and/or cities are continuing to rise. Accordingly, authorities in a number of such countries and/or cities have announced that they are considering measures to impose bans on certain diesel vehicles in an effort to reduce pollution. Indeed, in a recent development Germany's Federal Administrative Court ruled that German cities may be permitted to impose bans on diesel vehicles that comply with Euro 5 or lower emission standards. It cannot be excluded that this will set a precedent for similar action across Europe. As of the date of this Base Prospectus, the Engine Issue has not caused any substantial decrease in re-selling prices of diesel engine vehicles in the Swiss market, beyond slight reductions on older diesels when Euro-6 compliant diesel engine vehicles were introduced. (see "*—Risks related to the market for Leased Vehicles*"). Should the Engine Issue or bans imposed in Switzerland lead to a substantial decrease in re-selling prices, there is no guarantee that the sale of Cover Pool Assets (to the extent they would be diesel vehicles affected by the Engine Issue or the ban) would be sufficient, which in turn could adversely affect the Transferred Lease Assets and the ability of the Guarantor to pay the Guaranteed Amounts.

Risk of late payment and/or non-payment of monthly instalments

Whilst each Transferred Lease Agreement has due dates for scheduled payments thereunder, there is no assurance that the Lessees under those Transferred Lease Agreements will pay in time, or at all. Lessees may default on their obligations due under the Transferred Lease Agreements for a variety of financial and personal reasons, including loss or reduction of earnings, illness, divorce and other similar factors which may, individually or in combination, lead to an increase in delinquencies by and bankruptcies of the Lessees. Certain national and international macroeconomic factors may also contribute to or hinder the economic health of a Lessee and thus the economic performance of the Lease Assets. Further, Lessees may seek to withhold payment of monthly instalments (whether legally entitled to or not) in certain circumstances, for example, as a result of a manufacturer recall or vehicle performance issues (see "*—A manufacturer recall may adversely affect the Transferred Lease Assets*", "*—Risks relating to the validity of the waiver of a Lessee's right of set-off amounts against Cembra*", "*—Certain developments relating to diesel-engine vehicles*" and "*—Risks relating to the validity of the waiver of a Lessee's right of set-off amounts against Cembra*").

The non-payment by Lessees of amounts due under the Transferred Lease Agreements will reduce the amount of the Guarantor's Available Funds and, as a result, the ability of the Guarantor to pay the Guaranteed Amounts.

Application of the CCA

Lease Agreements entered into with private customers for the purposes of non-commercial use (up to a financed amount limit of CHF 80,000) are subject to Swiss consumer protection laws, including the CCA. The CCA and the CCO, among other things, set the maximum effective annual interest rate that may be charged on the lease, specifies information that must be included in such a lease agreement and requires the lessor to check whether the lessee has the financial capacity to enter into a lease relationship prior to entering into a lease agreement with the lessor. As a consequence, some of the documentation associated with the lease relationship that is being used may give rise to certain enforceability issues under the CCA.

For example, under applicable CCA rules the documentation associated with the lease relationship needs to include a calculation chart in respect of early termination (a **Calculation Chart**) that shows the lessee the amount they have to pay in case of an early termination of the lease relationship and the residual value of the vehicle on the other hand. Furthermore, in order to comply with the obligation to perform a credit check, the documentation associated with the lease relationship needs to include, among other things, a budget chart for the determination of the lessee's unseizable revenue (under applicable insolvency rules). If the Calculation Chart or the required internal credit checks are lacking, incomplete or otherwise not compliant with the CCA or in case of a breach of other provisions of the CCA, the relevant lease agreement may not be enforceable. As a consequence, the relevant lessee (i) would be permitted to return the leased vehicle to the lessor at any time and (ii) upon return of such leased vehicle, would not be required to make any further payments that would otherwise have been payable to the lessor under the lease agreement, except for any unpaid lease instalments that were due and payable thereunder at the time such vehicle is returned. Furthermore, it cannot be excluded that a court could find that the Guarantor must repay to the relevant Lessee all interest and fees already paid under such Lease Agreement. Finally, the consequences of a severe violation of the CCA credit check requirements are not entirely clear (because of a lack of relevant legal precedents), but on the basis of some academic opinions, Lessees may not be required to return the Leased Vehicle and could require the lessor to repay all past payments already made under the Lease Agreement or Lessees would be allowed to further use the Leased Vehicle without any further obligation to pay lease instalments. Whilst the general view in the industry is that these consequences are not realistic and extensive, it cannot be fully excluded that a court would rule accordingly. Non-compliance of the Lease Agreements underlying the Transferred Lease Assets could have an adverse effect on the Cover Pool Assets which in turn could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

CCA requirements are formulated in a broad manner, leaving the courts with considerable discretion in their interpretation. Courts may interpret CCA requirements in a manner that favours the consumer. Due to the lack of specific legislative or other legally binding guidance, the interpretation of the CCA and other laws applicable to the Lease Agreements is uncertain. Even if the Issuer complies with an industry standard, there is a risk that a court could find that the industry standard does not comply with the relevant CCA provision. One example of the uncertainty surrounding a court's interpretation of the CCA in relation to lease agreements was the 2008 Federal Supreme Court decision in the so-called "Lexus" case where the court found that the Calculation Chart used in many lease providers' lease agreements (including auto lease agreements of the Issuer) were not compliant with the CCA and thus not enforceable. Following this decision, Cembra has ensured that it no longer has any lease agreements with its customers that violate the findings in the "Lexus" case with respect to the Calculation Charts. More recently, district and cantonal courts have in certain cases denied expedited debt enforcement in summary proceedings under the DEBA with respect to other types of consumer credit products in the Swiss market and on the grounds that the consumer credit provider did not fully satisfy the applicable CCA information requirements as to content or form. Whilst there are good arguments that the courts' findings in these cases do not apply to lease agreements, it cannot be excluded that courts would impose similarly strict requirements on the Lease Agreements in the future. However, compliance with the CCA rules and regulations is an Eligibility Criterion for the Lease Assets under the Transaction Documents. Non-compliance of the Lease Agreements underlying the Transferred Lease Assets could have an adverse effect on the Cover Pool Assets which in turn could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

The waivers of banking secrecy and the transfer clauses necessary for the transfer of Cover Pool Assets, as well as other relevant provisions in Cembra's Standard Contracts may be deemed by Swiss courts to be insufficient or inapplicable, which may negatively affect the validity of the transfer of Cover Pool Assets to the Guarantor, the replenishment of the Cover Pool as well as the value and/or the enforceability of the Cover Pool Assets

The origination of the Cover Pool Assets (such as the Transferred Lease Agreements and the Transferred Dealer Agreements) by Cembra as Originator, the servicing of Cover Pool Assets by Cembra or any Replacement Servicer, as well as the enforcement and liquidation of Cover Pool Assets by Cembra and the Guarantor,

respectively, are based on Cembra's Standard Contracts. Furthermore, under Swiss law, the transfer of the Transferred Lease Assets from Cembra as Assignor to the Guarantor requires a waiver by the relevant Lessee or Dealer of the confidentiality obligations owed under Swiss banking secrecy as well as its consent to such transfer. Cembra's Standard Contracts contain such waiver and transfer clauses.

However, the validity and enforceability of the provisions set out in Cembra's Standard Contracts are subject to specific requirements which are applied by the courts on a case-by-case basis, and there is a trend to apply such requirements more strictly. In particular, provisions in general terms and conditions of a surprising or particularly unbalanced nature can be deemed to be outside the scope of a contractual consensus and, thus, invalid. Moreover, pursuant to the Unfair Competition Act, a provision contained in a standard form of agreement may be declared invalid if a court finds that the provision creates, in violation of the principle of good faith, a material and unjustified disproportion between the contractual rights and obligations to the detriment of consumers. As of the date of this Base Prospectus, there is no clear guidance on the impact the Unfair Competition Act has on the agreements under which the Cover Pool Assets have been or are originated and whether the bank secrecy waivers, transfer clauses, set-off waivers (if any) and other relevant provisions in Cembra's past, current and new standard forms of agreement meet the applicable requirements. However, legal writing proposes to apply the relevant standards in a rather strict and consumer-friendly way. Moreover, under the Unfair Competition Act, consumer organisations and interested individuals may seek a judgement rendering certain provisions contained in standard forms of agreement to be generally void. Any judicial decision or other legal development to the effect that the waivers and transfer clauses contained in the standard terms of the relevant Cembra agreements are or may be insufficient or invalid may restrict or preclude transfers of Lease Assets, including for purposes of replenishment of the Cover Pool or the sale of Lease Assets upon enforcement and/or affect the validity of the security of the Guarantor over the Transferred Lease Assets (see also "*Risks relating to the Programme legal and regulatory matters – Change of law*"). Moreover, the revised Unfair Competition Act increases the risk that other provisions in Cembra's Standard Contracts on which Cembra and/or the Guarantor may rely in connection with the origination, servicing, enforcement and liquidation of the Cover Pool Assets may be deemed to be unenforceable or void on a case-by-case basis or generally.

Swiss courts sometimes refer to Swiss rental law (a codified body of law) to analyse certain legal questions in connection with lease agreements (for which no codified body of law exists). There are provisions in Swiss rental law that, if applicable, may (i) void the liability waiver of the Lessee for the benefit of the lessor contained in the Lease Agreements and (ii) result in maintenance obligations or other obligations of a lessor with respect to the leased object. In case Swiss courts were to apply Swiss rental law to the Transferred Lease Agreements in a way that imposes the maintenance obligations of a landlord on the Guarantor, this could adversely affect the Cover Pool and the Guarantor's ability to meet its obligations under the Guarantee. Moreover, a majority of the Transferred Lease Agreements is subject to the CCA (see "*Application of the CCA*"). Therefore, it cannot be fully excluded that a court would rule accordingly. Therefore, it cannot be excluded that courts would impose strict requirements on the validity and enforceability of the Transferred Lease Agreements in the future and such court decisions may impair the enforceability of the Transferred Lease Agreements, render the corresponding Transferred Lease Assets ineligible and/or adversely affect the ability of Cembra to originate Lease Assets meeting the Eligibility Criteria, each of which could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

Furthermore, under the CCA, the credit institution providing consumer financing may become secondarily liable for certain claims subject to certain conditions. For instance, should Cembra have entered into an exclusivity arrangement with certain Dealers according to which Cembra would be the only entity or person providing financing for Leased Vehicles sold by such Dealer, Cembra (and in relation to any Transferred Lease Asset transferred under the Security Transfer Agreement, the Guarantor) may be held liable for claims of a Lessee against a Dealer in relation to the Leased Vehicle, including any maintenance or warranty claims. Although Cembra does not have any exclusive relationships with certain Dealers which is consistent with market practice, it cannot be excluded that a court would nevertheless apply such provision of the CCA to the Transferred Lease Agreements. Any such secondary liability of the Guarantor could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

Transfer of Dealer Agreements and Lease Agreements – Change of party

The Lease Agreements and the Dealer Agreements in the Cover Pool will be transferred from Cembra to the Guarantor. Such transfer will result in a change of party and the Guarantor becoming the lessor under the relevant Transferred Lease Agreements and the purchaser under the Transferred Dealer Agreements. Consequently, to the extent the Lessees would have a claim against the lessor under the Transferred Lease Agreements or Transferred Dealer Agreements, the Guarantor would be liable for such claim. However, as at the date of this Base Prospectus,

Cembra believes that the likelihood of such liability arising is extremely limited both as a legal and a practical matter. Additionally, the Lease Agreement excludes Cembra's liability for any damage to the Leased Vehicle in excess of the coverage of the manufacturer's warranty and that Cembra's warranty claims against the manufacturer are assigned to the Lessee. Any liability of the Guarantor vis-à-vis a Lessee or a Dealer under a Lease Agreement and/or the Dealer Agreement would reduce the funds available for payments to Covered Bondholders under the Guarantee which could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

With regard to the transfer of the Lease Agreements and the Dealer Agreements, Lessees and Dealers have consented to such transfer in the Lease Agreements and the Dealer Agreements (as applicable) but will not be given notice of the transfer at the time the Lease Agreements and the Dealer Agreements (as applicable) are transferred to the Guarantor. However, it cannot be excluded that certain individual Lessees or Dealers may be able to successfully challenge their consent to the transfer based on a claim of fundamental error or other grounds (see "*—Relevant provisions in Cembra's Standard Contracts may be deemed by Swiss courts to be insufficient or inapplicable, which may negatively affect the validity of the transfer of Cover Pool Assets to the Guarantor, the replenishment of the Cover Pool as well as the value and/or the enforceability of the Cover Pool Assets*"). To the extent such challenge were to be successful, no transfer of the respective Lease Agreement would have occurred and the claims of the Guarantor vis-à-vis Cembra would not be secured by such Transferred Lease Agreements and/or such Transferred Dealer Agreements. This could have an adverse effect on the Cover Pool Assets which in turn could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

Transfer of Leased Vehicles

The transfer of the Leased Vehicles from Cembra to the Guarantor is structured as a transfer of legal title for security purposes under Swiss law pursuant to the Security Transfer Agreement. Under Swiss possession law principles, an information of the Lessees to continue to hold the Transferred Leased Vehicles for the benefit of the Guarantor rather than Cembra is mandatory to perfect the transfer of legal title for security purposes in the Transferred Leased Vehicles to the Guarantor. Pursuant to the Security Transfer Agreement, Cembra shall inform each Lessee under a Transferred Lease Agreement of the transfer of legal title to the Transferred Leased Vehicles by no later than 35 calendar days after the Transfer Date of the relevant Transferred Leased Vehicle in order to perfect the transfer of legal title to the Transferred Leased Vehicles to the Guarantor. In case of failure by Cembra to comply with such obligation, the Guarantor is authorized by Cembra under the Security Transfer Agreement to itself make such information to perfect the transfer of legal title to the Transferred Leased Vehicles to the Guarantor. However, there is a risk that if the Lessees are only informed after insolvency or bankruptcy procedures have been opened against Cembra, the transfer of legal title to the Transferred Leased Vehicles to the Guarantor can no longer be perfected in a bankruptcy-remote manner. Accordingly, to the extent a Lessee is only informed of the transfer of legal title to the Transferred Leased Vehicles to the Guarantor after insolvency or bankruptcy procedures have been opened against Cembra, there is a risk that no transfer of the respective Transferred Leased Vehicles would have occurred and the security over the relevant Transferred Leased Vehicles in favour of the Guarantor would not be perfected and the claims of the Guarantor vis-à-vis Cembra would not be secured by such Transferred Leased Vehicles. If the transfer of the relevant Transferred Leased Vehicles is not perfected, this could have an adverse effect on the Cover Pool Assets which in turn could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

Product Safety and Liability Laws

Pursuant to Swiss Federal Law on Product Liability (*PrHG*) (**LPL**), the term "manufacturer" is sometimes interpreted extensively and arguably could extend to include Cembra and the Guarantor such that those entities could be held liable if a Lease Asset caused bodily injury to a person. However, a party can discharge itself from liability under the LPL by proving that a third party is the domestic manufacturer, supplier or importer, even if the named person or company does not exist anymore or if it has become insolvent or bankrupt. Consequently, the Guarantor can refer claimants to Cembra as its domestic supplier of the Transferred Lease Assets and by doing so, it will be exempt from liability under the LPL. The Security Transfer Agreement together with the Transfer Deeds identifying the Transferred Lease Assets transferred to the Guarantor by Cembra will constitute adequate evidence identifying Cembra as the Guarantor's domestic supplier. Furthermore, it should be noted that there is mandatory liability insurance for all vehicle holders in Switzerland.

Similarly, under the Swiss Federal Law on Product Security (*PrSG*) (**LPS**), the person or entity introducing and bringing a product into market, may be held liable for any damages caused by the product subject to further conditions being met. Swiss legal doctrine supports the argument that a lessor under a finance lease contract (such as the Guarantor under the Transferred Lease Agreements) may never be regarded as a person "introducing and

bringing into market" and accordingly may not be held liable under the LPS. However, there are no court precedents and no assurance can be given that the Swiss courts would adopt a similar approach.

Any liability of the Guarantor under the LPL and/or the LPS would reduce the funds available for payments to Covered Bondholders under the Guarantee which could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

Risks relating to the validity of the waiver of a Lessee's right of set-off amounts against Cembra

General Swiss law rules applicable to the assignment of receivables provide that a lessee will be able to satisfy its payment obligations towards an assignor until notified of the transfer to a permitted assignee. On the basis that the Programme envisages the assignment and transfer of the Lease Agreements as a whole rather than a mere assignment of the receivables, no set-off should be possible in principle provided that the Lessees have been notified of the assignment. In this regard, it should be noted that the Lessees have consented to such assignment and transfer of the Lease Agreements. Accordingly, under Swiss law, the transfer of the contractual relationship from Cembra to the Guarantor should result in the related Lessees losing their rights of set-off vis-à-vis Cembra who is no longer their contractual counterparty.

Under Swiss law, each Lessee who has not entered into a valid waiver of set-off as described below is entitled to set-off all payments due under the relevant Lease Assets against any cash deposits (such as savings held in bank accounts and time deposits) held by the Issuer in the name of such Lessee and other monetary claims by such Lessee against the Issuer. The terms and conditions of the Lease Agreements incorporate a contractual waiver of any set-off rights. Whilst the majority of legal doctrine considers such waivers of set-off are enforceable irrespective of insolvency proceedings against a contracting party there is some legal uncertainty as to whether a waiver of set-off would be upheld in case of an insolvency of any of the parties thereto. Also, the enforceability of set-off waivers contained in standard forms of agreement (such as the Lease Agreements) is subject to (i) specific requirements which are applied by the courts on a case-by-case basis, and there is a trend to apply such requirements more strictly, and (ii) the provisions of the Swiss Federal Act on Unfair Competition (the **Unfair Competition Act**) allow courts to invalidate provisions found to create a material and unjustified imbalance between the contractual rights and obligations of consumers which are party to a contract (see also "*Relevant provisions in Cembra's Standard Contracts may be deemed by Swiss courts to be insufficient or inapplicable, which may negatively affect the validity of the transfer of Cover Pool Assets to the Guarantor, the replenishment of the Cover Pool as well as the value and/or the enforceability of the Cover Pool Assets*"), which increases the risk that waivers of set-off contained in the Lease Agreements will be held unenforceable both generally and on a case by case basis. Accordingly, there can be no assurance that the Guarantor could effectively rely on such waivers, in particular, in case of an insolvency of the Issuer or the relevant Lessee.

Therefore, in the absence of a valid waiver of set-off and if the rules governing an assignment of receivables were considered to apply *mutatis mutandis*, the Lessees may remain entitled to set-off any such amounts against cash deposits held by the Issuer and any other monetary claims by the Lessees against the Issuer, and any such set-off will be considered a good discharge of the Lessee's obligations to make payments under the relevant Lease Agreement. Only upon notification of the Lessees, the Lessees would then no longer be able to validly discharge their payment obligations by paying the Issuer, whether by cash payment or by way of set-off. Under Swiss law, set-off issues are normally addressed through the notification of debtors upon completion of the transfer or subject to certain conditions at a later stage (e.g. trigger events).

Moreover, for those Transferred Lease Agreements governed by the CCA, there is a certain risk that a waiver of set-off and/or notification of Lessees might not fully mitigate any set-off risk. While there are good arguments that the waiver of set-off in place would be valid under the CCA and that notification (once made) should cut across any existing set-off rights with respect to counterclaims that are not subject to the CCA, there is no real case law on these subjects and, accordingly, it cannot be excluded that a Swiss court would take different views on this.

Notwithstanding the waiver of their set-off rights, it can therefore not be excluded that a Lessee may seek to set-off or otherwise withhold payments due to the Guarantor and any such set-off shall be considered a good discharge of the Lessee's obligations to make payments under the relevant Transferred Lease Agreement even after the Lessees are notified of the assignment of the relevant Transferred Lease Agreement to the Guarantor. Any such set-off may negatively affect the ability of the Guarantor to pay the Guaranteed Amounts.

Assignment and transfer of claims under comprehensive vehicle insurance to the Guarantor

Each Lease Agreement requires the Lessee to take out and maintain comprehensive vehicle insurance and to assign its rights under the insurance policy to ensure that any proceeds of an insurance claim are directly payable to Cembra pursuant to each Lease Agreement and such rights of Cembra form part of the Assigned Ancillary Rights transferred to the Guarantor. Where the proceeds of the claim are insufficient to repay in full amounts owed by the Lessee under the Transferred Lease Agreement, Cembra, on behalf of the Guarantor, will expect the Lessee to pay the difference unless such difference arises as a result of a depreciation in the value of the Transferred Leased Vehicle caused by circumstances outside the control of the Lessee (e.g. a manufacturing defect). It should be noted that there cannot be any certainty that such insurance has in fact been taken out or maintained by the Lessee, that the insurance claims or any other Assigned Ancillary Rights have been or will be validly assigned or otherwise transferred to the Guarantor due to their contingent nature or otherwise, or that any proceeds from such insurance will be available to the Guarantor, which in turn could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

Risks related to the market for Leased Vehicles

No assurances can be given that the respective values of the Transferred Leased Vehicles have not depreciated or will not depreciate at a rate greater than the rate at which they were expected to do so on the date of origination of the Transferred Lease Assets (see "*The residual value of a leased vehicle may not be reclaimed in full or at all by the Group upon sale*"). Factors that may result in a lower than expected resale value or greater than expected depreciation rate of the Transferred Leased Vehicles may include general developments in the vehicle market that may have a negative impact on new vehicle sales and used vehicle supply, such as manufacturer recalls, the actual or perceived quality, safety or reliability of certain brands, or shifting consumer preferences including as a result of reputational or environmental considerations (for example, as a result of the Engine Issue or potential bans in respect of diesel vehicles in respect of which see also "*—Certain developments relating to diesel-engine vehicles*"), currency fluctuations or a general deterioration of the economic conditions in Switzerland or the Transferred Leased Vehicles suffering damage or become otherwise impaired in such a way that could impact on the vehicles' value. Any such scenario could have an adverse effect on the amount recovered upon a sale of the Transferred Leased Vehicles upon default by Lessees or at the end of the term of the Lease Agreement and no assurance can be given that were such circumstances to arise they will not have an adverse effect on the Guarantor's ability to make payments under the Guaranteed Amounts.

As a result of the transfer of the Dealer Agreements, the Guarantor will assume Cembra's right thereunder to oblige a Dealer to repurchase a Transferred Leased Vehicle at the contractually defined price set out in the relevant Transferred Dealer Agreement upon termination of the Transferred Lease Agreement related to such Transferred Dealer Agreement. However, no assurance can be given that a Dealer will comply with any obligation to repurchase the Transferred Leased Vehicle and non-compliance could result in a reduction of the Guarantor's Available Funds and negatively affect the ability of the Guarantor to pay the Guaranteed Amounts. In particular, falling new and used car prices may, at the same time, result in financial difficulties of dealers owing to lower sales revenues of new and used vehicles and pressure on margins. The off-the-road time and the portfolio of vehicles in stock could increase and the Dealers would therefore no longer be able to buy new models to resell to consumers, which would generate further pressure on the financial position of the Dealers. Furthermore, fewer deliveries to customers mean fewer opportunities to market a leasing product from Cembra during the sale. Consequently, reduced business levels achieved by Dealers are likely to lead to less new business at Cembra, which could be negatively reflected in the results of operations.

The Covered Bondholders should also be aware that there may be a very limited market for certain of the Transferred Leased Vehicles (particularly those manufactured for certain specialised industrial roles or processes or certain public-utility vehicles) and there is no guarantee that there will be a market for the sale of such Transferred Leased Vehicles, which are of a specialised nature and will be in a used condition, or that such market will not deteriorate in the future. Whilst the Eligibility Criteria are intended to operate so as to mitigate against such risks, no assurance can be given that circumstances in the future will not change such that the composition of the pool of the Transferred Lease Assets at any time in the future may deteriorate in view of the circumstances then existing. Any such deterioration of the value of the Transferred Lease Assets could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

Risk of non-existence of Transferred Lease Assets

In the event that any of the Lease Assets have not come into existence at the time of their transfer or assignment to the Guarantor under the Security Transfer Agreement, such transfer or assignment would not result in the

Guarantor acquiring such Transferred Lease Asset. Any non-existence of Transferred Lease Assets would have an adverse effect on the Cover Pool Assets which in turn could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

Risks related to early repayment clauses in Lease Agreements

Under the terms of certain of the Lease Agreements, the Lessees are entitled to terminate the Lease Agreements early, subject, where applicable, to payments of an early repayment fee or charge. The rate of prepayment under the Lease Agreements cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the auto finance market or matters relating to the Leased Vehicles (for example, manufacturing defects or other performance issues or reputational concerns with respect to the related brand). In the event of early prepayment by the Lessee under the Transferred Lease Agreement, the Lessee will be required to pay a fee as set out in the prepayment table annexed to the Transferred Lease Agreement. However, such prepayment fee may be lower than the aggregate monthly instalments payable by the Lessee until the scheduled maturity of such Transferred Lease Agreement. Accordingly, the early termination of Transferred Lease Agreements could have an adverse effect on the Cover Pool Assets which in turn could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

No independent investigation and limited information

None of the Sole Arranger, the Issuer, the Guarantor, the Asset Monitor, the Trustee or any Manager has undertaken or will undertake any due diligence with respect to the wording or content of any individual Lease Agreement, Dealer Agreement, manufacturer warranty or the facts and circumstances relating to the particular relationship between the relevant Lessee or Dealer, respectively, and Cembra nor any other comprehensive investigations, searches or other actions have been conducted in respect of any of the Transferred Lease Assets. Instead, the Guarantor will rely on the Eligibility Criteria and the relevant warranties given by Cembra in the Security Transfer Agreement. The remedies provided for in the Security Transfer Agreement to the Guarantor in respect of non-compliance with the Eligibility Criteria (or a breach of warranty (other than where such breach was waived to the Guarantor)), shall be for Cembra to assign and transfer another Lease Asset meeting the Eligibility Criteria as a replacement for any Lease Asset which is the subject of such failure or breach, provided that neither shall limit any other remedies available to the Guarantor if Cembra fails to substitute a Lease Asset when obliged to do so. Such obligations are not guaranteed by, nor will they be the responsibility of, any person other than Cembra and neither the Guarantor nor the Trustee will have recourse to any other person in the event that Cembra, for whatever reason, fails to meet such obligations. Accordingly, the non-compliance by Cembra with the Eligibility Criteria and its other obligations under the Security Transfer Agreement could have an adverse effect on the Cover Pool Assets which in turn could have an adverse effect on the ability of the Guarantor to pay the Guaranteed Amounts.

Cembra's Credit and Collection Policies and Procedures

Cembra as Servicer will carry out the administration, collection and enforcement of the Transferred Lease Assets pursuant to the Security Transfer Agreement, including the Credit and Collection Policies and Procedures (see "*Description of the Principal Transaction Documents — Security Transfer Agreement*"). The Covered Bondholders are relying on the business judgement and practices of Cembra as Servicer as they exist from time to time, including enforcing claims against Lessees. Such policies and procedures may be changed over time and no assurance can be given that such changes will not have an adverse effect on Cembra's ability to pay the Guaranteed Amounts.

Fraud and identity theft

Fraud and identity theft in the financial services sector are increasing in both frequency and in sophistication and therefore present a threat to lenders and borrowers. Any misrepresented information could lead to extending credit in a situation that does not otherwise meet Cembra's origination criteria, or perform as the Assignor would expect, all of which could adversely affect the Transferred Lease Assets and the ability of the Guarantor to meet its obligations under the Guarantee.

Limited information on the Cover Pool

Other than certain summary information contained in the Investors Reports, Investors will not receive detailed statistics or information in relation to the Transferred Lease Assets in the Cover Pool from time to time. Limited information will be set forth in the Investors Reports, and while it will be accurate in all material respects as of

the Transfer Date, it will not reflect any subsequent changes to the Cover Pool (including but not limited to any retransfer of Excess Cover Pool Assets to Cembra) after the Transfer Date. Moreover, there is no assurance that the characteristics of any new Lease Assets will be the same as, or similar to, those of the Lease Assets in the Cover Pool as further described in this Base Prospectus or the Applicable Final Terms. For a brief description of the types of Lease Assets that may be included in the Cover Pool, see "*Overview of the Principal Transaction Documents — Security Transfer Agreement*".

RISKS RELATING TO RELIANCE ON CERTAIN TRANSACTION PARTIES

The Covered Bondholders rely on the Bondholders' Representative for the exercise of rights and claims under the Conditions and the Guarantee and the Trustee for the exercise of rights under other Transaction Documents and there can be no guarantee that the Bondholders' Representative and/or Trustee will act on behalf of the Covered Bondholders in a timely manner or at all

In accordance with and subject to the terms and conditions of the Guarantee, the Guarantor guarantees to the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, the due and punctual performance by the Issuer of its obligations to pay all amounts payable by the Issuer under the Auto Covered Bonds in an amount equal to the Guaranteed Amounts (see "*The Guarantee*"). Pursuant to Condition 13 (*Appointment of Bondholders' Representative*), each Covered Bondholder will appoint the Bondholders' Representative as bondholders' representative (*Anleihensvertreter*) in the sense of article 1158 *et seqq.* CO and the Bondholders' Representative will be authorised in the sense of article 1159 CO by each Covered Bondholder to accept and execute as direct representative the Guarantee and to hold, administer and, if necessary, enforce any rights under the Guarantee in the name and for the account of the Covered Bondholders. The rights and obligations of the Bondholders' Representative include, but are not limited to, the service of an Issuer Default Notice pursuant to Condition 10.1 (*Events of Default relating to the Issuer*), the service of a Guarantor Acceleration Notice pursuant to Condition 10.2 (*Events of Default relating to the Guarantor*), the authorisation of waivers, authorisations and determinations pursuant to Condition 15 (*Waiver, Authorisation and Determination*) and the authorisation of modifications to the Conditions and/or the Guarantee pursuant to Condition 16 (*Modification*) (see "*Terms and Conditions of the Auto Covered Bond*").

To the extent of such appointment, any rights of the Covered Bondholders under the Guarantee can be exercised solely by the Bondholders' Representative and no Covered Bondholder may independently exercise any rights or proceed against the Guarantor under the Guarantee (see "*Swiss Law Bondholder Provisions*").

Furthermore, the Covered Bondholders rely on the Trustee for certain actions pursuant to the Conditions and the Guarantee, including the service of a Guarantee Activation Notice and the service of Notices to Pay, each pursuant to Condition 10.1 (*Events of Default relating to the Issuer*). Pursuant to the Trust Agreement, the Trustee is further authorised, in each case without the consent of any Covered Bondholder of any Series, to agree to certain waivers and modifications and make certain determinations with respect to Transaction Documents (other than the Conditions and/or the Guarantee) and to agree to modifications of the Transaction Documents (other than the Conditions and/or the Guarantee), each as more fully described in "*Overview of the Principal Transaction Documents—Trust Agreement*".

Consequently, Covered Bondholders depend on the Bondholders' Representative and the Trustee to take certain actions with respect to the Conditions and the Guarantee. However, pursuant to Condition 13 (*Appointment of Bondholders' Representative*) with respect to the Bondholders' Representative and the Trust Agreement with respect to the Trustee, the Bondholders' Representative and the Trustee, respectively, shall not be bound to act unless it shall first be indemnified and/or secured and/or prefunded to its satisfaction against all liabilities which it may render itself liable for or which it may incur by doing so (either by reimbursement of costs or in any other way it seems appropriate) except for liabilities as a result of wilful misconduct, wilful default or gross negligence.

Therefore, there can be no guarantee that the Bondholders' Representative and/or the Trustee will act on behalf, or in the interest of, the Covered Bondholders in a timely manner or at all. If the Bondholders' Representative or the Trustee does not act in a timely manner or at all and Covered Bondholders may be unable to exercise rights and claims under the Conditions, the Guarantee and other Transaction Documents.

The Guarantor and the Covered Bondholders place significant reliance on Cembra and such reliance may give rise to conflicts of interest

The Guarantor and the Covered Bondholders place significant reliance on Cembra in connection with the servicing of the Cover Pool Assets as well as for the Guarantor's administration and funding. Cembra is also the majority

shareholder of the Guarantor and is represented with two members of the Board of Directors of the Guarantor. Cembra, in order to preserve the value of the Serviced Lease Assets, will be responsible for servicing and administering the Serviced Lease Assets until revocation of the relevant authority by the Guarantor. Furthermore, Cembra, as the Originator of the Lease Assets in the Cover Pool, has considerable discretion to substitute Cover Pool Assets during the course of the Programme and generates and stores the data and documentation relating to the Cover Pool underlying the transfer, retransfer and servicing of Lease Assets, which data is also provided to third parties in their respective functions under the Programme.

In view of the multiple roles of Cembra, such reliance may give rise to a wide variety of substantial conflicts of interests. There can be no assurance that the conflicts of interest described can be mitigated sufficiently and will not have a material adverse effect on the Guarantor's ability to fulfil of its payment and other obligations and/or on the Covered Bondholders.

Replacement of Cembra as Servicer may not be found on acceptable terms or within an acceptable time period and the ability of the Guarantor to perform its obligations may be impaired

Cembra shall, as Originator of the Transferred Lease Assets, continue to service and administer the Serviced Lease Assets until revocation of the relevant authority by the Guarantor. In certain circumstances, Cembra is required to be replaced as Servicer of the Transferred Lease Assets – for instance, Cembra will be replaced if an Insolvency Event occurs in relation to Cembra.

Pursuant to the Servicing Facilitator Agreement, following the occurrence of a Servicing Termination Event, the Servicing Facilitator is required to use its reasonable commercial efforts to arrange the appointment of a Replacement Servicer. However, there is no assurance that a Replacement Servicer providing servicing at the same level as Cembra can be appointed. In addition, any Replacement Servicer to be appointed to service and administer the Serviced Lease Assets following a Servicing Termination Event may be required to acquire or develop new servicing systems or platforms, which may require substantial time and expense to implement. Consequently, there can be no assurance that the Guarantor will be able to enter into such replacement agreements and transactions on acceptable terms and within a time period which will ensure uninterrupted payments of amounts due by the Guarantor under the Guarantee (following a Guarantee Activation Date) or at all. Any such delay or losses may result in a reduction of the Guarantor's Available Funds. Moreover, any entity appointed as Replacement Servicer would not become bound by Cembra's obligations under the Security Transfer Agreement, in particular in relation to the Lease Asset Representations and Warranties.

Risks relating to the insolvency of Cembra

Insolvency of Cembra may, directly or indirectly, negatively affect the liquidation and enforcement of the Cover Pool Assets for the benefit of the Covered Bondholders and/or the rights and claims of the Covered Bondholders against the Guarantor

As a Swiss bank, Cembra is subject to the special restructuring and insolvency regime set out in article 25 *et seqq.* of the FBA, which gives FINMA, the Swiss financial services regulator, broad powers and considerable discretion in taking the measures it deems appropriate for purposes of facilitating the restructuring of Swiss banks and banking groups. Accordingly, it is uncertain which measures or actions FINMA and/or other authorities would take in connection with a potential insolvency of Cembra. Moreover, an insolvency of Cembra will have certain impacts in relation to Cembra's contractual obligations (see "*If Cembra experiences financial difficulties, FINMA has the power to open restructuring or liquidation proceedings in respect of, and/or impose protective measures in relation to, Cembra, which proceedings or measures may have a material adverse effect on the terms and market value of the Auto Covered Bonds and/or the ability of Cembra and the Guarantor to make payments under the Auto Covered Bonds and the Guarantee, respectively*"). Accordingly, there is no assurance that an insolvency of Cembra or a potential insolvency of Cembra resulting in protective measures being ordered by FINMA, will not, directly or indirectly, negatively affect the liquidation and enforcement of the Cover Pool Assets for the benefit of the Covered Bondholders and/or the rights and claims of the Covered Bondholders against the Guarantor.

In an insolvency of Cembra, the claims of the Covered Bondholders would rank *pari passu* with the claims of senior unsecured creditors of Cembra not benefiting from a statutory privilege. Certain preferred creditors of Cembra will have a privilege that ranks senior to the rights of the Covered Bondholders in such circumstances. An Insolvency Event in relation to the Issuer constitutes an Issuer Event of Default according to the Conditions of the Auto Covered Bonds whereupon an Issuer Default Notice would be served on the Issuer and a Guarantee Activation Notice and Notices to Pay would be served on the Guarantor (subject to the Conditions). Upon service

of such Guarantee Activation Notice and service of a Notice to Pay for each relevant amount, the Guarantor would be required to pay the Guaranteed Amounts in relation to each Series of Auto Covered Bonds when the same become Due for Payment.

An insolvency of Cembra or even a potential insolvency of Cembra could also negatively affect the Swiss leasing market and the value of the Cover Pool Assets, thereby again impairing the realization of the underlying Lease Assets and Dealer Agreements and the ability of the Guarantor to make payments under the Guaranteed Amounts and/or the rights and claims of the Covered Bondholders against the Guarantor.

Upon the occurrence of an Insolvency Event in relation to Cembra, the shares of the Guarantor owned by Cembra would become part of the bankruptcy estate and may be liquidated for the benefit of Cembra's creditors. No assurance can be given that the solvency and governance of the Guarantor and the structure of the Auto Covered Bonds issued under the Programme will not be negatively affected by an insolvency of Cembra. The relevant potential impacts include non-receipt of any and all Lease Payments collected by and other moneys held with Cembra as well as changes to the Board of Directors of the Guarantor and non-enforceability of Cembra's covenants in the Shareholders Agreement, which may negatively affect the compliance of the Guarantor with its payment obligations and undertakings under the Guarantee.

Certain events do not constitute an Issuer Event of Default under the Auto Covered Bonds

Pursuant to Condition 10.1 (*Events of Default relating to the Issuer*), none of (i) the opening of Cembra Restructuring Proceedings, (ii) the exercise of any Transfer Power (irrespective of whether or not exercised with respect to, or encompassing the, Auto Covered Bonds), (iii) the exercise of any other Swiss Resolution Power with respect to the Issuer not encompassing the Auto Covered Bonds, and (iv) the ordering of any Restructuring Protective Measures with respect to the Issuer not encompassing the Auto Covered Bonds will necessarily constitute an Issuer Event of Default.

Furthermore, any consequences resulting from the exercise of any Transfer Power that would otherwise constitute an Issuer Event of Default will not constitute an Issuer Event of Default if the relevant obligation, representation, warranty, undertaking or Pre-Event Test the breach of which would have constituted an Issuer Event of Default, as applicable, is satisfied or complied with by the entity (including, for the avoidance of doubt, a public corporation or governmental agency or an entity held or set up by a public corporation or governmental agency) to which such transfer of assets, debt, liability and/or contracts of the Issuer is made.

If an Insolvency Event occurs in relation to Cembra, transactions involving the provision, replenishment or substitution of Cover Pool Assets may be successfully challenged which may result in the Guarantor having insufficient funds to make payments under the Guarantee

If an Insolvency Event occurs in relation to Cembra, then the insolvency official appointed in respect of Cembra or, under circumstances, certain of Cembra's creditors may challenge any transfer of Cover Pool Assets to the Guarantor and dispositions of Cembra (i) if no or no equivalent consideration was given by the Guarantor at the relevant time (referred to as "*transaction at an undervalue*"), or (ii) if Cembra was over-indebted at the time of the transfer (referred to as "*transaction voidable for over-indebtedness*"), or (iii) if Cembra intended to disfavour or favour certain of its creditors or should have reasonably foreseen such result (referred to as "*preference*"). Since Cembra is the majority shareholder of the Issuer, it will likely be deemed a "closely associated party" and as a consequence, in the context of a challenge (in each case subject to the proof of the contrary by Cembra) (i) transactions between Cembra and the Guarantor will be presumed to be a transaction at an undervalue and (ii) foreseeability of intent to disfavour or favour certain creditors with respect to transactions between Cembra and the Guarantor will be presumed, too. In particular, there is no assurance that a challenge of a transaction involving payments under the Subordinated Loan or the providing, replenishment or substitution of Cover Pool Assets leading to a net enlargement or improvement of the Cover Pool or involving payments by Cembra relatively shortly prior to it becoming insolvent would not be successful, in which case the Guarantor may not be able to liquidate the relevant assets in the Cover Pool for the benefit of the Covered Bondholders and may have to transfer the relevant assets (or their equivalent value) back to Cembra, which in turn may mean that the Guarantor has insufficient funds to make payments under the Guarantee.

In the case of insolvency of the Account Bank, the Guarantor will only have an unsecured claim against the estate for funds deposited, and no assurance can be given that the Guarantor effectively will have adequate access to Substitute Assets

While the Guarantor has undertaken to transfer the funds standing to the credit of the Account Bank to another bank or to obtain a guarantee from a financial institution with the requisite credit ratings or to take any alternative remedial measures if the credit rating of the Account Bank falls below the Minimum Account Bank Ratings, there can be no assurance that such transfer would be completed before the Account Bank becomes insolvent. Furthermore, the credit rating of the Account Bank may also not reflect the impact of all risks related to the Account Bank. If the Account Bank were to become insolvent, the Guarantor would have a claim as an unsecured creditor of the Account Bank. Accordingly, there is a potential risk of a loss of the Guarantor's funds held with the Account Bank in the event that the Account Bank has insufficient funds to meet all the claims of its unsecured creditors.

In addition, while the Guarantor as account holder is entitled to segregate the Substitute Assets in the form of intermediated securities held in the Cover Pool Custody Account in the event of the bankruptcy of the Account Bank, no assurance can be given that the Guarantor effectively will have adequate access to these Substitute Assets, e.g. in case of operational difficulties or in case of an insolvency of the Account Bank.

Termination of Cembra's agency relationships at will may affect payments on the Auto Covered Bonds

The Guarantor and the Covered Bondholders place significant reliance on Cembra, the Trustee and other third-party service providers. In the event that any relevant party providing services to the Guarantor under the Transaction Documents fails to perform its obligations or the Guarantor is unable to replace such service providers in a timely manner, the Guarantor's ability to perform its payment and other obligations may be compromised. Furthermore, any delay or inability to appoint a suitable Replacement Servicer may have an impact on the realisable value of the Cover Pool Assets.

Under Swiss law, any appointment of an agent or of an attorney-in-fact is considered to be a personal mandate which can be terminated at any time and with immediate effect (subject to certain restrictions for untimely terminations) by either the principal or the agent, regardless of the terms of the agreement appointing such agent. Because this is a mandatory provision of Swiss law, contractual provisions that limit such termination at will are likely to be held unenforceable by Swiss courts. Therefore, it cannot be excluded that Cembra, the Trustee or any other third party service provider may terminate the services agreement to which it is a party with immediate effect by invoking the mandatory termination provision under Swiss law, regardless of any contractual restrictions to resign from the respective appointments. Moreover, in case of insolvency, any mandate agreement or power of attorney entered into or granted by the insolvent party is automatically deemed terminated or revoked with the declaration of insolvency. There can be no assurance that the Guarantor will be able to enter into replacement agreements which may negatively affect the functioning of the Programme and, following the service of the Guarantee Activation Notice on the Guarantor, may negatively affect payments under the Guarantee.

RISKS RELATING TO THE AUTO COVERED BONDS

If Cembra experiences financial difficulties, FINMA has the power to open restructuring or liquidation proceedings in respect of and/or impose protective measures in relation to Cembra, which proceedings or measures may have a material adverse effect on the terms and market value of the Auto Covered Bonds and/or the ability of Cembra and the Guarantor to make payments under the Auto Covered Bonds and the Guarantee, respectively

The FBA grants FINMA broad powers to take measures and actions in relation to Cembra if it concludes that there is justified concern that Cembra is over-indebted or has serious liquidity problems or, after expiry of a deadline, Cembra fails to fulfil the applicable capital adequacy requirements. If one of these pre-requisites is met, FINMA is authorized to open restructuring or liquidation (bankruptcy) proceedings in respect of, and/or impose protective measures in relation to, Cembra. The FBA grants significant discretion to FINMA in connection with the aforementioned proceedings and measures. In particular, a broad variety of protective measures may be imposed by FINMA, including a bank moratorium or a maturity postponement, which measures may be ordered by FINMA either on a stand-alone basis or in connection with restructuring proceedings.

In restructuring proceedings, FINMA, as resolution authority, is competent to approve the restructuring plan. The restructuring plan may, among other things, provide for (a) the transfer of all or a portion of Cembra's assets, debts, other liabilities and contracts (which may or may not include the Transaction Documents to which Cembra is a

party) to another entity, (b) a stay (for a maximum of two business days) on the termination of contracts to which Cembra is a party, and/or the exercise of (w) rights to terminate, (x) netting rights, (y) rights to enforce or dispose of collateral or (z) rights to transfer claims, liabilities or collateral under contracts to which Cembra is a party, (c) the partial or full conversion of Cembra's debt and/or other obligations, including obligations of Cembra under the Transaction Documents other than Secured Obligations to the extent they are secured, into equity (a "**debt-to-equity**" swap), and/or (d) the partial or full write-off of obligations owed by Cembra, including obligations of Cembra under the Transaction Documents other than Secured Obligations to the extent they are secured (a "**write-off**"). Prior to any debt-to-equity swap or write-off with respect to obligations of Cembra under the Transaction Documents, outstanding equity and debt instruments issued by Cembra qualifying as additional tier 1 capital or tier 2 capital must be converted or written-down, as applicable, and cancelled. The FBA addresses the order in which a debt-to-equity swap or a write-off of liabilities (other than debt instruments qualifying as additional tier 1 capital or tier 2 capital) should occur: first, all subordinated obligations not qualifying as regulatory capital; second, debt instruments for loss absorbency in the course of insolvency measures (*Schuldinstrumente zur Verlusttragung im Falle von Insolvenzmassnahmen*) under the Swiss Ordinance concerning Capital Adequacy and Risk Diversification for Banks and Securities Dealers of 1 June 2012, as amended; third, all other obligations not excluded by law from a debt-to-equity swap or write-off (other than deposits), such as obligations of Cembra under the Transaction Documents other than Secured Obligations to the extent they are secured; and fourth, deposits to the extent in excess of the amount privileged by law.

The FBA further provides that secured claims whose existence and amount can be readily demonstrated are exempted from a debt-to-equity swap or a write-off up to the secured amount. However, given the broad discretion granted to FINMA, including its discretion to decide upon the extent of the secured amount, any restructuring plan approved by FINMA in connection with restructuring proceedings with respect to Cembra could provide that the claims under or in connection with obligations of Cembra under the Transaction Documents (including Pre-Funding Obligations and Recourse and Indemnity Obligations) will be fully or partially converted into equity or written-off, while preserving other obligations of Cembra that rank *pari passu* with Cembra's obligations under such Transaction Documents.

Once FINMA has opened restructuring proceedings with respect to Cembra, it may consider factors such as avoiding putting taxpayer money at risk, the results of operations, financial condition (in particular, the level of indebtedness, potential future losses and/or restructuring costs), liquidity profile and regulatory capital adequacy of Cembra and its subsidiaries, or any other factors of its choosing, when determining whether to exercise any of its statutory resolution powers with respect to the Issuer, including, if it chooses to exercise such powers to order a debt-to-equity swap and/or a write-off, whether to do so in full or in part. The criteria that FINMA may consider in exercising any statutory resolution power provide it with considerable discretion. Therefore, Covered Bondholders may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such power and, consequently, its potential effects on the Auto Covered Bonds and/or Cembra.

If Cembra were to be subject to restructuring proceedings, the creditors whose claims are affected by the restructuring plan would not have a right to vote on, reject, or seek the suspension of the restructuring plan. In addition, if a restructuring plan with respect to Cembra has been approved by FINMA, the rights of a creditor to challenge the restructuring plan or have the restructuring plan reviewed by a judicial or administrative process or otherwise (e.g., on the grounds that the plan would unduly prejudice the Covered Bondholders' rights or otherwise be in violation of the FBA) are very limited. Even if any of Cembra's creditors were to successfully challenge the restructuring plan in court, the court could only require the relevant creditors to be compensated *ex post* and there is currently no guidance as to on what basis such compensation would be calculated and how it would be funded. Any such challenge (even if successful) would not suspend, or result in the suspension of, the implementation of the restructuring plan.

Cembra would have limited ability to challenge any such protective measures and/or restructuring proceedings, and creditors and shareholders would also have limited ability under Swiss law or in Swiss courts to reject them, seek their suspension, or challenge their imposition, including measures that require or result in the deferment of payments. As of the date of this Base Prospectus, there are no precedents as to what impact this regime would have on the rights of the Covered Bondholders under the Auto Covered Bonds and/or the Guarantee, the ability of the Guarantor to enforce the Cover Pool Assets and the ability of Cembra and the Guarantor to make payments under the Auto Covered Bonds and the Guarantee, respectively, if one or several of measures under the insolvency regime of the FBA were imposed in connection with a restructuring of Cembra.

Credit ratings may not reflect all risks

The Auto Covered Bonds are expected on issue to be assigned a "AAA" rating by Fitch (the actual ratings will be as specified in the Applicable Final Terms). Such rating may not reflect the potential impact of all risks related to an investment in the Auto Covered Bonds. Accordingly, a rating is not a recommendation to buy, sell or hold Auto Covered Bonds and may be revised or withdrawn by Fitch at any time. There is no assurance that the rating of the Auto Covered Bonds will continue for any period of time or that it will not be lowered, reviewed, suspended or withdrawn by Fitch as a result of changes in or unavailability of information or if, in the judgement of Fitch, circumstances so warrant. In the event that the rating initially assigned to the Auto Covered Bonds is subsequently lowered, suspended or withdrawn for any reason, no person is obliged to provide any additional support or credit enhancement to the Auto Covered Bonds and neither the Issuer nor the Guarantor commits to ensure that any specific rating of the Auto Covered Bonds will be upheld until maturity, nor that any or all of the Auto Covered Bonds will be issued with any particular minimum rating.

Auto Covered Bonds issued under the Programme will rank *pari passu* and will cross-default and are subject to acceleration

Auto Covered Bonds issued under the Programme will (save in respect of the first issue of Auto Covered Bonds) either be fungible with an existing Series of Auto Covered Bonds or have different terms to an existing Series of Auto Covered Bonds (in which case they will constitute a new Series). All Auto Covered Bonds issued from time to time will rank *pari passu* with each other and with any other Auto Covered Bonds which may be issued by the Issuer in accordance with the Conditions.

The Auto Covered Bonds will cross-default to each other. That is, if the Issuer fails to pay interest or principal due on any outstanding Series of Auto Covered Bonds (or upon the occurrence of any other Event of Default), then subject to the applicable grace periods and subject to the Bondholders' Representative of the relevant Series serving an Issuer Default Notice, that will constitute an Issuer Event of Default in respect of all Series of Auto Covered Bonds then outstanding. Upon serving of the Issuer Default Notice, the Auto Covered Bonds of all Series shall, in relation to the Issuer only, thereupon immediately become, due and repayable at their Early Redemption Amount together with accrued interest unless such Issuer Event of Default shall have been remedied prior to the receipt of such notice by the Issuer. There is no assurance that Covered Bondholders receive payments at the moment they anticipated to receive payments and these payments may not cover all amounts Covered Bondholders may expect to receive.

Similarly, following the occurrence of a Guarantor Event of Default, subject to the Bondholders' Representative serving a Guarantor Acceleration Notice, (i) the Auto Covered Bonds of all Series will, as against the Issuer (if not already due and repayable against it following the occurrence of an Issuer Event of Default) and as against the Guarantor, immediately become due and repayable at their Early Redemption Amount together with accrued interest; and (ii) all Guaranteed Amounts corresponding to the Early Redemption Amount for each Auto Covered Bond together with all accrued and unpaid interest and all amounts due and payable in respect of the Auto Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever they arose) and all other amounts payable by the Guarantor under the Guarantee with respect to the Auto Covered Bonds become due and payable by the Guarantor in accordance with the Guarantee.

Fixed Rate Auto Covered Bonds

Given that the Covered Bonds provide for a fixed interest rate, investment in Auto Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Auto Covered Bonds.

There is no assurance that applications for listing to SIX Swiss Exchange or such other or further trading venues or markets will be accepted

There can be no assurance that the application made for the Auto Covered Bonds issued under the Programme to be listed on SIX Swiss Exchange or such other or further trading venues or markets will be approved or that any particular Tranche of Auto Covered Bonds will be so listed and admitted to trading on SIX Swiss Exchange or on such other or further trading venues or markets. This in turn would make the Auto Covered Bonds less marketable or unmarketable.

Modifications and waivers under the Auto Covered Bonds and the Transaction Documents may, in certain circumstances, be made without the consent of the Covered Bondholders

The Conditions contain provisions for calling meetings of Covered Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Covered Bondholders including Covered Bondholders who did not attend and vote at the relevant meeting and Covered Bondholders who voted in a manner contrary to the majority. An individual Covered Bondholder may not be in a position to affect the outcome of the resolutions adopted by the meetings of Covered Bondholders. See "*Bondholder representation with respect to the Auto Covered Bonds and the Guarantee is subject to the applicable Swiss Bondholder Provisions and the Bondholder Representative's power to approve certain changes to the Conditions and the Guarantee may be limited by the Swiss Bondholder Provisions*".

The Conditions of the Auto Covered Bonds also provide that the Bondholders' Representative may, and is authorised pursuant to the Swiss Bondholder Provisions, with respect to the Conditions and the Guarantee, without the consent of Covered Bondholders of any Series, to:

- (a) in so far as in its sole and absolute discretion, the interests of the Covered Bondholders of any Series will not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer, the Assignor or the Guarantor of any of the covenants or provisions contained in the Conditions and/or the Guarantee or determine that any Issuer Event of Default, Guarantor Event of Default or Notification Event shall not be treated as such, in each case in the circumstances described in Condition 15 (*Waiver, Authorisation and Determination*); and
- (b) concur with the Issuer, the Assignor, the Guarantor or any other person in any modifications to the Conditions and/or the Guarantee, (a) not materially prejudicial to the interests of the Covered Bondholders of any Series, (b) of a formal, minor or technical nature, or (c) necessary to correct a manifest error, which is, in the opinion of the Bondholders' Representative, proven, in each case in the circumstances described in Condition 16 (*Modification*).

In addition, the Trust Agreement provides that Trustee may, and is authorised, with respect to the Transaction Documents other than the Conditions and/or the Guarantee, without the consent of Covered Bondholders of any Series, to:

- (a) in so far as in its sole opinion, the interests of the Covered Bondholders of any Series will not be materially prejudiced thereby, on such terms and subject to such conditions as it shall deem expedient, make a determination, waive or authorise any breach or proposed breach by the Issuer, the Guarantor or any other person of any of the covenants or provisions contained in any Transaction Document (other than the Conditions and/or the Guarantee, where 15 (*Waiver, Authorisation and Determination*) applies); and
- (b) agree with the Issuer, the Guarantor or any other Person to modifications of any Transaction Document (other than the Conditions, where Condition 16 (*Modification*) applies), which in its opinion are proper to make, provided that such modifications are, in the sole opinion of the Trustee, (i) not materially prejudicial to the interests of the Covered Bondholders of any Series, (ii) of a formal, minor or technical nature, or (iii) to correct a manifest error or an error which is, in the opinion of the Trustee, proven.

Consequently, by purchasing any Auto Covered Bonds, each Covered Bondholder will agree that the Bondholders' Representative with respect to the Conditions and the Guarantee and the Trustee with respect to the other Transaction Documents may take any actions delegated to it pursuant to the Conditions and the Trust Agreement, respectively, that will be binding on the Covered Bondholders and the Covered Bondholders may not be able to prevent the Bondholders' Representative and/or Trustee from making certain modifications to the Transaction Documents, Conditions and the Guarantee as described above. Accordingly, to the extent certain matters have been delegated to the Bondholders' Representative, the Covered Bondholders no longer benefit from their individual right to vote on and pursue such matters.

Moreover, following the termination of the appointment of the Trustee under the Trust Agreement, the appointment of the Trustee as Bondholders' Representative will automatically be terminated as well. Thereafter, each Series can, by majority vote, appoint a Bondholders' Representative with respect to such Series. Therefore, it cannot be excluded that more than one Bondholders' Representative may be appointed in respect of different

Series of Auto Covered Bonds, which may increase the risk of uncoordinated conflicting actions or measures being taken by the Bondholders' Representative of the different Series of Auto Covered Bonds.

Bondholder representation with respect to the Auto Covered Bonds and the Guarantee is subject to the applicable Swiss Bondholder Provisions and the Bondholder Representative's power to approve certain changes to the Conditions and the Guarantee may be limited by the Swiss Bondholder Provisions

Unless otherwise specified in the Conditions (see also "*Certain decisions of holders of the Auto Covered Bonds may be taken across Series or at a Programme level, and may bind Covered Bondholders of a Series that did not consent to such decision*" and "*Modifications and waivers under the Auto Covered Bonds and the Transaction Documents may, in certain circumstances, be made without the consent of the Covered Bondholders*" below), any decisions by Covered Bondholders in relation to the Auto Covered Bonds are subject to the Swiss Bondholder Provisions (see also "*Swiss Law Bondholder Provisions*"). Under the Swiss Bondholder Provisions, resolutions that negatively affect the rights of Covered Bondholders require unanimous consent of the Covered Bondholders, unless the resolution concerns subject matters specifically listed in article 1170 CO (**1170 CO Resolutions**). 1170 CO Resolutions may have a substantial negative impact on the rights of Covered Bondholders through measures including, in the event of financial distress of the Issuer, debt to equity swap or interest moratorium of up to five years (extendable twice by up to five years). Pursuant to Condition 14, this provision and certain other provisions of the CO apply to bondholder meetings of a single series of Auto Covered Bonds but are disapplied for Meetings encompassing more than one or all Series of Auto Covered Bonds see "*Certain decisions of holders of the Auto Covered Bonds may be taken across Series or at a Programme level, and may bind Covered Bondholders of a Series that did not consent to such decision*".

1170 CO Resolutions require a majority of at least two-thirds of the aggregate outstanding principal amount of the Auto Covered Bonds of a Series outstanding (see "*Swiss Law Bondholder Provisions*"). Unless an unanimous decision by all Covered Bondholders is reached, 1170 CO Resolutions will require approval by the competent cantonal court, which in case of Cembra will be the High Court of the Canton of Zurich (*Obergericht Zürich*). A validly adopted 1170 CO Resolution will be binding on all Covered Bondholders of the relevant Series or of all Series (as applicable) including Covered Bondholders who did not attend or vote at the relevant meeting and Covered Bondholders who voted against such 1170 CO Resolution at the relevant meeting. Thus, with respect to the actions described above, holders of the Auto Covered Bonds may be dependent on the votes of the holders of other outstanding Auto Covered Bonds and may not be in a position to affect the outcome of the resolutions adopted by the Meetings.

Conversely, resolutions that negatively affect the rights of Covered Bondholders that are not 1170 CO Resolutions require consent by all Covered Bondholders of all Series that are affected. Because it is unlikely that consent by all Covered Bondholders will be achievable, it may not be possible to pass such Bondholder Resolutions. Therefore, there can be no guarantee that bondholder resolutions that may be required in the future, e.g. to implement new legal requirements, can be passed. This, in turn, may negatively affect the ability of the Issuer and the Guarantor to comply with their respective obligations under the Transactions Documents.

Finally, the Bondholder Representative's and the Trustee's power to approve certain changes to the Conditions, the Guarantee and/or the other Transaction Documents as provided for in the Conditions of the Auto Covered Bonds and the Trust Agreement may be limited by the Swiss Bondholder Provisions.

The Covered Bondholders of each Series form a separate community of bondholders, which may lead to different resolutions for different Series of Auto Covered Bonds, and different communities of bondholders may, in certain circumstances, appoint different entities to act as Bondholder Representative

Unless otherwise specified in the Conditions (see also "*Certain decisions of holders of the Auto Covered Bonds may be taken across Series or at a Programme level, and may bind Covered Bondholders of a Series that did not consent to such decision*"), the Covered Bondholders of each Series form a separate "community of bondholders" under the Bondholder Provisions, which is the ultimate decision making body to safeguard the interests of the Covered Bondholders. The community of bondholders can resolve matters that are binding on all bondholders in formal Bondholder Meetings. Such separate communities of bondholders may lead to different decisions for different Series of Auto Covered Bonds.

Pursuant to the Bondholder Provisions, the removal of the Bondholder Representative with respect to each Series of Covered Bonds requires consent of the Issuer. The termination of the appointment of the Trustee under the Trust Agreement requires the Trustee to resign as Bondholders' Representative for all Series of Covered Bonds

with effect as of the appointment of a successor Bondholders' Representative by the Covered Bondholders of the relevant Series. As each Series can, by majority vote, appoint a Bondholders' Representative with respect to such Series, it cannot be excluded that different Bondholders' Representatives would be appointed in such a scenario, each representing specific Series of Auto Covered Bonds. Each Bondholders' Representative so appointed will exercise the powers of the Bondholders' Representative under the Applicable Final Terms for the relevant Series. This would increase the risk that different Bondholders' Representatives make different decisions or take different actions with respect to different Series of Auto Covered Bonds, which in turn may negatively affect the functioning of the Programme and the amount and timing of payments to the Covered Bondholders.

Certain decisions of holders of the Auto Covered Bonds may be taken across Series or at a Programme level, and may bind Covered Bondholders of a Series that did not consent to such decision

Pursuant to Condition 14, the Issuer may at any time convene Meetings of more than one or of all Series of Covered Bonds (such Series together the **Relevant Series**) in case a proposal is to be made for or a matter affects equally or in a comparable manner more than one or all Series of Covered Bonds. In such a case, the Covered Bondholders of the Relevant Series form a single community of bondholders, and the Bondholder Provisions shall apply to such Meeting, except that Covered Bondholders representing a simple majority of the Aggregate Principal Amount Outstanding of the Relevant Series may approve any proposal and that the articles 1157, 1164 para. 1 and 2, 1165 para 2 – 4, 1166, 1169 – 1171, 1173 para. 1 and 1175 -1185 of the CO shall not apply to such Meeting. If the Issuer uses its option to call a Meeting across several or all Series, a majority of Bondholders at such Meeting may take decisions that will be binding on the holders of all Series of Covered Bonds, which may not be supported by a relevant majority of the holders of any particular Series. Furthermore, upon the occurrence of an Issuer Event of Default that is continuing, the holders of at least one-fifth in principal amount of the Covered Bonds (which for this purpose means the Covered Bonds of all Series of Covered Bonds then outstanding) can direct the Bondholders' Representative to serve an Issuer Default Notice on the Issuer. This may provide an overall minority of Covered Bondholders the opportunity to cause an acceleration of the Covered Bonds without the consent of the majority of Covered Bondholders of any or all Series.

Lack of liquidity in the secondary market may adversely affect the market value of the Auto Covered Bonds

No assurance is provided that there is an active and liquid secondary market for the Auto Covered Bonds or that a secondary market for the Auto Covered Bonds will develop. To the extent that a secondary market exists or develops, it may not continue for the life of the Auto Covered Bonds or it may not provide Covered Bondholders with liquidity of investment. None of the Auto Covered Bonds have been, or will be, registered under the Securities Act or any other securities laws and they are subject to certain restrictions on the resale and other transfer thereof as set forth under "*Selling Restrictions*". Therefore, a Covered Bondholder may not be able to find a purchaser of its Auto Covered Bonds readily or sell its Auto Covered Bonds at prices that will provide it with a desired yield or a yield comparable to similar investments in respect of which a secondary market has developed.

Currency and exchange rate risks

The Issuer and, if required, the Guarantor will pay the principal amount and interest of the Auto Covered Bonds in Swiss Francs. This involves certain risks relating to currency conversion if an Investor's financial activities are denominated principally in a currency or a currency unit other than Swiss Francs (the **Investor's Currency**). These include the risk that exchange rates may change significantly (including changes due to devaluation of Swiss Francs or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to Swiss Francs would decrease (i) the Investor's Currency-equivalent yield on the Auto Covered Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (iii) the Investor's Currency-equivalent market value of the Auto Covered Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Investors may receive less interest or principal than expected, or no interest or principal.

RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF AUTO COVERED BONDS

A wide range of Auto Covered Bonds may be issued under the Programme. A number of these Auto Covered Bonds may have features which contain particular risks for potential Investors. Set out below is a description of the most common such features.

Auto Covered Bonds issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Transfers of Auto Covered Bonds

The Auto Covered Bonds are subject to restrictions on transfer, as described in the section of this Base Prospectus entitled "*Selling Restrictions*".

Auto Covered Bonds subject to optional redemption by the Issuer under certain circumstances

Unless in the case of any particular Series of Auto Covered Bonds where the Applicable Final Terms specify otherwise, early redemption will be permitted for taxation reasons, *i.e.* in the event that the Issuer is or will be obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws, regulations or rulings of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after the Issue Date of the relevant Series of Auto Covered Bonds, the Issuer may redeem the relevant Series of Auto Covered Bonds (in whole but not in part) in accordance with the Conditions.

RISK RELATING TO THE GUARANTOR

Limited Events of Default with respect to the Guarantor

Service of an Issuer Default Notice on the Issuer does not constitute an event of default with respect to the Guarantor. Therefore, it does not in itself trigger an acceleration of the payment obligations of the Guarantor under the Guarantee. Instead, the Conditions contain limited events of default with respect to the Guarantor, the occurrence of which would entitle Covered Bondholders to accelerate payment obligations under the Guarantee. Acceleration of the Auto Covered Bonds following a Guarantor Event of Default may not lead to accelerated payments to Covered Bondholders, since there can be no assurance that the Guarantor and/or any insolvency official or liquidator appointed in respect of the Guarantor is able to promptly sell the Cover Pool Assets.

Insolvency of the Guarantor may negatively affect the rights and claims of the Covered Bondholders under the Guarantee

The Transaction Documents include certain provisions that aim to protect the Guarantor from becoming subject to applicable insolvency laws, mainly non-petition and limited recourse provisions in Transaction Documents to which the Guarantor is a party. Notwithstanding these measures, the possibility of the Guarantor becoming insolvent cannot be excluded. If the Guarantor does become insolvent, it would become subject to applicable insolvency laws and procedures. This may impact on the Guarantor's contractual obligations and its ability to pay any amounts due under the Guarantee.

Accordingly, there is no assurance that an insolvency of the Guarantor will not, directly or indirectly, affect the rights and claims of the Covered Bondholders against the Guarantor adversely. In particular, payment of the Guaranteed Amounts may not be fully enforceable upon the occurrence of an Insolvency Event in relation to the Guarantor. In particular, pursuant to Swiss bankruptcy laws, upon bankruptcy, all claims against a debtor in bankruptcy become immediately due for payment, which will result in the acceleration of claims under the Guarantee in relation to payment of principal and/or interest under the Auto Covered Bonds which would otherwise only become due for payment in the future. Upon the occurrence of an Insolvency Event in relation to the Guarantor, such accelerated claims in relation to payment of principal and/or interest under the Auto Covered Bonds may not be admitted in their face amount, but discounted back to the date of adjudication of bankruptcy applying a 5 per cent. discount rate. Alternatively, claims in relation to payment of interest under the Auto Covered Bonds may only be admitted up to the date of adjudication of bankruptcy. In the event that a payment of a Guaranteed Amount is not fully enforceable in the bankruptcy of the Guarantor, this would also result in a corresponding reduction of the relevant Pre-funding Obligation and limit the Guarantor's access to the Cover Pool accordingly. This would lead to an overall reduction in the claims of Covered Bondholders and the assets available for satisfying their claims. In addition, under Swiss law it is untested whether subordination provisions of the type included in the Transaction Documents (such as the applicable Priority of Payments) would be enforceable against

an insolvency administrator of a Swiss debtor. See also "*Programme related legal and regulatory risks—Insolvency proceedings and subordination provisions*".

Furthermore, the service of a Guarantor Acceleration Notice on the Guarantor would result in a disruption of the scheduled cashflows on the Auto Covered Bonds.

Ownership of and control over the Guarantor by Cembra may have adverse consequences for the Covered Bondholders

As at the date hereof, Cembra holds 98 per cent. of the shares of the Guarantor. Each of the two Independent Directors, who are proposed by TMF Services SA hold the remaining 2 per cent. (see "*The Guarantor — Board of Directors*").

Under Swiss law, the board of directors of a corporation (*Aktiengesellschaft*) is elected by a vote of the shareholder's meeting. Pursuant to the Guarantor's Articles of Incorporation, the Board of Directors of the Guarantor is composed of no more than four members. Two of the four current members of the Board of Directors are employees of Cembra and are not paid any fees by the Guarantor. The other two current members of the Board of Directors of the Guarantor are individuals independent from Cembra within the meaning of the Swiss Code of Best Practice on Corporate Governance (the **Independent Directors**) and, pursuant to the Intercreditor Agreement, Cembra, in its capacity as majority shareholder of the Guarantor, undertakes to cause at all times to have elected, by a resolution of the shareholders' meeting of the Guarantor, two Independent Directors. However, while pursuant to Guarantor's Articles of Incorporation the dismissal of directors needs the approval of 99 per cent. of the shares in the Guarantor, directors of a Swiss company can resign for any reason and at any time, and, as a matter of Swiss company law, Cembra as majority shareholder has the power not to (re)elect directors of the Guarantor, including the Independent Directors. Therefore, there can be no assurance that the Guarantor will at all times have the Independent Directors necessary for its operations and the safeguarding of its interests in the Cover Pool Assets.

Moreover, the absence of direct control by the Trustee may have adverse consequences for Covered Bondholders if the instructions of the Guarantor conflict with the interests of the Covered Bondholders (e.g. because the Trustee's instructions cannot supersede those given by the Guarantor to, *inter alia*, the Cash Manager, the Account Bank or Cembra as Originator in relation to the servicing and administration of the Transferred Lease Assets). See also "*—Risks relating to reliance on certain transaction parties — The Guarantor and the Covered Bondholders place significant reliance on Cembra and such reliance may give rise to conflicts of interest*".

The affiliation of the Independent Directors of the Guarantor with the Trustee and Bondholders' Representative may give rise to conflicts of interest

The Chairperson and the Vice-Chairperson were elected to the Board of Directors of the Guarantor as Independent Directors (see "*The Guarantor — Board of Directors*"). The Independent Directors have been proposed by TMF Services SA which is the Trustee and Bondholders' Representative. As at the date of this Base Prospectus, the Independent Directors were employees of TMF Services SA. This may involve conflicts of interest involving circumstances under which the Independent Directors may not act in the best interests of the Covered Bondholders.

Material breach of any SPE Covenant (as defined below) may result in a Guarantor Event of Default, which could adversely affect the Guarantor's ability to make payment of the Guaranteed Amounts due

Special purpose entity (SPE) covenants are generally designed to limit the activities and purposes of certain entities involved in structured financings to owning the related assets, making payments on the related financial instruments and taking such other actions as may be necessary to carry out the foregoing in order to reduce the risk that circumstances unrelated to such instruments and related assets result in the occurrence of an Insolvency Event in relation to the Guarantor. Such covenants (known as **SPE Covenants**) are generally used in structured finance transactions to satisfy requirements of institutional lenders and recognised statistical rating organisations. In order to minimise the possibility that SPEs, like the Guarantor, will be the subject of bankruptcy proceedings, provisions are generally contained in the SPE's organisational documents and/or documentation relating to the transaction that, among other things, limit the indebtedness that can be incurred by such entities and restrict such entities from conducting business as an operating company (thus limiting exposure to outside creditors).

The Guarantee Mandate Agreement will contain provisions that require the Guarantor to conduct itself in accordance with certain SPE Covenants, which may include some or all of the foregoing. However, there can be

no assurance that the Guarantor will in fact comply with such SPE Covenants and even if such SPE Covenants have been complied with by the Guarantor, there is no guarantee that the Guarantor will not nonetheless become insolvent.

A material breach of any SPE Covenant may result in a Guarantor Event of Default, giving rise to acceleration of all Series of Auto Covered Bonds. This could adversely affect the Guarantor's ability to make all payments due of the Guaranteed Amounts.

PROGRAMME RELATED LEGAL AND REGULATORY RISKS

Switzerland's lack of a statutory framework for the Auto Covered Bonds creates legal uncertainty and may adversely affect the market value of the Auto Covered Bonds

Switzerland does not have a legislative framework for the issuance of structured covered bonds. Furthermore, as at the date of this Base Prospectus, there are no specific legislative initiatives to introduce a Swiss regulatory framework for structured covered bonds.

Auto Covered Bonds do not correspond to the common definition of covered bonds set out in the legislative framework of the European Union for the issuance of covered bonds

The Auto Covered Bonds issued under the Programme are based on a novel structure and investors in Auto Covered Bonds should be aware that Auto Covered Bonds do not correspond to the common definition of covered bonds set out in the legislative framework of the European Union for the issuance of covered bonds, including the legislative proposal adopted by the European Commission on 12 March 2018 for an EU-framework consisting of a directive on the issue of covered bonds and covered bond public supervision and a regulation on amending Regulation (EU) No 575/2013 as regards exposures in the form of covered bonds. In particular, the Auto Covered Bonds are not issued by a credit institution within the meaning of the aforementioned EU regulations and the Cover Pool consists of Lease Assets rather than mortgages.

The transaction structure relies on a number of legal concepts which have not been previously tested in Swiss courts

As one of the first programmes for the issuance of Auto Covered Bonds in Switzerland, the Programme is based on a novel structure and such structure has not been tested in court or validated in legal writing. Moreover, the structure relies on a number of innovative legal concepts, some of which have not been tested in court. In the process of establishing the Programme, Cembra and the Guarantor have received legal advice as to, among other things, the effectiveness and legal enforceability of the provisions of the Security Transfer Agreement, the Guarantee Mandate Agreement and the Guarantee. However, there is no case law which is directly applicable to the structure of the Programme, and the judicial precedents, legal authorities and other considerations underlying such advice are subject to change (see "*Change of law*"). In addition, the relevant advice was based on customary assumptions and qualifications including, in relation to the compliance of the Transaction Parties with relevant representations, warranties and undertakings, the validity and enforceability of the agreements, including in relation to the transfer clauses therein, pursuant to which the Lease Assets transferred or to be transferred were or may be originated, and to the arm's length nature of the transactions entered into by the parties of the Transaction Documents and their related intentions. Consequently, there can be no certainty that a court, a regulatory authority or an insolvency administrator or liquidator would act and rule in the same manner as contemplated in the legal advice received. Any such action or decision deviating from the advice received may adversely affect the rights and obligations of the holder of the Auto Covered Bonds and even the viability of the transaction structure. Without limitation to the generality of the foregoing, relevant decisions could compromise the bankruptcy remoteness of the Guarantor and/or make the Guarantor subject to the special restructuring and insolvency regime for banks and other relevant entities, which could adversely affect the claims of the Covered Bondholders, represented by the Bondholders' Representative, under the Guarantee as well as the liquidation of the Cover Pool Assets for the benefit of the Covered Bondholders and the distribution of the proceeds thereof in accordance with the applicable Priority of Payments. Further, relevant decisions could also result in the transfer of Lease Assets and Cover Pool Assets to the Guarantor not being recognised or in preventing or limiting the liquidation or enforcement of Lease Assets and Cover Pool Assets, all of which could leave the Covered Bondholders with economically unsecured claims against the Issuer.

Insolvency proceedings and subordination provisions

Under Swiss law it is uncertain whether subordination provisions of the type included in the Transaction Documents would be enforceable against an insolvency administrator of a Swiss debtor or whether the creditor benefiting from a subordination would have to rely on the redistribution provisions set out in the DEBA. Consequently, there is no assurance that the Covered Bondholders will receive the amounts they are entitled to receive pursuant to the Conditions. If an insolvency administration does not respect the applicable Priority of Payments, Covered Bondholders may have to directly take action against parties who have received more than their applicable share pursuant to the applicable Priority of Payments, which may be time consuming and expensive and there can be no guarantee that Covered Bondholders will ultimately be able to recover any such amounts.

Legal investment laws and regulations may restrict certain investments

The investment activities of certain Investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers to determine whether and to what extent (a) Auto Covered Bonds are legal investments for it, (b) Auto Covered Bonds can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Auto Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Auto Covered Bonds under any applicable risk-based capital or similar rules.

Change of Law

The transaction structure developed for purposes of the issuance of Auto Covered Bonds (see "*The transaction structure relies on a number of legal concepts which have not been previously tested in Swiss courts*"), the Conditions of the Auto Covered Bonds and the Transaction Documents are based on Swiss law in effect as at the date of this Base Prospectus and the description of the effects thereof or any default or insolvency of the Guarantor or Cembra are based on Swiss law in effect as at the date thereof. Such laws and the interpretation thereof have been and are subject to change. No assurance can be given as to the impact of any possible judicial decision or change to Swiss law or administrative practice in Switzerland after the date of this Base Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer or the Guarantor to make payments under the Auto Covered Bonds and/or the ability of the Guarantor to make payments under the Guarantee.

The Auto Covered Bonds are not issued pursuant to a specific statutory framework, but are based on a novel structure (see also "*The transaction structure relies on a number of legal concepts which have not been previously tested in Swiss courts*"). Accordingly, changes in law or its interpretation, including by way of changes to administrative practice and judicial decisions, may adversely affect the Auto Covered Bonds and the rights of the Covered Bondholders against the Issuer under the Auto Covered Bonds and/or against the Guarantor under the Guarantee and even the viability of the transaction structure. Without limitation to the generality of the foregoing, changes in legislation or regulation affecting the Lease Agreements or its documentation may impair the enforceability of the Lease Agreements, render the corresponding Transferred Lease Assets ineligible and/or adversely affect the ability of Cembra to originate or transfer to the Guarantor Lease Assets meeting the Eligibility Criteria. Moreover, relevant changes could result in the transfer of Lease Assets and Cover Pool Assets to the Guarantor not being recognised, prevent or limit the liquidation or enforcement of Lease Assets and Cover Pool Assets for the benefit of the Covered Bondholders and the distribution of the proceeds thereof in accordance with the applicable Priority of Payments, compromise the bankruptcy remoteness of the Guarantor and/or make the Guarantor subject to the special insolvency regime for banks and other relevant entities, all of which could leave the Covered Bondholders with economically unsecured claims against the Issuer (see also "*The transaction structure relies on a number of legal concepts which have not been previously tested in Swiss courts*").

Payments under the Auto Covered Bonds may be subject to U.S. Foreign Account Tax Compliance Withholding

In certain circumstances certain non-US financial institutions (**FFIs**) through which payments on the Auto Covered Bonds will be made may be required to withhold US tax at a rate of 30 percent pursuant to sections 1471-1474 of the US Internal Revenue Code of 1986, as amended (enacted in 2010 as part of the Foreign Account Tax Compliance Act), and the regulations and other guidance promulgated thereunder, including any intergovernmental agreements concluded between the United States and any other jurisdiction, and such other jurisdiction's implementing legislation related thereto, (collectively, **FATCA**) on all, or a portion of, payments made after the later of (a) 31 December 2018, or (b) the date of publication of final US treasury regulations

defining the term "foreign passthru payment", in respect of (i) Auto Covered Bonds that are treated as debt for US federal tax purposes that are issued or materially modified after the date that is six months after the date of publication of final US treasury regulations defining the term "foreign passthru payment", and (ii) Auto Covered Bonds that are treated as equity for US federal tax purposes, whenever issued.

If an amount in respect of FATCA were required to be withheld from any payment on the Auto Covered Bonds, there will be no "gross up" (or any other additional amount) payable by way of compensation to the investor for the withheld amount. An investor that is able to claim the benefits of an income tax treaty between its own jurisdiction and the United States may be entitled to a refund of amounts withheld pursuant to the FATCA rules, though the investor would have to file a US tax return to claim this refund and would not be entitled to interest from the US Internal Revenue Service (**IRS**) for the period prior to the refund.

Generally, FFIs in a jurisdiction that has entered into an intergovernmental agreement with the United States for the implementation of FATCA (an **IGA**), such as Switzerland, are not required to withhold under FATCA or the IGA (or any law implementing the IGA) from payments they make to their "account holders", including, in certain circumstances, debt and equity holders. However, the Swiss IGA may require that Swiss FFIs withhold under FATCA on payments made to certain FFIs that do not fulfil their obligations under FATCA or certain account holders (including debt and equity holders) who are deemed to be unable to receive payments free of FATCA withholding.

FATCA withholding, if ever required, may affect payments made to custodians or intermediaries in the payment chain leading to the Issuer, or the ultimate investor, if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. Within the transaction, this could result in the Issuer receiving amounts on the loans that are materially less than it would have received had no such FATCA withholding been imposed. FATCA withholding may also affect payment to any ultimate investor that is an FFI that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding.

The Issuer's obligations under the Auto Covered Bonds are discharged once it has made payment to, or to the order of, the Principal Paying Agent and the Issuer has therefore no responsibility for any amount thereafter transmitted through the Principal Paying Agent, custodians, or intermediaries. Under the Conditions, a holder of Auto Covered Bonds agrees or is deemed to agree to provide any information required for FATCA compliance, and to permit this information to be reported to the IRS.

Swiss VAT

Prior to a VAT Trigger Event, the Guarantor is not required to account for Swiss VAT and register as a Swiss VAT payer. The Guarantor is not a member of a Swiss VAT grouping "Cembra Money Bank AG". Prior to a VAT Trigger Event the Guarantor is not entitled to recover or deduct input VAT charged by certain service providers on services provided to the Guarantor or self-assessed by the Guarantor under the reverse charge mechanism on the purchase of certain services from abroad provided such purchase of services from abroad are above CHF 10,000 per calendar year.

From the point of view of the Swiss Federal Tax Administration, the mere transfer of the Lease Assets from Cembra to the Guarantor as security becomes a true sale upon the occurrence of an Issuer Event of Default and a VAT Trigger Event. The qualification of the transfer of Lease Assets as a sale of receivables by the Swiss Federal Tax Administration may trigger a potential secondary liability of the Guarantor for the VAT included in such receivables and payable by Cembra on such receivables. However, such secondary liability only applies, if (i) the transferred receivable has a tax point after the relevant transfer date but before the occurrence of a VAT Trigger Event, (ii) the VAT remains unpaid in the insolvency of Cembra and (iii) a loss certificate (*Verlustschein*) is issued against Cembra. In addition, the secondary liability is limited to VAT amounts collected by the Guarantor after the opening of the insolvency procedures over Cembra. Accordingly, the potential VAT exposure for the Guarantor on the basis of such secondary liability, if any, would appear very limited, in particular, bearing in mind that according to the Transaction Documents the Guarantor stops reassigning and repaying VAT Receivables to Cembra after the occurrence of a VAT Trigger Event.

ACTUAL RESULTS MIGHT DIFFER SUBSTANTIALLY FROM THE PROJECTIONS IN THIS BASE PROSPECTUS

Forecasts and estimates in this Base Prospectus are forward-looking statements which relate, but are not limited, to the Issuer's potential exposure to various types of market risks, such as counterparty risk, interest rate risk, foreign exchange rate risk and commodity and equity price risk and are speculative in nature. Such statements are subject to risks and uncertainties and therefore not historical facts and represent only the Issuer's beliefs regarding future events, many of which, by their nature, are inherently uncertain and beyond the control of the Issuer. It can be expected that some or all of the assumptions underlying the projections will not prove to be correct or will vary from actual results. Consequently, the actual result might differ from the projections and such differences might be significant.

ABOUT THIS BASE PROSPECTUS

Documents Incorporated by Reference

The following documents, which have previously been published or are published simultaneously with this Base Prospectus, are incorporated in, and form part of, this Base Prospectus:

- (a) the annual report 2024 of Cembra (available on the date of this Base Prospectus at <https://www.cembra.ch/en/investor/investor-relation/reports-and-presentations/financial-reports/>); and
- (b) the articles of association of Cembra and the articles of incorporation of the Guarantor.

Supplements

After the date hereof, a supplement to this Base Prospectus that adds, updates or changes the information contained in this Base Prospectus may be prepared by the Issuer, which supplement will be filed with and, to the extent required by article 56(4) of the FinSA, approved by the Swiss Review Body and published by the Issuer in accordance with the FinSA. Statements contained in any such supplement (or contained in any document incorporated by reference herein via such supplement) will be deemed to modify or supersede statements contained in this Base Prospectus or in a document that is incorporated by reference herein. Any statement so modified or superseded will not, except as so modified or superseded, constitute a part of this Base Prospectus with respect to the Auto Covered Bonds offered on or after the date of the relevant supplement.

Availability of Documents

Copies of this Base Prospectus (including the documents incorporated by reference herein and any supplements hereto) as well as each Applicable Final Terms can be obtained, free of charge, during normal business hours from Zürcher Kantonalbank as listing agent, Josefstrasse 222, 8005 Zurich Switzerland (telephone: +41 44 292 20 11 or email: prospectus@zkb.ch).

In addition, the annual reports of Cembra are published on Cembra's website, at <https://www.cembra.ch/en/investor/investor-relation>. The information contained on this website or other securities filings do not form part of this Base Prospectus unless otherwise specifically incorporated by reference herein.

FORM OF APPLICABLE FINAL TERMS

Set out below is the form of Applicable Final Terms which will be completed for each Tranche of Auto Covered Bonds issued under the Programme.

[Date]

Cembra Money Bank AG

Legal Entity Identifier (LEI) Code: 549300ZDHOETLAIVTE82

Issue of [Aggregate Nominal Amount of Tranche] [Title of Auto Covered Bonds]

irrevocably and unconditionally guaranteed as to payment of principal and interest by Cembra Auto Finance AG

under the CHF 1 billion Auto Covered Bond Programme

[Summary to be included]

PART A – CONTRACTUAL TERMS

Terms used but not defined herein have the meanings assigned to such terms in the Conditions of the Auto Covered Bonds set forth in the Base Prospectus dated [●] [, as supplemented by the supplement[s] thereto dated [insert date(s)]] (the **Base Prospectus**), which constitutes a base prospectus for purposes of article 45 of the Swiss Financial Services Act dated 15 June 2018 (the **FinSA**). This document constitutes the Applicable Final Terms within the meaning of article 45(3) of the FinSA for the Tranche of Auto Covered Bonds described herein and must be read in conjunction with the Base Prospectus, which together constitute the prospectus with respect to such Tranche of Auto Covered Bonds for purposes of the FinSA.

Full information on the Issuer, the Guarantor and the offer of the Auto Covered Bonds described herein is only available on the basis of the combination of these Applicable Final Terms and the Base Prospectus as supplemented from time to time. Copies of the Base Prospectus (including the documents incorporated by reference therein and any supplements thereto) and these Applicable Final Terms can be obtained in electronic or printed form, free of charge, during normal business hours from (i) registered office of the Issuer or (ii) Zürcher Kantonalbank, [●], Switzerland, or telephone ([●]) or email to [●].

- A) Issue Date []
- B)
- a) Series Number: []
- b) Tranche Number: []
- c) Series with which Auto Covered Bonds will be consolidated and form a single Series: []/[Not Applicable]
- d) Date on which the Auto Covered Bonds will be consolidated and form a single Series with the Series specified above: []/[Issue Date]/[Not Applicable]
- C) Currency: CHF
- D) Aggregate Nominal Amount: []
- a) Series: []
- b) Tranches: []
- E) Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]]

- F)
- a) Specified Denominations: []
- b) Calculation Amount: []
- G) Interest Commencement Date: For the Period from (and including) the Issue Date to (but excluding) the Final Maturity Date or, if earlier, Conversion Event Date: [●]
- For the period from (and including) the Final Maturity Date or, if earlier, the Conversion Event Date to (and including) the Extended Due for Payment Date: The Final Maturity Date or, if earlier, the Conversion Event Date
- H)
- a) Final Maturity Date: []/[Interest Payment Date falling in or nearest to *[specify month and year]*]/[Not Applicable]]
- b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Guarantee []/[Interest Payment Date falling in or nearest to *[specify month and year]*]/[Not Applicable]
- I) Interest Basis: Fixed Rate payable in arrears
- J) Redemption/Payment Basis Subject to any purchase and cancellation or early redemption, the Auto Covered Bonds will be redeemed on the Final Maturity Date at [●] per cent. of the nominal value
- K) Change of Interest Basis or Redemption/Payment Basis: []/[in accordance with paragraphs 15 and 16]
- L)
- a) Date of approval for issuance of Auto Covered Bonds Approval of the Issuer obtained on []/[]
- b) Date of board approval for the Guarantee obtained: Approval of the Board of Directors of the Guarantor obtained on []/[]
- M) Method of Distribution: []

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- A) Fixed Rate Auto Covered Bond Provisions: Applicable from the Interest Commencement Date to the earlier of (but excluding) (i) the Final Maturity Date and (ii) the Conversion Event Date
- a) Rate(s) of Interest: [] per cent. per annum payable in arrears on each Interest Payment Date
- b) Interest Payment Date(s): [] in each year up to (but excluding) the Final Maturity Date, or if earlier, the Conversion Event Date
- c) Fixed Coupon Amount(s): [] per Calculation Amount
- d) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []/[Not Applicable]

- e) Day Count Fraction: [30/360, unadjusted]/[Actual/Actual (ICMA)]
- f) Determination Date(s): [] [in each year]/[Not Applicable]
- B) Fixed Rate Auto Covered Bond Provisions: Applicable to Pass-Through Auto Covered Bonds from (and including) the Final Maturity Date or, if earlier, applicable from (and including) the Conversion Event Date
- a) Rate(s) of Interest: [] per cent. per annum payable in arrears on each Interest Payment Date
- b) Interest Payment Date(s): [] in each year up to (and including) the earlier of (i) the Final Maturity Date and (ii) the Conversion Event Date up to (and including) the earlier of (x) the date on which the Guaranteed Final Redemption Amount is paid in full and (y) the Extended Due for Payment Date
- c) Fixed Coupon Amount(s): [] per Calculation Amount
- d) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []/[Not Applicable]
- e) Day Count Fraction: [30/360, unadjusted]/[Actual/Actual (ICMA)]
- f) Determination Date(s): [] in each year/[Not Applicable]

PROVISIONS RELATING TO REDEMPTION

- A) Redemption for Tax Reasons – other minimum or maximum period: [[Not Applicable] / Not less than [] days and not more than [] days
- B) Final Redemption Amount: [Normal Amount/[] per Calculation Amount]
- C) Early Redemption Amount payable on Redemption for Tax Reasons, on Event of Default: [Normal Amount/[] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE AUTO COVERED BONDS

- a) Form of Auto Covered Bonds: Uncertificated Auto Covered Bonds:
- Uncertificated Auto Covered Bonds: registered into the main register (*Hauptregister*) with [SIX SIS AG, Olten, Switzerland] / [].
- No individually certificated securities (*Wertpapiere*) will be printed or delivered.

PART B – OTHER INFORMATION

1) LISTING, ADMISSION TO TRADING AND EXPENSES

- a) Listing: [SIX Swiss Exchange] [●] / [Not Applicable]
- b) Admission to trading: [The first day of trading on [SIX Swiss Exchange] [●] will be [date]. Application for definitive admission to trading and listing on [SIX Swiss Exchange] [●] will be made as soon as practicable thereafter and (if granted) will only be granted after the Issue Date. [The last day of trading on [SIX Swiss Exchange] [●] will be [date].] / [Not Applicable] / []

(When documenting a fungible issue need to indicate that the original securities are already admitted to trading)

- c) Estimated total expenses relating to [] admission to trading.

2) USE OF PROCEEDS AND ESTIMATED NET PROCEEDS

- a) Use of Proceeds: The net proceeds of the issue of each Series or Tranche of Auto Covered Bonds will be used by the Issuer for its general corporate purposes.
- b) Estimated Net Proceeds: []

3) RATINGS

Ratings: The Auto Covered Bonds to be issued have been rated: Fitch Ratings Limited: []

4) INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Save for any fees payable to the Managers, so far as the Issuer and the Guarantor are aware, no person involved in the offer of the Auto Covered Bonds has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Guarantor and their affiliates in the ordinary course of business.

5) YIELD

Indication of yield (calculated at the Issue [Not Applicable/[]])
Date on the basis of the Issue Price):

6) OPERATIONAL INFORMATION

ISIN: []

Common Code: []

Swiss Security Number: []

Relevant Clearing System(s): [SIX SIS AG] [●] / [Not Applicable] / []

Delivery: Delivery [against/free of] payment

Name and address of Principal Paying Agent: Zürcher Kantonalbank
Bahnhofstrasse 9
8001 Zurich
Switzerland

Names and addresses of additional Paying Agent(s) (if any) [Not Applicable/[]]

7) DISTRIBUTION

If syndicated, names and addresses of Managers and underwriting commitments [Not Applicable/give names, addresses and underwriting commitments]

Date of Subscription Agreement / Purchase Agreement []

Stabilising Manager(s) (if any): [Not Applicable/give name]

If non-syndicated, name and address of relevant Manager: [Not Applicable/give name and address]

U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA not applicable

Prohibition of sales to EEA retail investors: [Applicable/Not Applicable]

Prohibition of sales to UK retail investors: [Applicable/Not Applicable]

REPRESENTATIVE

In accordance with article 58a of the Listing Rules of SIX Swiss Exchange, the Issuer and the Guarantor has appointed Zürcher Kantonalbank, located at Bahnhofstrasse 9, CH-8001 Zurich, as its representative to file the application with SIX Exchange Regulation AG in its capacity as competent authority for the admission to trading (including the provisional admission to trading) and listing of the Auto Covered Bonds on SIX Swiss Exchange.

NO MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in the Base Prospectus, no material changes have occurred in the Issuer's assets and liabilities, financial position or profits and losses since [insert the date of the latest annual or interim financial statements].

RESPONSIBILITY

The Issuer and the Guarantor assume responsibility for the completeness and accuracy of these Applicable Final Terms and the Base Prospectus (with respect to the Base Prospectus only, as set out in the section "*Important Information*" in the Base Prospectus) and declare that to their knowledge, the information contained in these Applicable Final Terms is in accordance with the facts and that no material circumstances have been omitted.

Signed on behalf of the Issuer

Signed on behalf of the Guarantor

Name:
Title:

Name:
Title:

Name:
Title:

Name:
Title:

TERMS AND CONDITIONS OF THE AUTO COVERED BONDS

The following general terms and conditions (the **Conditions**) govern the rights and obligations of the Issuer (as defined below) and each Covered Bondholder (as defined below) in relation to the Auto Covered Bonds (as defined below) issued by the Issuer. These Conditions are subject to completion and amendment in accordance with the provisions of the applicable Final Terms (as defined below).

References herein to the **Auto Covered Bonds** shall mean the auto covered bonds of the Tranche or Series (each as defined below) specified in the Applicable Final Terms (as defined below) issued by Cembra Money Bank AG, a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Switzerland under registration number CHE-115.295.655 with its registered office at Bändliweg 20, 8048 Zurich, Switzerland (**Cembra** or the **Issuer**), under the Programme (as defined herein).

As used herein, **Tranche** means Auto Covered Bonds of a given Series issued on a single issue that are identical in all respects (including as to listing) and **Series** means a Tranche of Auto Covered Bonds together with any further Tranche or Tranches of Auto Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Date, Interest Commencement Date and/or Issue Price (each as defined below).

The Issuer may also issue unlisted Auto Covered Bonds and/or Auto Covered Bonds not admitted to trading on any market.

The Auto Covered Bonds have the benefit of a paying agency agreement dated on or about the Programme Closing Date (such paying agency agreement as amended and/or supplemented and/or restated from time to time, the **Paying Agency Agreement**) between the Issuer, Cembra Auto Finance AG as guarantor (the **Guarantor**), TMF Services SA as trustee (the **Trustee**, which expression shall include any Successor Trustee (as defined herein)) and Zürcher Kantonalbank as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent).

Cembra Auto Finance AG, a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Switzerland under registration number CHE-472.832.355 with its registered office at c/o Cembra Money Bank AG, Bändliweg 20, 8048 Zürich, Switzerland as guarantor (the **Guarantor**) has, pursuant to a guarantee dated on or about the Programme Closing Date, between the Guarantor and TMF Services SA as Bondholders' Representative (which expression shall include any successor Bondholders' Representative), acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, and as Trustee (the **Guarantee**), irrevocably and, subject to the terms and conditions of the Guarantee, unconditionally guaranteed in accordance with article 111 CO to the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders the due and punctual performance by the Issuer of its obligations under the Auto Covered Bonds in an amount equal to the Guaranteed Amounts (as defined below). The obligations of the Guarantor under the Guarantee constitute direct, unsecured, unsubordinated and, following the Guarantee Activation Date and the service of a Notice to Pay by the Trustee on the Guarantor for the relevant Guaranteed Amount, unconditional obligations of the Guarantor (each as defined herein).

These Conditions are completed and/or amended by the provisions set out in the Final Terms prepared in connection with the relevant Series or Tranche of Auto Covered Bonds (the **Applicable Final Terms**), which may specify additional or other terms and conditions that will replace, amend, supplement or modify the Conditions for the purposes of the Auto Covered Bonds. To the extent there is any inconsistency between the provisions of the Applicable Final Terms and these Conditions, the provisions of the Applicable Final Terms shall prevail.

Any reference to **Covered Bondholders** or **Holder**s in relation to any Auto Covered Bonds shall mean if such Auto Covered Bonds are held in the form of Intermediated Securities (as defined herein), the person holding such Auto Covered Bonds in a securities account (*Effektenkonto*) that is in such person's name or, in the case of intermediaries (*Verwahrungsstellen*), the intermediary holding such Auto Covered Bonds for its own account in a securities account that is in its name.

Copies of the Trust Agreement, the Paying Agency Agreement, the Guarantee, the Guarantee Mandate Agreement, the Security Transfer Agreement and the other Transaction Documents as well as of these Conditions and the Applicable Final Terms are available for inspection during usual business hours on any weekday (public holidays excepted) from the specified offices of Zürcher Kantonalbank, for the time being Josefstrasse 222, 8005 Zurich, Switzerland.

Capitalised terms and expressions used and not otherwise defined in these Conditions shall have the meanings ascribed to them in Condition 22 (*Definitions*).

1. AMOUNT, DENOMINATION, FORM AND TRANSFERS

- (a) The initial aggregate principal amount of the Auto Covered Bonds is specified in the Applicable Final Terms. All payments in relation to the Auto Covered Bonds will be made in Swiss Francs. The Auto Covered Bonds are issued in the Specified Denomination(s) specified in the Applicable Final Terms.
- (b) The Auto Covered Bonds will be issued in uncertificated form as uncertificated securities (*Wertrechte*) in accordance with article 973c CO (the **Uncertificated Auto Covered Bonds**). Each Tranche of Auto Covered Bonds will be entered into the main register (*Hauptregister*) of SIX SIS AG (**SIX SIS**) or any other intermediary (*Verwahrungsstelle*) in Switzerland (SIX SIS or any other such intermediary, the **Intermediary**) on or prior to the Issue Date. Once the Uncertificated Auto Covered Bonds are registered in the main register of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Uncertificated Auto Covered Bonds will constitute intermediated securities (*Bucheffekten*) (the **Intermediated Securities**) within the meaning of the FISA.
- (c) So long as the Uncertificated Auto Covered Bonds constitute Intermediated Securities, they may only be transferred or otherwise disposed of by the entry of the transferred Uncertificated Auto Covered Bonds in a securities account (*Effektenkonto*) of the transferee in accordance with the FISA.
- (d) The records of the Intermediary will determine the principal amount of the Auto Covered Bonds and the number of Auto Covered Bonds held through each participant in the Intermediary.
- (e) No individually certificated securities (*Wertpapiere*) will be printed or delivered. None of the Issuer, the Covered Bondholders, the Principal Paying Agent, the Guarantor or any other party will at any time have the right to effect or demand the conversion of the Uncertificated Auto Covered Bonds into, or the delivery of a permanent global certificate (*Globalurkunde*) or individually certificated securities.

2. STATUS OF THE AUTO COVERED BONDS

The Auto Covered Bonds constitute direct, unsecured, unsubordinated and unconditional obligations of the Issuer and rank *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer and without any preference among themselves, except for such preferences as are provided by any mandatory applicable provision of law.

3. THE GUARANTEE

3.1 Guarantee of the Auto Covered Bonds

- (a) The Guarantor irrevocably and unconditionally guarantees in accordance with article 111 CO, as a primary obligor and not merely as surety (*Bürge*) to the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders the due and punctual performance by the Issuer of its obligations to pay all amounts payable by the Issuer under the Auto Covered Bonds in an amount equal to the Guaranteed Amounts in accordance with and subject to the terms and conditions set out in the Guarantee.
- (b) The payment of the Guaranteed Amounts in respect of the Auto Covered Bonds shall be irrevocably guaranteed by the Guarantor in accordance with the terms and conditions of the Guarantee. However, the Guarantor shall have no obligation under the Guarantee to pay any Guaranteed Amounts when the same shall become Due for Payment under the Guarantee until the Guarantee Activation Date and such obligation shall be subject to the service of a Notice to Pay for the relevant amount on the Guarantor and subject to the provisions set forth in Condition 18 (*Limited Recourse against the Guarantor*).

- (c) The obligations of the Guarantor under the Guarantee are direct, unsecured, unsubordinated and, following the Guarantee Activation Date and subject to the service of a Notice to Pay by the Trustee on the Guarantor for the relevant Guaranteed Amounts, unconditional obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank *pari passu* and at least equally with all other present or future, unsecured and unsubordinated obligations of the Guarantor.
- (d) Prior to the issuance of a new (initial or subsequent) Series or Tranche of Auto Covered Bonds, the Issuer shall deliver to the Guarantor an Instruction of the Extension of the Guarantee with respect to such Series or Tranche in accordance with the Guarantee Mandate Agreement, requesting that the Guarantee shall extend to and cover all amounts due and payable under such new Series or Tranche of Auto Covered Bonds to be issued. Upon such Instruction of the Extension of the Guarantee having been duly acknowledged and agreed by the Guarantor, the Guarantee will be extended to such Series or Tranche of Auto Covered Bonds.

3.2 Rights held by Bondholders' Representative

Any rights under the Guarantee can be exercised exclusively by the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, appointed by each Covered Bondholder pursuant to Condition 13 (*Appointment of Bondholders' Representative*), and no Covered Bondholder may assert any rights or proceed against the Guarantor under the Guarantee for as long as the Bondholders' Representative is entitled to act as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders in accordance with Condition 13 (*Appointment of Bondholders' Representative*).

3.3 Role of the Trustee

Each Covered Bondholder takes note that:

- (a) The Issuer and the Guarantor have appointed TMF Services SA, rue de Jargonnant 2, 1207 Geneva, Switzerland, as Trustee with a view to safeguard the interest of the Covered Bondholders under the Programme subject to and in accordance with the terms and conditions of the Trust Agreement.
- (b) The role of the Trustee is separate and different from the role of the Bondholders' Representative.
- (c) The parties to the Trust Agreement and each Covered Bondholder acknowledge and agree that the role of the Trustee and the role of the Bondholders' Representative should, to the extent possible, at all times be held by the same Person. Therefore:
 - (i) if a new Bondholders' Representative is appointed with respect to one or more Series of Auto Covered Bonds with an Aggregate Principal Amount Outstanding of more than 50 per cent. of the Aggregate Principal Amount Outstanding of all Series of Auto Covered Bonds, such Bondholders' Representative shall be appointed as Trustee pursuant to the Trust Agreement, provided that the Issuer and the Guarantor shall have the right to jointly appoint any other Person as Trustee in case it is not feasible in the view of the Guarantor and the Issuer, acting reasonably, for such new Bondholders' Representative to be appointed as Trustee, in each case subject to any provisions of mandatory Swiss law applicable at the relevant time; and
 - (ii) if a new Bondholders' Representative is appointed with respect to one or more Series of Auto Covered Bonds with an Aggregate Principal Amount Outstanding of 50 per cent. or less of the Aggregate Principal Amount Outstanding of all Series of Auto Covered Bonds, such new Bondholders' Representative shall not be appointed as Trustee under the Trust Agreement. The Trustee will remain and the role of such Bondholders' Representative shall be limited strictly to its authorisation pursuant to paragraph (a) of Condition 13 (*Appointment of Bondholders' Representative*).

4. INTEREST

4.1 Rate of Interest

- (a) The Applicable Final Terms contain provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4.1 for full information on the manner in which interest is calculated. In particular, the Applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Final Maturity Date, the Extended Due for Payment Date, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.
- (b) Each Auto Covered Bond bears interest from (and including) the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest. Interest will be payable in arrears on each Interest Payment Date(s) up to (and including) the date specified in the Applicable Final Terms.
- (c) Interest shall be calculated in respect of any period by applying the Rate of Interest to the Aggregate Principal Amount Outstanding of the respective Tranche of Auto Covered Bonds and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

- (d) In these Conditions:

Day Count Fraction means, in respect of the calculation of an amount of interest:

- (i) if **Actual/Actual (ICMA)** is specified in the Applicable Final Terms:
 - (A) in the case of Auto Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the Applicable Final Terms) that would occur in one calendar year; or
 - (B) in the case of Auto Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if **30/360** is specified in the Applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12, 30-day months) divided by 360.
- (iii) **Determination Period** means each period from (and including) the Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination

Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after such date); and

- (iv) **sub-unit** means Swiss Franc 0.01.

4.2 Interest following a Notice to Pay under the Guarantee

Following an IED Guarantee Activation Date and the service of a Notice to Pay on the Guarantor in relation to an interest amount due under the Auto Covered Bonds but prior to the occurrence of a GED Guarantee Activation Date, the Guarantor shall, in accordance with the terms of the Guarantee and subject to Condition 7 (*Taxation*) and Condition 8 (*Taxation of payments under the Guarantee*), pay a Guaranteed Amount corresponding to the amount of interest described under Condition 4.1 (*Rate of Interest*) under the Guarantee in respect of the Auto Covered Bonds on the relevant Due for Payment Dates.

4.3 Accrual of Interest

- (a) Each Auto Covered Bond (or in the case of the redemption of part only of an Auto Covered Bond, that part only of such Auto Covered Bond) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:
- (i) the date on which all amounts due in respect of such Auto Covered Bond have been paid; and
 - (ii) five days after the date on which the full amount of the moneys payable in respect of such Auto Covered Bond has been received by the Principal Paying Agent and notice to that effect has been given to the relevant Covered Bondholders in accordance with Condition 12 (*Notices*).
- (b) Each Auto Covered Bond will cease to bear interest upon the occurrence of a GED Guarantee Activation Date.

5. PAYMENTS

5.1 Method of Payment

- (a) All payments required to be made under the Auto Covered Bonds will be made available in good time in freely disposable Swiss Francs to the Principal Paying Agent. Payments in respect of such Auto Covered Bonds will be made irrespective of any present or future transfer restrictions and without regard to any bilateral or multilateral payment or clearing agreement which may be applicable at the time of such payments.
- (b) The receipt by the Principal Paying Agent of the due and punctual payment of funds shall release the Issuer from its payment obligations under the Auto Covered Bonds to the extent of such payment.
- (c) All payments required to be made under the Auto Covered Bonds (including, without limitation, any additional amounts that may be payable under Condition 7 (*Taxation*)) shall be made to the Covered Bondholders in Switzerland, without collection costs, without any restrictions and whatever the circumstances may be, irrespective of nationality, domicile or residence of the relevant Covered Bondholder and without certification, affidavit or the fulfilment of any other formality.

5.2 Payments subject to Fiscal and Other Laws

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**), or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any agreements,

law, regulation or other official guidance implementing an intergovernmental agreement or other intergovernmental approach thereto (collectively, **FATCA**).

5.3 Interpretation of Principal and Interest

Any reference in the Conditions to principal in respect of the Auto Covered Bonds shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);
- (b) the Final Redemption Amount of the Auto Covered Bonds;
- (c) the Early Redemption Amount (as defined below) of the Auto Covered Bonds; and
- (d) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Auto Covered Bonds.

Any reference in the Conditions to interest in respect of the Auto Covered Bonds shall be deemed to include, as applicable, any additional amounts, which may be payable with respect to interest under Condition 7 (*Taxation*).

6. REDEMPTION AND PURCHASE

6.1 Redemption at Maturity

- (a) Unless previously redeemed or purchased and cancelled as specified below, each Auto Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in the Applicable Final Terms on the Final Maturity Date.
- (b) Without prejudice to Condition 10 (*Events of Default and Enforcement*) but prior to the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice on the Guarantor:
 - (i) if, prior to the Conversion Event Date, (x) the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Applicable Final Terms (after expiry of the grace period set out in paragraph (a)(i) of Condition 10.1 (*Events of Default relating to the Issuer*) with respect to a Series of Auto Covered Bonds and (y) following the Guarantee Activation Date and subject to service of a Notice to Pay on the Guarantor for the Guaranteed Amount corresponding to such Final Redemption Amount, the Guarantor has insufficient moneys available under the Guarantee Priority of Payments to pay the Guaranteed Amount corresponding to such Final Redemption Amount in full in respect of the relevant Series of Auto Covered Bonds on the relevant Guarantor Payment Date, then:
 - (A) (subject as provided below) payment of the unpaid portion of the Final Redemption Amount by the Guarantor under the Guarantee shall be deferred until the Extended Due for Payment Date (and that Series of Auto Covered Bonds will become Pass-Through Auto Covered Bonds), provided that any Guaranteed Amount corresponding to the Final Redemption Amount due and remaining unpaid shall be paid by the Guarantor (and to such extent be Due for Payment) to the extent it has funds available for distribution under the Guarantee Priority of Payments (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) on any Guarantor Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date; and
 - (B) the Guarantor shall apply such funds available for distribution under the Guarantee Priority of Payments (if any) (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) in payment of the Guaranteed Amounts corresponding to the Final Redemption Amount(s) pertaining to all Pass-

Through Auto Covered Bonds, *pro rata* by reference to the Principal Amount Outstanding of such Auto Covered Bonds on each Guarantor Payment Date up to (and including) the relevant Extended Due for Payment Date; and

- (ii) following the Conversion Event Date (subject as provided below), payment of the unpaid portion of the Guaranteed Amount corresponding to the Final Redemption Amount in respect of all Series of Auto Covered Bonds by the Guarantor under the Guarantee shall be deferred until the Extended Due for Payment Date (and all Series of Auto Covered Bonds will become Pass-Through Auto Covered Bonds), provided that
 - (A) any Guaranteed Amount corresponding to the Final Redemption Amount of any Series of Auto Covered Bonds due and remaining unpaid shall be paid by the Guarantor (and to such extent be Due for Payment) to the extent it has funds available for distribution under the Guarantee Priority of Payments (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) on any Guarantor Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date; and
 - (B) the Guarantor shall apply such funds available for distribution under the Guarantee Priority of Payments (if any) (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) in payment of the Guaranteed Amounts corresponding to the Final Redemption Amount(s) pertaining to all Pass-Through Auto Covered Bonds, *pro rata* by reference to the Principal Amount Outstanding of such Auto Covered Bonds on each Guarantor Payment Date up to (and including) the relevant Extended Due for Payment Date.
- (c) Failure by the Guarantor to make payment in respect of all or any portion of any Final Redemption Amount prior to the Extended Due for Payment Date pursuant to sub-paragraph (b)(i) and/or (b)(ii) of this Condition 6.1 shall not constitute a Guarantor Event of Default. For the avoidance of doubt, the Covered Bondholders will continue to have full recourse as against the Issuer in respect of any such amounts owing to them which remain unpaid.
- (d) The Guarantor shall notify the relevant Covered Bondholders (in accordance with Condition 12 (*Notices*)), the Rating Agency, the Trustee and the Principal Paying Agent of any event pursuant to paragraph (b) above:
 - (i) prior to the Conversion Event Date, as soon as reasonably practicable and in any event at least two Business Day prior to the date falling on the earlier of (x) the date which falls two Business Days after service of a Notice to Pay for the relevant amount on the Guarantor or, (y) if later, the Final Maturity Date; and
 - (ii) following the Conversion Event Date, as soon as reasonably practicable thereafter.
- (e) The Guarantor shall pay Guaranteed Amounts corresponding to Scheduled Interest in respect of each Series of Pass-Through Auto Covered Bonds on the basis set out in the Applicable Final Terms or, if not set out therein, in accordance with Condition 4 (*Interest*), without prejudice to the Guarantor's obligation to pay any other Guaranteed Amount (i.e. other than the Final Redemption Amount) when Due for Payment.
- (f) For the purposes of these Conditions:

Conversion Event Date means after the occurrence of an Issuer Event of Default, the date on which a Breach of Amortisation Test Notice is by served the Assignee on the Assignor.

Extended Due for Payment Date means the date falling after the Final Maturity Date of such Series of Auto Covered Bonds as specified as such in the Applicable Final Terms.

Pass-Through Auto Covered Bonds means (i) each Auto Covered Bond of a Series in respect of which any amount has remained unpaid on the relevant Final Maturity Date or (ii) immediately upon the Conversion Event Date, all Series of Auto Covered Bonds.

6.2 Redemption for Tax Reasons

- (a) The Auto Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 calendar days' (or such other minimum and/or maximum period as may be specified in the Applicable Final Terms) notice to the Trustee, the Bondholders' Representative and the Principal Paying Agent and, in accordance with Condition 12 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), if:
 - (i) on the occasion of the next payment due under the Auto Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws, regulations or rulings of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Auto Covered Bonds and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
 - (ii) if the Issuer is prevented by applicable law from making payment of the full amount then due and payable.
- (b) Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the Trustee (i) a certificate signed by two authorised persons of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so as to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment or became prevented by applicable law from making such payments, as the case may be, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Covered Bondholders.
- (c) Auto Covered Bonds redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.3 (*Early Redemption Amounts*) below together (if applicable) with interest accrued to (but excluding) the date of redemption.

6.3 Early Redemption Amounts

For the purpose of Condition 6.2 (*Redemption for Tax Reasons*) and Condition 10 (*Events of Default and Enforcement*), each Auto Covered Bond will be redeemed at its early redemption amount, which is 100 per cent. of the Principal Amount Outstanding of such Auto Covered Bond or such other amount as may be specified in the Applicable Final Terms (the **Early Redemption Amount**).

6.4 Purchases

- (a) The Issuer, the Guarantor (subject to paragraph (b) of this Condition 6.4) or any of their Affiliates may at any time purchase Auto Covered Bonds at any price in the open market or otherwise. Any purchase shall be made in accordance with applicable laws or regulations, including (without limitation) applicable stock exchange regulations.
- (b) The Guarantor may only purchase Auto Covered Bonds in accordance with this Condition 6.4 on or after the occurrence of an IED Guarantee Activation Date, and provided that the Guarantor has provided a certificate to the Trustee signed by a member of the board of directors of the Guarantor certifying that it will have the necessary funds, not subject to the interest of any other person, required to purchase the Auto Covered Bonds and to pay or make provision for any amounts required under the Guarantee Priority of Payments or the Post-Insolvency Priority of

Payments, as the case may be, to be paid in priority to or *pari passu* with such Auto Covered Bonds.

- (c) Auto Covered Bonds purchased pursuant to this Condition 6.4 may be held, resold or, at the option of the Issuer or the Guarantor, as applicable, surrendered to the Principal Paying Agent for cancellation.

6.5 Cancellation

All Auto Covered Bonds that are redeemed will forthwith be cancelled. All Auto Covered Bonds so cancelled and any Auto Covered Bonds surrendered to the Principal Paying Agent for cancellation pursuant to Condition 6.4 (*Purchases*) above cannot be reissued or resold.

7. TAXATION

- (a) In accordance with the Swiss Federal Withholding Tax Act of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer vom 13. Oktober 1965*), all payments of interest in respect of Auto Covered Bonds (periodic, as original issue discount or premium upon redemption) and all payments of corresponding Guaranteed Amounts pursuant to the Guarantee will be made by or on behalf of the Issuer or the Guarantor after deduction or withholding for or on account of Swiss Withholding Tax, currently at the rate of 35 per cent. Neither the Issuer nor the Guarantor will be required to pay any additional or further amounts in respect of such deduction or withholding.
- (b) Subject to the exception set forth in paragraph (a) of this Condition 7, all payments of principal and interest by or on behalf of the Issuer in respect of the Auto Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by any governmental or other taxing authority unless such withholding or deduction is required by law. In the event that any such withholding or deduction is imposed in respect of the Auto Covered Bonds by or on behalf of any Tax Jurisdiction, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Covered Bondholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Auto Covered Bonds, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable by the Issuer to any such Covered Bondholder on account of:
 - (i) any such taxes, duties, assessments or other governmental charges imposed in respect of such Auto Covered Bond by reason of the relevant Covered Bondholder having some connection with a Tax Jurisdiction other than the mere holding of such Auto Covered Bond; or
 - (ii) are payable more than 30 calendar days after the Relevant Date except to the extent that the relevant Covered Bondholder would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
 - (iii) any combination of two or more items (i) through (ii) above.
- (c) Notwithstanding any other provision of the Conditions and/or the Applicable Final Terms, in no event will the Issuer be required to pay any additional amounts in respect of the Auto Covered Bonds for, or on account of, any withholding or deduction required pursuant to FATCA.
- (d) Under the terms of the Guarantee, the Guarantor will not be liable to pay any such additional amounts payable by the Issuer under this Condition 7 or to pay any additional amounts in respect of any amount withheld or deducted for, or on account of, taxes from a payment by the Guarantor under the Guarantee.
- (e) As used herein:
 - (i) **Tax Jurisdiction** means Switzerland or any political subdivision or any authority thereof or therein having power to tax; and

- (ii) **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the money payable has not been duly received by the Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such money having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 12 (*Notices*).

8. TAXATION OF PAYMENTS UNDER THE GUARANTEE

Pursuant to the Guarantee, should any payments made by the Guarantor under the Guarantee be made subject to any withholding or deduction for or on account of taxes or duties of whatever nature imposed or levied by any Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, neither the Guarantor nor any other person will be obliged to pay any additional amounts in respect thereof. The Guarantor will not be liable to pay any additional amounts payable by the Issuer under Condition 7 (*Taxation*).

9. PRESCRIPTION

In accordance with Swiss law, claims for payment of principal and interest under the Auto Covered Bonds will become time-barred unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the date on which such payment first became due and payable.

10. EVENTS OF DEFAULT

10.1 Events of Default relating to the Issuer

- (a) If any of the following events (each an **Issuer Event of Default**) occurs and is continuing:
 - (i) failure by the Issuer to pay principal or interest on any of the Auto Covered Bonds if and when due and such failure continues for a period of 20 calendar days or more; or
 - (ii) failure by the Issuer to comply with either Pre-Event Test (or any representation, warranty or undertaking given by the Issuer in respect of such Pre-Event Test) and is served a notice by the Assignee in accordance with the Security Transfer Agreement notifying the Assignor that the Asset Coverage Test and/or the Interest Coverage Test is not met on two consecutive Test Dates (the **Breach of Pre-Event Test Notice**), and such Breach of Pre-Event Test Notice has not been revoked on or before the immediately following Test Date; or
 - (iii) a failure is made in the performance or observance of any material covenant, condition or provision which is to be performed by the Issuer under the terms of the Auto Covered Bonds of any Series or any other Transaction Documents to which the Issuer is a party (excluding any obligation pursuant to paragraphs (i) and (ii) of this Condition 10.1) and (except where the Bondholders' Representative certifies in writing that, in its opinion, such failure is not capable of remedy, when no such notice or continuation shall be required) such failure continues for a period of 30 calendar days following the service by the Bondholders' Representative on the Issuer of a notice requiring such failure to be remedied; or
 - (iv) the Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes a stay of execution, a postponement or payments (*Stillhaltevereinbarung*), a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium or postponement of payments (*Stillhaltevereinbarung*) is agreed or declared in respect of or affecting all or a substantial part of (or a particular type of) the debts of the Issuer, it being understood that any declaration of a stay order in relation to the Issuer by FINMA pursuant to article 30a FBA or in any successor or analogous Swiss law or regulation applicable to the Issuer shall not constitute an Issuer Event of Default; or
 - (v) the Issuer alters its legal or commercial structure through bankruptcy, liquidation, disposal of all or substantially all of its assets, change in the objects of the legal entity and/or commercial activities or merger (otherwise than the disposal of assets in

connection with the Programme), in so far as the relevant action, in the Bondholders' Representative's opinion, has a material adverse effect on the capacity of the Issuer to meet its obligations under the terms of the Auto Covered Bonds, unless the Bondholders' Representative considers the situation of the Covered Bondholders as adequately protected based on securities created or other steps taken by the Issuer; or

- (vi) a dissolution or merger involving the Issuer as a result of which the Issuer is not the surviving legal entity, unless the successor legal entity assumes all the Issuer's liabilities in respect of the Auto Covered Bonds,

then the Bondholders' Representative at its sole discretion may, and if (x) so requested in writing by the Covered Bondholders of at least one-fifth in the Aggregate Principal Amount Outstanding of the Auto Covered Bonds (which for this purpose means the Auto Covered Bonds of the Series together with the Auto Covered Bonds of all other Series (if any) as if they were a single series) then outstanding or (y) if so directed by an Extraordinary Resolution of the Covered Bondholders, shall (but in the case of the occurrence of any of the events described in paragraph (a)(ii) of this Condition 10.1, only if the Bondholders' Representative shall have certified in writing to the Issuer and the Cash Manager that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series) give notice (an **Issuer Default Notice**) in writing to the Issuer, with a copy to the Guarantor, the Trustee, the Administration Services Provider, the Principal Paying Agent and the Bondholders' Representative(s) of any other Series, that each Auto Covered Bond is, and each Auto Covered Bond shall, in each case, in relation to the Issuer only, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest unless such Issuer Event of Default shall have been remedied prior to the receipt of such notice by the Issuer, *provided that* (A) with respect to paragraphs (i), (ii) and (iii) of this Condition 10.1(a), any consequences resulting from the exercise of any Transfer Power that would otherwise constitute an Issuer Event of Default will not constitute an Issuer Event of Default, if the relevant obligation, representation, warranty, undertaking or Pre-Event Test, as applicable, is satisfied or complied with by the entity (including, for the avoidance of doubt, a public corporation or governmental agency or an entity held or set up by a public corporation or governmental agency) to which such transfer of assets, debt, liability and/or contracts of the Issuer is made, and (B) with respect to paragraphs (iv), (v) and (vi) of Condition 10.1(a), none of (i) the opening of Cembra Restructuring Proceedings, (ii) the exercise of any Transfer Power (irrespective of whether or not exercised with respect to, or encompassing the, Auto Covered Bonds), (iii) the exercise of any Swiss Resolution Power other than any Transfer Power with respect to the Issuer not encompassing the Auto Covered Bonds, and (iv) the ordering of any Restructuring Protective Measures with respect to the Issuer not encompassing the Covered Bonds will constitute an Issuer Event of Default. For the avoidance of doubt, any consequences resulting from any Non-Restructuring Protective Measures that would otherwise constitute an Issuer Event of Default will constitute an Issuer Event of Default with respect to the Auto Covered Bonds.

- (b) The Bondholders' Representative shall send a copy of the Issuer Default Notice to the Guarantor, the Trustee and the Bondholders' Representative of other Series (if any) to notify the Covered Bondholders thereof in accordance with Condition 12 (*Notices*).
- (c) Following the occurrence of an Issuer Event of Default and service by the Bondholders' Representative of an Issuer Default Notice on the Issuer pursuant to paragraph (a) of this Condition 10.1, the Trustee shall promptly serve on the Guarantor (with a copy to the Issuer, the Bondholders' Representative, the Principal Paying Agent and the Administration Services Provider and, with regards to the Notice to Pay to the Corporate Services Provider) (i) a guarantee activation notice (the **Guarantee Activation Notice**), substantially in the form set out in annex 2 (*Form of Guarantee Activation Notice*) to the Guarantee, requiring the Guarantor to pay the Guaranteed Amounts as and when the same are Due for Payment in accordance with the terms of the Guarantee, and (ii) an initial Notice to Pay for the Guaranteed Amounts (A) then due and payable on the Auto Covered Bonds as at such date, and (B) falling due and payable in the 65 Business Day period commencing on such date. The Guarantor shall be required to make payments of Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of the Guarantee.

- (d) If the Trustee – following the occurrence of an Insolvency Event with respect to the Trustee – automatically ceases to be a party to the Transaction Documents to which it is a party in accordance with the provisions set out in the respective Transaction Documents, or if the Trustee fails to deliver a Guarantee Activation Notice and/or a Notice to Pay in accordance with paragraph (c) of this Condition 10.1 within a reasonable time period and such failure is continuing, the Bondholders' Representative, as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, shall be entitled to deliver such Guarantee Activation Notice and/or Notice to Pay.
- (e) Following receipt of each Notice to Pay, the Guarantor shall serve without delay a Guarantee Pre-funding Notice on the Issuer in accordance with clause 7.1 of the Guarantee Mandate Agreement, and the Guarantor shall pay the Guaranteed Amounts to the Principal Paying Agent pursuant to the terms of the Guarantee and the Guarantee Priority of Payments on the date on which the relevant Guaranteed Amount is Due for Payment.

10.2 Events of Default relating to the Guarantor

- (a) If any of the following events (each a **Guarantor Event of Default**) occurs and is continuing:
 - (i) (subject to paragraph (b) and (c) of Condition 6.1 (*Redemption at Maturity*)), failure by the Guarantor to pay any Guaranteed Amount if and when Due for Payment and such failure continues for a period of 20 calendar days; or
 - (ii) a failure is made in the performance or observance of any material covenant, condition or provision which is to be performed by the Guarantor under the Transaction Documents to which the Guarantor is a party (excluding any obligation pursuant to paragraphs (i) of this Condition 10.2) and (except where the Bondholders' Representative certifies in writing that, in its opinion, such failure is not capable of remedy, when no such notice or continuation shall be required) such failure continues for a period of 30 calendar days following the service by the Bondholders' Representative on the Guarantor of a notice requiring such failure to be remedied; or
 - (iii) the Guarantor is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes a stay of execution, a postponement or payments (*Stillhaltevereinbarung*), a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium or postponement of payments (*Stillhaltevereinbarung*) is agreed or declared in respect of or affecting all or a substantial part of (or a particular type of) the debts of the Guarantor; or
 - (iv) an order becomes final and non-appealable or an effective resolution is passed for the liquidation or winding up of the Guarantor; or
 - (v) an administrator (*Sachwalter*) shall be appointed in relation to the Guarantor or in relation to the whole or any part of its assets; or
 - (vi) the Guarantor shall be adjudicated bankrupt,

the Bondholders' Representative at its sole discretion may, and if (x) so requested in writing by the Covered Bondholders of at least one-fifth in the Aggregate Principal Amount Outstanding of the Auto Covered Bonds (which for this purpose means the Auto Covered Bonds of the relevant Series together with the Auto Covered Bonds of all other Series (if any) as if they were a single series) then outstanding or (y) so directed by an Extraordinary Resolution shall (but in the case of the occurrence of any of the events described in paragraph (a)(ii) of this Condition 10.2, only if the Bondholders' Representative shall have certified in writing to the Guarantor and the Cash Manager that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series), give notice (a **Guarantor Acceleration Notice**) in writing to the Guarantor and the Issuer that (a) each Auto Covered Bond is, and that Auto Covered Bonds shall, as against the Issuer (if not already due and repayable against it following the occurrence of an Issuer Event of Default) and as against the Guarantor, thereupon immediately become, due and repayable at its Early Redemption Amount together with (subject

to Condition 5.3(a) (*Interpretation of Principal and Interest*) accrued interest; and (b) all Guaranteed Amounts corresponding to the Early Redemption Amount for each Auto Covered Bond together with all accrued and unpaid interest and all amounts due and payable in respect of the Auto Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever they arose) and all other amounts payable by the Guarantor under the Guarantee with respect to the Auto Covered Bonds become due and payable by the Guarantor in accordance with the Guarantee.

- (b) The Trustee shall, immediately upon delivery of the Guarantor Acceleration Notice, serve a corresponding Notice to Pay for all Guaranteed Amounts on the Guarantor.

11. PRINCIPAL PAYING AGENT

- (a) The Issuer has appointed Zürcher Kantonalbank as Principal Paying Agent pursuant to the Paying Agency Agreement.
- (b) The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of Zürcher Kantonalbank as Principal Paying Agent and/or appoint another Swiss bank as principal paying agent, provided that:
 - (i) there will at all times be a Principal Paying Agent;
 - (ii) as long as the Auto Covered Bonds are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Principal Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
 - (iii) as long as any Auto Covered Bonds denominated in Swiss Francs are listed on SIX Swiss Exchange, the Issuer will at all times maintain a paying agent having a specified office in Switzerland. At no time will the Issuer maintain a paying agent having a specified office outside of Switzerland in respect of Swiss Franc denominated Auto Covered Bonds listed on SIX Swiss Exchange.
- (c) Notice of any variation, termination, appointment or change shall be given promptly to the Covered Bondholders in accordance with Condition 12 (*Notices*).
- (d) In acting under the Paying Agency Agreement, the Principal Paying Agent acts solely as agent of the Issuer and the Guarantor and, in certain circumstances specified therein, of the Trustee and does not assume any obligation to or relationship of agency or trust with, any Covered Bondholders.

12. NOTICES

The Issuer shall, if and for so long as the Auto Covered Bonds are listed on SIX Swiss Exchange and so long as the rules of the SIX Swiss Exchange so require, cause the Principal Paying Agent to publish any notice in respect of the Auto Covered Bonds either (i) by means of electronic publication on the internet website of the SIX Swiss Exchange (where notices are currently published under the address <https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#>) or (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange. Any notice so given shall be deemed to be validly given on the date of such publication or, if published more than once, on the date of the first such publication. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Auto Covered Bonds are for the time being listed or by which they have been admitted to trading. If the Auto Covered Bonds are for any reason no longer listed on the SIX Swiss Exchange, notices to Covered Bondholders shall be given to the Intermediary through the Principal Paying Agent to the Covered Bondholders, which notice will be deemed to be validly given on the date of the communication to the Intermediary. In the case of Auto Covered Bonds that are not listed on the SIX Swiss Exchange, notices to Covered Bondholders shall be given by the Issuer in the manner specified in the Applicable Final Terms. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. In addition any notice relating to a Meeting or the result of the voting on any Resolution shall be published by the Issuer in the SHAB.

13. APPOINTMENT OF BONDHOLDERS' REPRESENTATIVE

- (a) The Issuer and each Covered Bondholder hereby appoint and authorise the Trustee to act as bondholders' representative in the sense of article 1158 *et seq.* CO (*Anleihensvertreter*) for the purposes of the Conditions and the Guarantee (the **Bondholders' Representative**, which expression shall include any new or successor Bondholders' Representative).
- (b) The Bondholders' Representative is hereby authorised in the sense of article 1159 CO by each Covered Bondholder to accept and execute as direct representative (*direkter Stellvertreter*) the Guarantee and to hold, administer and, if necessary, enforce any rights under the Guarantee on behalf of the Covered Bondholders.
- (c) If a new Bondholder Representative is appointed with respect to one or more Series of Auto Covered Bonds pursuant to the Conditions, such new Bondholder Representative shall, with effect as of the appointment of the new Bondholders' Representative, act as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders of the relevant Series of Auto Covered Bonds.
- (d) To the extent that the Bondholders' Representative is entitled to act as bondholders' representative pursuant to this Condition 13, no Covered Bondholder may independently exercise any rights under the Conditions and the Guarantee.
- (e) The Issuer and each Covered Bondholder acknowledge and agree that:
 - (i) the Bondholders' Representative may seek directions from or resolutions of the Covered Bondholders in the form of an Extraordinary Resolution at any time pursuant to Condition 14 (*Meetings of Covered Bondholders*) and shall not be liable with respect to any action taken or omitted to be taken in accordance with such direction or resolution;
 - (ii) the Bondholders' Representative shall be protected and shall incur no Liability for or in respect of any action taken or not taken by it, except for Liabilities as a result of wilful misconduct, wilful default or gross negligence of the Bondholders' Representative; and
 - (iii) the Bondholders' Representative will not be responsible for (A) supervising the performance by the Issuer and its obligations under the Conditions and the Bondholders' Representative will be entitled to assume, until it has received written notice to the contrary, that the Issuer is properly performing its duties; (B) considering the basis on which approvals or consents are granted by the Issuer; or (C) monitoring the Cover Pool, including, without limitation, compliance with the Asset Coverage Test, the Interest Coverage Test or the Amortisation Test.

14. MEETINGS OF COVERED BONDHOLDERS

- (a) The Issuer may convene Meetings at any time and will be obliged to do so within 20 calendar days upon a request in writing from the Bondholders' Representative or by Covered Bondholders representing not less than 5 per cent. of the Aggregate Principal Amount Outstanding of the relevant Series of Auto Covered Bonds, subject to the Bondholder Provisions and applicable regulations referred to therein.
- (b) The Issuer may at any time also convene Meetings of more than one or of all Series of Auto Covered Bonds (such Series together the Relevant Series) in case a proposal is to be made for or a matter affects equally or in a comparable manner more than one or all Series of Auto Covered Bonds. In such a case, the Covered Bondholders of the Relevant Series form a single community of bondholders, and the Bondholder Provisions shall apply to such Meeting, except that Covered Bondholders representing a simple majority of the Aggregate Principal Amount Outstanding of the Relevant Series may approve any proposal and that the articles 1157, 1164 para. 1 and 2, 1165 para 2 – 4, 1166, 1169 – 1171, 1173 para. 1 and 1175 -1185 of the CO shall not apply to such Meeting.

- (c) Subject to Conditions 15 (*Waiver, Authorisation and Determination*) and 16 (*Modification*), the Covered Bondholders may, at any Meeting pursuant to this Condition 14, exercise such powers as are provided for in this Condition 14 and the Bondholder Provisions.

15. WAIVER, AUTHORISATION AND DETERMINATION

- (a) Subject to paragraph (b) of this Condition 15, the Bondholders' Representative may, and each Covered Bondholder hereby authorises the Bondholders' Representative to, on behalf of the Covered Bondholders, without further consent of any Covered Bondholder of any Series and without prejudice to its rights in respect of any subsequent breach and/or Issuer Event of Default from time to time and at any time but only if and in so far as in its sole and absolute opinion the interests of the Covered Bondholders of any Series will not be materially prejudiced thereby, on such terms and subject to such conditions as it shall deem expedient, waive or authorise any breach or proposed breach by the Issuer, the Assignor or the Guarantor of any of the covenants or provisions contained in the Conditions and/or the Guarantee or determine that any Issuer Event of Default or Guarantor Event of Default shall not be treated as such, provided that the Bondholders' Representative shall not exercise any powers conferred on it by this Condition 15 in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 10 (*Events of Default and Enforcement*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver or authorisation may be given or made on such terms and subject to such conditions (if any) as the Bondholders' Representative may determine and shall be notified by the Issuer or the Guarantor (as the case may be) to the Covered Bondholders in accordance with Condition 12 (*Notices*) and in any event to the Rating Agency, as soon as practicable thereafter.
- (b) The Bondholders' Representative shall not be bound to waive or authorise any breach or proposed breach, unless the Bondholders' Representative has, to the fullest extent permitted by law, been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities which it may thereby render itself liable for or which it may incur by so doing (either by reimbursement of costs, its ranking in the relevant Priority of Payments or in any other way it deems appropriate), except for liabilities as a result of wilful misconduct, wilful default or gross negligence of the Bondholders' Representative.
- (c) Pursuant to the Trust Agreement, the Trustee may and is authorised, without further consent of any Covered Bondholder of any Series, at any time and from time to time, to waive or authorise any breach or proposed breach of any of the covenants or provisions contained in the Transaction Documents (other than the Conditions and/or the Guarantee) in accordance with and subject to the terms of the Trust Agreement.

16. MODIFICATION

- (a) The Bondholders' Representative may, and each Covered Bondholder hereby authorises the Bondholders' Representative, on behalf of the Covered Bondholders, without further consent of any Covered Bondholder of any Series, at any time and from time to time to concur with the Issuer, the Assignor, the Guarantor or any other person in any modification to the Conditions and/or the Guarantee, which in the opinion of the Bondholders' Representative may be proper to make, **provided that** the Bondholders' Representative is of the opinion (in its sole and absolute discretion) that such modification, (i) will not be materially prejudicial to the interests of the Covered Bondholders of any Series, or (ii) is of a formal, minor or technical nature or (iii) is necessary to correct a manifest error or an error which is, in the opinion of the Bondholders' Representative, not materially prejudicial to the interests of the Covered Bondholders; and further **provided that** the Bondholders' Representative shall not exercise any powers conferred on it by this Condition 16 in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 10 (*Events of Default and Enforcement*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.
- (b) Each Covered Bondholder hereby authorises and instructs the Bondholders' Representative to, without further consent of any Covered Bondholder, agree on any modification of the Conditions and the Guarantee that the Issuer considers necessary:

- (i) for the purpose of implementing a Ratings Modification, provided that, in each case and at all times, such Series of Auto Covered Bonds continues to be rated by at least one Rating Agency;
- (ii) for the purpose of enabling the Auto Covered Bonds or a Series to be (or to remain) listed on SIX Swiss Exchange;
- (iii) for the purpose of enabling the Auto Covered Bonds or a Series to be (or to remain) included in the Swiss Bond Index by SIX Swiss Exchange; and/or
- (iv) for the purpose of complying with any changes in any applicable law and/or Requirement of Law relating to Swiss tax law or in any requirement of any Tax Authority,

provided that:

- (v) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Bondholders' Representative;
 - (vi) the Issuer certifies to the Bondholders' Representative that any such requested amendment is to be made solely for one or more of the purposes set out in paragraphs (i) to (iv) of this Condition 16 and has been drafted solely to that effect; and
 - (vii) the proposed modification complies with paragraph (a) of this Condition 16 above *mutatis mutandis*.
- (c) The Bondholders' Representative shall not be bound to concur in any modification pursuant to this Condition 16,
- (i) unless the Bondholders' Representative has, to the fullest extent permitted by law, been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities which it may thereby render itself liable for or which it may incur by so doing (either by reimbursement of costs, its ranking in the relevant Priority of Payments or in any other way it deems appropriate), except for liabilities as a result of wilful misconduct, wilful default or gross negligence of the Bondholders' Representative,
 - (ii) if such modification would have the effect of increasing the obligations or duties, or decreasing the protection of the Bondholders' Representative, as applicable, in the Conditions or the Guarantee or of otherwise prejudicing the interests of the Bondholders' Representative.
- (d) Pursuant to the Trust Agreement, the Trustee is authorised, without further consent of any Covered Bondholder of any Series, to agree to modifications of Transaction Documents (other than the Conditions and/or the Guarantee) in accordance with and subject to the terms of the Trust Agreement.
- (e) Unless the Bondholders' Representative agrees otherwise, the Issuer shall cause any modifications pursuant to this Condition 16 to be notified to the Covered Bondholders in accordance with the Conditions, as soon as practicable after it has been made.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Covered Bondholders to create and issue further Auto Covered Bonds having terms and conditions the same as the Auto Covered Bonds of any Series, save for the amount and date of the first payment of interest thereon, issue date and/or issue price, so that they shall be consolidated and form a single Series with the same ISIN as the outstanding Auto Covered Bonds of such Series.

18. LIMITED RECOURSE AGAINST THE GUARANTOR

Without prejudice to any rights as against the Issuer, all payment obligations of the Guarantor under the Guarantee will become due only (i) until the occurrence of a GED Guarantee Activation Date, on any

Guarantor Payment Date, or (ii) thereafter, on any date on which amounts are paid or payable in accordance with the Post-Insolvency Priority of Payments (each such date a **Relevant Payment Date**) and are limited in amount and recourse to the amount ("x") corresponding to the *pro rata* share of such obligation in the Available Funds from time to time, which amount shall not be less than zero or greater than the nominal amount of the relevant obligation and shall be calculated in accordance with the following formula:

$$x = NA x \frac{(Available\ Funds - Higher\ Ranking\ Creditors - Pro\ Rata\ Share\ Other\ Creditors)}{Total\ Liabilities\ to\ Relevant\ Creditor\ and\ Pari\ Passu\ Creditors}$$

where

NA means the Nominal Amount of Accrued Obligations due by the Guarantor to the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the relevant Covered Bondholders) under this Agreement under the relevant Transaction Document as at the Relevant Payment Date;

Available Funds means on any Guarantor Payment Date or other Relevant Payment Date (as applicable):

- (a) prior to the occurrence of a Guarantor Liquidation Event, all cash standing to the credit of the General Bank Account (including funds recorded on the Guarantor Profit Amount Ledger); and
- (b) after the occurrence of a Guarantor Liquidation Event, the aggregate of (A) all cash standing to the credit of the General Bank Account (including funds recorded on the Guarantor Profit Amount Ledger) and (B) all cash standing to the credit of the Cover Pool Bank Account up to the amount of all Secured Obligations not covered pursuant to sub-paragraph (A) of this paragraph (b).

Higher Ranking Creditors means, as of the Relevant Payment Date, the aggregate Nominal Amount of all Accrued Obligations due by the Guarantor to creditors ranking ahead of the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the relevant Covered Bondholders) under the applicable Priority of Payments (excluding amounts owed to creditors not bound by the Priorities of Payments).

Pro Rata Share Other Creditors means, as of the Relevant Payment Date, the aggregate Nominal Amount of all Accrued Obligations due by the Guarantor to creditors not bound by the Priorities of Payments, multiplied by the Available Funds, divided by the aggregate Nominal Amount of the Accrued Obligations due by the Guarantor under the Transaction Documents and due to creditors not bound by the Priorities of Payments.

Relevant Creditor means each of the Issuer, the Servicer, the Subordinated Loan Provider, the Assignor, the Cash Manager, the Account Bank, the Corporate Services Provider, the Trustee, the Principal Paying Agent, the Asset Monitor, the Administration Services Provider, the Servicing Facilitator, the Bondholders' Representative and the Covered Bondholders and any New Relevant Creditor acceding to the Intercreditor Agreement by means of an Accession Agreement or Supplement Agreement, as the case may be.

Total Liabilities to Relevant Creditor and Pari Passu Creditors means, as of the Relevant Payment Date, the aggregate Nominal Amount of all Accrued Obligations due by the Guarantor to the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders) under the Guarantee plus the aggregate Nominal Amount of all Accrued Obligations due by the Guarantor to creditors (other than creditors not bound by the Priorities of Payments) ranking *pari passu* with the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders) under the applicable Priority of Payments.

Upon the Cash Manager giving written notice to Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders) that:

- (a) it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Available Funds or future realisations from the Cover Pool Assets which would be available to pay amounts owing to the Relevant Creditor; and
- (b) all amounts available to be applied to pay amounts owing to the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders) have been so applied in accordance with the Transaction Documents,

the Relevant Creditor shall have no further claim against the Guarantor in respect of any amounts owing to it which remains unpaid and such unpaid amounts shall be deemed to be discharged in full as against the Guarantor.

The limitations set forth in this Condition 18 shall also apply after the initiation of bankruptcy proceedings against the Guarantor, provided that it is understood that the competent liquidator, administrator or similar official appointed in respect of the Guarantor shall be competent to calculate the relevant amounts in accordance with this Condition 18 and the Relevant Creditor shall have no further claim against the Guarantor in respect of any amounts owing to it which remain unpaid and such unpaid amounts shall be deemed to be discharged in full as against the Guarantor after all Available Funds have been realised in full by the competent liquidator, administrator or similar official appointed in respect of the Guarantor or otherwise and all amounts available to be applied to pay amounts owing to the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders) have been so applied.

19. NO ENFORCEMENT AGAINST THE GUARANTOR

As a condition to subscribing for any Auto Covered Bond, each Covered Bondholder agrees that for so long as the Auto Covered Bonds are outstanding and until the expiry of a period ending 366 calendar days after the date on which all potential liabilities guaranteed by the Guarantor under the Guarantee have been discharged or satisfied in full:

- (a) it will not take any legal steps nor institute any legal proceedings against the Guarantor or its assets or corporate bodies for the purpose of asserting or enforcing any of its rights or claims against the Guarantor; in particular, it will not:
 - (i) file a request for payment (*Betriebsbegehren*) under the DEBA or otherwise initiate any debt collection, attachment or enforcement proceedings against the Guarantor or support any such proceedings; or
 - (ii) initiate any arbitration, court, administrative or other proceedings against the Guarantor, its assets or executive bodies, or support any such proceedings, except for any such action (x) solely seeking declaratory relief without requesting the adjudication of damages, or (y) solely seeking specific performance of the Guarantor's obligations under the Transaction Documents to serve Pre-funding Notices and/or Recourse Notices; or
 - (iii) except as explicitly provided for in the Transaction Documents, exercise any right of set-off;
- (b) it will not take any steps nor institute any proceedings to procure or initiate the bankruptcy, winding up, liquidation, restructuring, administration or any similar procedure in respect of the Guarantor, and, in particular, it will not initiate or support any Insolvency Proceedings against the Guarantor; and
- (c) other than by virtue of filing any of its claims in an insolvency of the Guarantor, it will not claim, rank, prove or vote as creditor of the Guarantor or its estate in competition with any prior ranking creditors in the relevant Priority of Payments until all amounts then due and payable to creditors who rank higher in the relevant Priority of Payments have been paid in full,

provided, however, that paragraphs (a)(i) and (ii) as well as paragraph (b) of this Condition 19 shall become inapplicable if the Guarantor is adjudicated bankrupt by a competent Swiss court. In such case, the Bondholders' Representative, acting for itself and as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, and each Covered Bondholder shall submit

its claims against the Guarantor with the bankruptcy administrator of the Guarantor and clarify that the claims are subject to rights of higher ranking creditors pursuant to the Post-Insolvency Priority of Payments.

20. SEVERABILITY

If at any time any one or more of the provisions of the Conditions is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

21. GOVERNING LAW AND JURISDICTION

21.1 Governing Law

These Conditions and the Auto Covered Bonds are governed by, and shall be construed in accordance with, the substantive laws of Switzerland.

21.2 Jurisdiction

- (a) Any dispute that might arise based on these Conditions or the Auto Covered Bonds shall fall within the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich 1), Switzerland.
- (b) The above-mentioned jurisdiction is also exclusively valid for the declaration of cancellation of the Auto Covered Bonds.

22. DEFINITIONS

In these Conditions, the following expressions have the following meanings:

30/360 has the meaning ascribed to such term in Condition 4.1 (*Rate of Interest*).

Accession Agreement means the accession agreement entered into by any party that intends to become a party to the Intercreditor Agreement in the form as attached to the Intercreditor Agreement.

Account Bank means Zürcher Kantonalbank or any Replacement Account Bank appointed in accordance with the terms of the Master Bank Account Agreement from time to time.

Accrual Period has the meaning ascribed to such term in Condition 4.1 (*Rate of Interest*).

Accrued Obligations means any and all obligations or liabilities of the Guarantor to be recognised as liabilities on the Guarantor's balance sheet in accordance with the applicable accounting standard as at the relevant date of calculation.

Actual/Actual (ICMA) has the meaning ascribed to such term in Condition 4.1 (*Rate of Interest*).

Administration Services Agreement means the administration services agreement entered into on or about the Programme Closing Date between the Guarantor and Administration Services Provider, as amended or amended and restated from time to time.

Administration Services Provider means TMF Management Services SA, rue de Jargonnant 2, 1207 Geneva, Switzerland, or any successor administration services provider appointed from time to time.

Affiliates means, in relation to any person, a Subsidiary of that person or a holding company of that person or any other Subsidiary of that holding company.

Aggregate Principal Amount Outstanding means, at any time, the sum of the Principal Amount Outstanding of each Auto Covered Bond.

Amortisation Test has the meaning ascribed to such term in section "*Credit Structure—Amortisation Test*" of the Base Prospectus.

Ancillary Rights means:

- (a) any and all assignable rights and claims in relation to any claim under any insurance policies entered into by a Lessee (which have been assigned to Cembra) relating to the relevant Leased Vehicle;
- (b) any and all assignable rights and claims in relation to any claim made by Cembra under an insurance policy held by Cembra;
- (c) any and all assignable rights and claims to Residual Value Proceeds relating to the Leased Vehicles; and
- (d) any right to any amount or sum payable by or on behalf of a Lessee under or in connection with a Lease Asset (for example, rights of action against the relevant Lessee or rights against any person or entity guaranteeing the obligations (in whole or in part) of the relevant Lessee under the applicable Lease Agreement).

Appointee means any attorney, manager, agent, delegate, nominee or other person appointed by the Trustee under the Trust Agreement.

APR means with respect to a Lease Agreement, the annual percentage rate of interest and other finance charges (if any) stated in the applicable Lease Agreement.

Applicable Final Terms has the meaning ascribed to such term in the recitals of these Conditions.

Asset Coverage Test has the meaning ascribed to such term in section "*Credit Structure—Asset Coverage Test*" of the Base Prospectus.

Asset Monitor means KPMG AG, Badenerstrasse 172, 8004 Zurich, Switzerland, or any successor asset monitor appointed from time to time.

Asset Monitor Agreement means the asset monitor agreement dated on or about the Programme Closing Date and made between, *inter alia*, the Issuer, the Guarantor and the Asset Monitor, as amended or amended and restated from time to time.

Assigned Ancillary Rights means any and all Ancillary Rights which have been assigned by the Assignor to the Assignee under the Security Transfer Agreement from time to time, but excluding Reassigned Ancillary Rights.

Assigned Dealer Receivables means any and all Dealer Receivables which have been assigned by the Assignor to the Assignee under the Security Transfer Agreement from time to time, but excluding Reassigned Dealer Receivables.

Assigned Lease Receivables means any and all Lease Receivables which have been assigned by the Assignor to the Assignee under the Security Transfer Agreement from time to time, but excluding Reassigned Lease Receivables.

Assigned Receivables means the Assigned Lease Receivables, the Assigned Dealer Receivables and the Assigned Ancillary Rights.

Assignee means Cembra Auto Finance AG, c/o Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland.

Assignor means Cembra.

Authorised Investments means:

- (a) securities with a scheduled maturity date falling prior to the next following Guarantor Payment Date, provided that such securities have either a long-term rating of at least "A-" by Fitch or at least the equivalent of "AA-" by another internationally recognised rating agency or a short-term rating of at least "F1" by Fitch or at least the equivalent of "F1+" by another internationally recognised rating agency;
- (b) demand or time deposits, certificates of deposit and unsecured debt obligations with maturities of up to thirty (30) calendar days, including commercial paper, provided that the issuing entity

or, if such investment is guaranteed, the guaranteeing entity has at least either a long-term rating of at least "A-" by Fitch or a short-term rating of at least "F1" by Fitch or such entity is the Account Bank; or

- (c) any other obligations or securities that will not result in a reduction or withdrawal of the then current rating of the Auto Covered Bonds,

provided that any such deposits, obligations or securities (i) shall be denominated in Swiss Francs (CHF) (ii) for the purposes of determining eligibility pursuant to (a) and (b) above, a security which is placed on rating watch negative by Fitch or such other internationally recognised rating agency (as applicable) shall be deemed to have a rating that is one notch lower than the current rating of such security, (iii) shall be due such that the full notional amount would be available for application on the immediately following Guarantor Payment Date and that the principal invested thereunder is scheduled to be returned in full (for the avoidance of doubt, no such investment shall be made, in whole or in part, actually or potentially, in tranches of other asset-backed securities, credit linked notes, swaps or other derivatives instruments, or synthetic securities) and (iv) in case of securities, such securities shall be in the form of intermediated securities (*Bucheffekten*) as defined in the FISA. The definition of Authorised Investments shall be subject to the Rating Agency Condition.

Auto Covered Bonds has the meaning ascribed to such term in the recitals of these Conditions. **Available Funds** has the meaning ascribed to such term in Condition 18 (*Limited Recourse against the Guarantor*).

Base Prospectus means the base prospectus within the meaning of article 45 of the FinSA prepared in connection with the Programme by the Issuer and the Guarantor, as revised, supplemented and/or amended from time to time.

BIO-FINMA means the Swiss Federal Ordinance of the Swiss Financial Market Supervisory Authority on the Insolvency of Banks and Securities Dealers of 30 August 2012, as may be amended from time to time.

Bondholder Provisions means articles 1157 to 1186 CO.

Bondholders' Representative means the Trustee as appointed pursuant paragraph (a) of Condition 13 (*Appointment of Bondholders' Representative*) or any successor Bondholders' Representative appointed pursuant to the Bondholder Provisions for any Series of Auto Covered Bonds. If more than one Bondholders' Representative is appointed as successor Bondholders' Representative, **Bondholders' Representative** shall mean any Bondholders' Representative so appointed.

Breach of Amortisation Test Notice means a notice served by the Assignee in accordance with the Security Transfer Agreement notifying the Assignor that the Amortisation Test is not met on a Test Date following the occurrence of an Issuer Event of Default.

Breach of Pre-Event Test Notice has the meaning ascribed to such term in Condition 10.1 (*Events of Default relating to the Issuer*).

Broken Amount means the broken amount as specified in the Applicable Final Terms.

Business Day means a day, other than a Saturday or Sunday, on which banks are open for business in Zurich, Switzerland.

Calculation Amount means the calculation amount as specified in the Applicable Final Terms.

Cash Management Agreement means the cash management agreement entered into on or about the Programme Closing Date between, *inter alios*, the Guarantor, the Cash Manager, the Corporate Services Provider, the Issuer, the Assignor and the Trustee, as amended or amended and restated from time to time.

Cash Manager means TMF Management Services SA, rue de Jargonnant 2, 1207 Geneva, Switzerland, or any successor cash manager appointed from time to time.

Cembra means Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland.

Cembra Restructuring Proceedings means Restructuring Proceedings with respect to the Issuer.

Cembra's Standard Contracts means the standard contracts used by Cembra for the Lease Agreements and the Dealer Agreements substantially in the form as attached to the Security Transfer Agreement (as amended, supplemented and restated by Cembra from time to time to the extent permitted by the Security Transfer Agreement) subject to insertions of the details of the Lessee and any key commercial terms and other minor variations that could not reasonably be expected to have a material adverse effect on the enforceability of such contract.

CHF or Swiss Francs means the lawful currency of Switzerland.

CO means the Swiss Federal Code of Obligations (*Schweizerisches Obligationenrecht*) of 30 March 1911, as amended from time to time.

Code has the meaning ascribed to such term in Condition 5.2 (*Payments subject to Fiscal and Other Laws*).

Collateral Enforcement Event means the earliest of (i) any failure by the Issuer and the Originator to pay an amount specified in a Pre-funding Notice or a Recourse Notice on the date specified or indicated in such Pre-funding Notice or Recourse Notice in accordance with the terms of the Guarantee Mandate Agreement or the Security Transfer Agreement, as the case may be, irrespective of any decree of a stay of enforcement and/or a postponement of maturity in accordance with article 26 para. 1 lit. h FBA or another protective measure by FINMA, (ii) any failure by the Issuer and the Originator to pay any other Secured Obligation (x) when the same becomes due, or (y) when the occurrence of the due date of such Secured Obligation is impeded as a consequence of any decree of a stay of enforcement and/or a postponement of maturity in accordance with article 26 para. 1 lit. h FBA or another protective measure by FINMA on the original due date, or (iii) in case of a bankruptcy in relation to the Issuer or an equivalent event under the FBA, commencement of the relevant Insolvency Proceedings.

Commercial Customer means a Lessee that is a corporation or company (such as an Aktiengesellschaft (AG) or Gesellschaft mit beschränkter Haftung (GmbH)).

Conditions has the meaning ascribed to such term in the recitals of these terms and conditions.

Conversion Event Date has the meaning ascribed to such term in Condition 6.1 (*Redemption at Maturity*).

Corporate Services Agreement means the corporate services agreement entered into on or about the Programme Closing Date between the Guarantor and the Corporate Services Provider, as amended or amended and restated from time to time.

Corporate Services Provider means Cembra or any successor corporate services provider appointed from time to time.

Cover Pool means the entire pool of Cover Pool Assets.

Cover Pool Assets means, from time to time, (i) the Lease Security, (ii) the Substitute Assets and (iii) Authorised Investments purchased from amounts standing to the credit of the Cover Pool Bank Account, in each case other than the (x) Enforcement Proceeds and (y) Authorised Investments purchased from amounts standing to the credit of the General Bank Account.

Cover Pool Bank Account means the cover pool bank account denominated in CHF established in the name of the Guarantor in accordance with the Master Bank Account Agreement.

Cover Pool Custody Account means the cover pool custody account established in the name of the Guarantor in accordance with the Master Bank Account Agreement.

Covered Bondholders has the meaning ascribed to such term in the recitals of these Conditions.

Credit and Collection Policies and Procedures means Cembra's directives and credit and collection policies and procedures, practices and underwriting criteria relating to Lease Agreements and Dealer Agreements in force and effect as of the date of the Security Transfer Agreement, a copy of which is

attached as schedule to the Security Transfer Agreement, as amended, supplemented and restated from time to time by Cembra in accordance with the Security Transfer Agreement.

Day Count Fraction has the meaning ascribed to such term in Condition 4.1 (*Rate of Interest*).

Dealer means a dealer that entered into a Dealer Agreement with Cembra.

Dealer Agreement means a vehicle sale and purchase agreement substantially in the form of Cembra's Standard Contracts (originally entered into) between Cembra as purchaser and a Dealer as seller relating to the sale of a Leased Vehicle to Cembra that will be the subject of a Lease Agreement.

Dealer Receivables means any assignable rights and claims of the Assignor under a Dealer Agreement existing now or in the future (including but not limited to the Residual Value Proceeds).

Dealer Repurchase Obligation means a Dealer's obligation under a Dealer Agreement to repurchase any related Leased Vehicle at the Dealer Repurchase Price, upon maturity or early termination of the related Lease Agreement.

Dealer Repurchase Price means the price (whether stated in the Dealer Agreement or elsewhere) at which a Dealer is obliged to repurchase a Leased Vehicle under a Dealer Agreement according to the Dealer Repurchase Obligation.

DEBA means the Swiss Federal Debt Collection and Bankruptcy Act (*Bundesgesetz über Schuldbetreibung und Konkurs*) dated 11 April 1889, as amended from time to time.

Default Date means the date on which the Assignor or the Servicer would record any Lease Asset that has become a defaulted Lease Asset as a Defaulted Lease Asset in its systems.

Defaulted Lease Asset means a Lease Asset under which:

- (a) in relation to a Lease Asset consisting of a Lease Agreement entered into with a Commercial Customer, more than CHF 50 of Monthly Invoices under that Lease Agreement have not been paid by or on the date which is 180 calendar days after the relevant due date and remain unpaid;
- (b) in relation to a Lease Asset consisting of a Lease Agreement entered into with a Private Customer, more than CHF 50 of Monthly Invoices under that Lease Agreement have not been paid by or on the date which is 120 calendar days after the relevant due date and remain unpaid;
- (c) the respective Lessee has been declared bankrupt or is subject to an insolvency proceeding, subject to the Assignor having knowledge of such bankruptcy or insolvency; or
- (d) the Assignor or the Servicer has determined such amount to be otherwise uncollectible in accordance with the Credit and Collection Policies and Procedures,

in each case always subject to such Lease Asset, on the Default Date, being recorded by the systems of the Assignor or the Servicer as a Defaulted Lease Asset.

Delinquent Lease Asset means any Lease Asset other than a Defaulted Lease Asset, consisting of a Lease Agreement under which more than CHF 50 of Monthly Invoices have not been paid by or on the date which is 30 calendar days after the relevant due date and remains unpaid.

Determination Date(s) means the determination date as specified in the Applicable Final Terms.

Due for Payment means the requirement of the Guarantor to pay any Guaranteed Amounts:

- (a) prior to the occurrence of a Guarantor Event of Default and the service of a Guarantor Acceleration Notice on the Guarantor:
 - (i) on each Scheduled Payment Date for the payment of such Guaranteed Amounts, or, if later, the day which is two Business Days following the IED Guarantee Activation Date in respect of such Guaranteed Amounts, or each Interest Payment Date that would have applied if the Final Maturity Date of such Series of Auto Covered Bonds had been the Extended Due for Payment Date; and

- (ii) in relation to any Guaranteed Amounts representing the Final Redemption Amount, the earlier of:
 - (A) the Final Maturity Date; and
 - (B) the Conversion Event Date,

or, if, in either case, such day is not a Business Day, on the next following Business Day. For the avoidance of doubt, the term Due for Payment does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, acceleration of maturity, mandatory or optional redemption or otherwise save as provided in paragraph (b) below; or

- (b) following the occurrence of a Guarantor Event of Default and the service of a Guarantor Acceleration Notice on the Guarantor, on the date on which such Guarantor Acceleration Notice is served on the Issuer and the Guarantor.

Due for Payment Date means any of the dates pursuant to the definition of Due for Payment.

Early Redemption Amount has the meaning ascribed to such term in Condition 6.3 (*Early Redemption Amounts*).

Eligible Substitute Assets means:

- (a) securities with a scheduled maturity date falling prior to the next following Guarantor Payment Date, provided that such securities have either a long-term rating of at least "A-" by Fitch or at least the equivalent of "AA-" by another internationally recognised rating agency or a short-term rating of at least "F1" by Fitch or at least the equivalent of "F1+" by another internationally recognised rating agency;
- (b) demand or time deposits, certificates of deposit and unsecured debt obligations with maturities of up to thirty (30) calendar days, including commercial paper, provided that the issuing entity or, if such investment is guaranteed, the guaranteeing entity has at least either a long-term rating of at least "A-" by Fitch or a short-term rating of at least "F1" by Fitch or such entity is the Account Bank; or
- (c) any other obligations or securities that will not result in a reduction or withdrawal of the then current rating of the Auto Covered Bonds,

provided that any such deposits, obligations or securities (i) shall be denominated in Swiss Francs (CHF) (ii) for the purposes of determining eligibility pursuant to (a) and (b) above, a security which is placed on rating watch negative by Fitch or such other internationally recognised rating agency (as applicable) shall be deemed to have a rating that is one notch lower than the current rating of such security, (iii) shall be due such that the full notional amount would be available for application on the immediately following Guarantor Payment Date and that the principal invested thereunder is scheduled to be returned in full (for the avoidance of doubt, no such investment shall be made, in whole or in part, actually or potentially, in tranches of other asset-backed securities, credit linked notes, swaps or other derivatives instruments, or synthetic securities) and (iv) in case of securities, such securities, shall be in the form of intermediated securities (*Bucheffekten*) as defined in the FISA. The definition of Eligible Substitute Assets shall be subject to the Rating Agency Condition.

Enforcement Proceeds means all amounts obtained through the enforcement of Cover Pool Assets net of all costs and expenses of such enforcement applied against the Secured Obligations due and payable (but excluding any Excess Enforcement Proceeds).

Excess Enforcement Proceeds means the amount of the Enforcement Proceeds remaining after having applied the Enforcement Proceeds against the Secured Obligations due and payable.

Excluded Scheduled Interest Amounts means any additional amounts relating to premiums, default interest or interest upon interest payable in respect of the Auto Covered Bonds in accordance with these Conditions following the occurrence of an Issuer Event of Default or, as applicable, a Guarantor Event of Default.

Excluded Scheduled Principal Amounts means any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest payable in respect of the Auto Covered Bonds in accordance with the Conditions following the occurrence of an Issuer Event of Default or, as applicable, a Guarantor Event of Default.

Extended Due for Payment Date has the meaning ascribed to such term in Condition 6.1 (*Redemption at Maturity*).

Extraordinary Resolution means a resolution (or, where required as a matter of the Bondholder Provisions, separate resolutions by each Series of Auto Covered Bonds) passed by Requisite Percentage of the relevant Covered Bondholders at a Meeting duly convened and held in accordance with Condition 14 (*Meetings of Covered Bondholders*) and, if required under article 1176 CO, approved by the competent higher cantonal composition authority (*obere kantonale Nachlassbehörde*) in Switzerland.

FATCA has the meaning ascribed to such term in Condition 5.2 (*Payments subject to Fiscal and Other Laws*).

FBA means the Swiss Federal Banking Act of 8 November 1934 (*Bankengesetz*), as may be amended from time to time.

FBO means the Swiss Federal Banking Ordinance of 30 April 2014 (*Bankenverordnung*), as may be amended from time to time.

Final Maturity Date means the date on which each Series of Auto Covered Bonds will be redeemed at their Final Redemption Amount in accordance with the Conditions as specified in the relevant Applicable Final Terms.

Final Redemption Amount means, in relation to any Series of Auto Covered Bonds, the amount due on the Final Maturity Date of such Auto Covered Bonds as specified in the Applicable Final Terms.

Final Terms means the final terms document substantially in the form set out in this Base Prospectus which will be completed at the time of the agreement to issue each Series or Tranche of Auto Covered Bonds.

FINMA means the Swiss Financial Market Supervisory Authority FINMA.

FinSA means the Swiss Federal Financial Services Act of 15 June 2018 (*Finanzdienstleistungsgesetz*), as may be amended from time to time.

FinSO means the Swiss Federal Ordinance on Financial Services of 6 November 2019 (*Finanzdienstleistungsverordnung*), as may be amended from time to time.

FISA means the Swiss Federal Intermediated Securities Act of 3 October 2008 (*Bucheffektengesetz*), as amended from time to time.

Fitch means Fitch Ratings Limited, or any successor to its rating business.

GED Guarantee Activation Date means, following a Guarantor Event of Default, the date on which a Guarantor Acceleration Notice is served on the Guarantor.

General Bank Account means the general bank account denominated in CHF established in the name of the Guarantor pursuant to the Master Bank Account Agreement.

General Custody Account means the general custody account established in the name of the Guarantor pursuant to the Master Bank Account Agreement.

General Indemnity Pre-funding Notice means the notice served by the Guarantor on the Issuer for the pre-funding of the relevant amount of the General Recourse and Indemnity Obligation.

General Indemnity Recourse Notice means the notice served by the Guarantor on the Issuer for the relevant amount of Recourse Claims under the General Recourse and Indemnity Obligation.

General Recourse and Indemnity Obligation means the obligation of the Issuer to reimburse and indemnify the Guarantor for any and all expenses, costs, damages and losses paid or incurred by the Guarantor in accordance with the Guarantee Mandate Agreement as a result of non-compliance by the Issuer of any representations, warranties or undertakings as set out in the Guarantee Mandate Agreement or as a result of any payment default by the Issuer under the Auto Covered Bonds as set out in the Guarantee Mandate Agreement (save to the extent the Guarantor has already been compensated by the Issuer under any other Pre-funding Obligation or any other Recourse and Indemnity Obligation).

General Recourse and Indemnity Pre-funding Obligation means the obligation of the Issuer to pre-fund any and all amounts covered by the General Recourse and Indemnity Obligation and payable by the Guarantor to a third party from time to time by payment to the General Bank Account of the relevant amount as specified by the Guarantor in writing in a notice (the **General Indemnity Pre-funding Notice**), in accordance with the Guarantee Mandate Agreement with value no later than (i) one Business Day after receipt of the General Indemnity Pre-funding Notice, or (ii) such other date as specified in the General Indemnity Pre-funding Notice, provided that the relevant amount shall not become due earlier than 30 Business Days prior to the due date of the relevant payment owed by the Guarantor to the respective third party.

Governmental Authority means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

Guarantee has the meaning ascribed to such term in the recitals of these Conditions.

Guarantee Activation Date means the earlier of the IED Guarantee Activation Date or the GED Guarantee Activation Date.

Guarantee Activation Notice means a notice served by the Trustee on the Guarantor (with a copy to the Issuer, the Bondholders' Representative, the Principal Paying Agent and the Administration Services Provider) following the occurrence of an Issuer Event of Default and service by the Bondholders' Representative of an Issuer Default Notice on the Issuer in accordance with the Guarantee in the form or substantially in the form set out in the Guarantee.

Guarantee Expenses means the Nominal Amount of any and all sums paid or payable by or on behalf of the Guarantor to (i) the Trustee, any Appointee, the Principal Paying Agent, the Bondholders' Representative or the Covered Bondholders (including the Guaranteed Amounts) under the Guarantee upon receipt of a Notice to Pay in accordance with Clause 4(c) of the Guarantee or (ii) to third parties not party to the Intercreditor Agreement in relation to any and all liabilities, claims, costs and expenses (including reasonable attorney's fees) which the Guarantor may suffer, sustain or incur in connection with the Guarantee or the preservation and enforcement of the Guarantor's related rights under the Guarantee Mandate Agreement, including without limitation, legal proceedings relating to (x) any court order, injunction, or other process decree etc. restraining or seeking to restrain the Guarantor from paying any amount under any Guarantee or (y) the enforcement of the Guarantee Pre-funding Obligation and the Guarantee Recourse and Indemnity Obligation.

Guarantee Fee means the fee paid by the Issuer to the Guarantor in accordance with the Guarantee Mandate Agreement as consideration for the issuance by the Guarantor of the Guarantee in respect of the Auto Covered Bonds issued on the first Issue Date and each extension of the Guarantee in respect of each additional Series or Tranche of Auto Covered Bonds.

Guarantee Mandate Agreement means the guarantee mandate agreement entered into on or about the Programme Closing Date between the Issuer and the Guarantor, as amended or amended and restated from time to time.

Guarantee Mandate Pre-funding Obligation means each of the Guarantee Pre-funding Obligation and the General Recourse and Indemnity Pre-funding Obligation.

Guarantee Pre-Funding Notice means the notice served by the Guarantor on the Issuer for the relevant amount of Guarantee Expenses following the receipt of a Guarantee Activation Notice or Guarantor Acceleration Notice (as the case may be) and a Notice to Pay for the relevant amount by the Guarantor.

Guarantee Pre-Funding Obligation means the obligation of the Issuer to pre-fund (that is, pay) the relevant amount of Guarantee Expenses, as specified in a Guarantee Pre-funding Notice, in accordance with the Guarantee Mandate Agreement.

Guarantee Priority of Payments means the priority of payments applicable following the IED Guarantee Activation Date but prior to the GED Guarantee Activation Date as set out in section "*Cash Flows— Allocation and distribution of amounts following the IED Guarantee Activation Date*" of the Base Prospectus.

Guarantee Recourse and Indemnity Obligation means, save to the extent the Guarantor has already been compensated under the Guarantee Pre-funding Obligation, the obligation of the Issuer to reimburse and indemnify the Guarantor for any and all Guarantee Expenses which are paid by the Guarantor, in accordance with the Guarantee Mandate Agreement.

Guarantee Recourse Notice means the notice served by the Guarantor on the Issuer for the relevant amount of Recourse Claims under the Guarantee Recourse and Indemnity Obligation.

Guaranteed Amounts means:

- (a) prior to the GED Guarantee Activation Date, with respect to any amounts Due for Payment, the sum of Scheduled Interest and Scheduled Principal, in each case, payable on under the Guarantee; and
- (b) following the GED Guarantee Activation Date, an amount equal to the relevant Early Redemption Amount as specified in the Conditions plus all accrued and unpaid interest and all other amounts due and payable in respect of the Auto Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever the same arose) and all other amounts payable by the Guarantor under the Guarantee with respect to a relevant Series of Auto Covered Bonds.

Guarantor means Cembra Auto Finance AG, c/o Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland.

Guarantor Acceleration Notice means a notice in writing given by the Bondholders' Representative to the Issuer and the Guarantor that: (a) each Auto Covered Bond is, and that Auto Covered Bond shall as against the Issuer (if not already due and repayable against it following the occurrence of an Issuer Event of Default) and as against the Guarantor thereupon immediately become, due and repayable at its Early Redemption Amount together with (subject to Condition 5 (*Payments*)) accrued interest; and (b) all Guaranteed Amounts corresponding to the Early Redemption Amount for each Auto Covered Bond together with all accrued and unpaid interest and all amounts due and payable in respect of the Auto Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever they arose) and all other amounts payable by the Guarantor under the Guarantee with respect to the Auto Covered Bonds become due and payable by the Guarantor in accordance with the Guarantee and as set out in paragraph (a) of Condition 10.2 (*Events of Default relating to the Guarantor*).

Guarantor Bank Accounts means the General Bank Account, the General Custody Account, the Cover Pool Bank Account, the Cover Pool Custody Account and any additional or replacement account designated as a Guarantor Bank Account by the Guarantor (excluding, for the avoidance of doubt, the Guarantor Share Capital Bank Account).

Guarantor Event of Default has the meaning ascribed to such term in Condition 10.2 (*Events of Default and Enforcement—Events of Default relating to the Guarantor*).

Guarantor Liquidation Event means the occurrence of each of the events set out in paragraphs (iv) and (v) of Condition 10.2 (*Events of Default relating to the Guarantor*) in relation to the Guarantor.

Guarantor Payment Date means the 18th day of each calendar month and if such day is not a Business Day, the immediately following Business Day and following any acceleration of amounts due under the Covered Bonds following a Guarantor Event of Default, the date that any payment is made to the Relevant Creditors in accordance with the Post-Insolvency Priority of Payments.

Guarantor Profit Amount Ledger means the ledger where the amount of the Guarantor's aggregate distributable profits from time to time, standing to the credit of the General Bank Account, will be recorded.

Guarantor Share Capital Bank Account means the guarantor share capital account denominated in CHF established in the name of the Guarantor pursuant to the Master Bank Account Agreement.

Guarantor Spread Amount means an amount equal to 4 basis points per annum, calculated on the basis of the weighted average amount of the relevant Tranche of Auto Covered Bonds outstanding in the relevant month and the number of days lapsed in the relevant period (such number of days being calculated on the basis of a year of 360 days with 12, 30-day months), divided by 360.

Higher Ranking Creditors has the meaning ascribed to such term in Condition 18 (*Limited Recourse against the Guarantor*).

Holders has the meaning ascribed to such term in the recitals of these Conditions.

IED Guarantee Activation Date means, following an Issuer Event of Default and service of an Issuer Default Notice by the Bondholders' Representative on the Issuer, the date on which a Guarantee Activation Notice is served by the Trustee on the Guarantor pursuant to the Guarantee.

Income Receipts means payments of interest (excluding accrued interest and interest in arrears as at the relevant Transfer Date or Retransfer Date of a Transferred Lease Agreement) and other fees due from time to time under the Transferred Lease Agreement.

Increased Servicer and Services Provider Expenses means the Nominal Amount of any and all sums paid or payable by or on behalf of the Assignee to (i) any Replacement Servicer and (ii) to any Replacement Third Party Services Provider in relation to any and all liabilities, claims, costs and expenses which the Assignee may suffer, sustain or incur as a consequence of the non-compliance by the Assignor with any of the Assignor's representations, warranties, undertakings or other obligations under the relevant provisions of the Security Transfer Agreement. Increased Servicer and Services Provider Expenses in relation to any Replacement Third Party Services Provider shall include, but not be limited to, any additional amounts which reflect increased expenses or costs to the Assignee and which are due to a Third Party Services Provider, but exclude (x) any and all amounts which would have been due to a Third Party Services Provider irrespective of the Assignor's non-compliance or default and (y) any increased costs or losses caused by the Guarantor's own gross negligence or wilful default in complying with its representations, warranties or obligations under the Transaction Documents, unless such gross negligence or wilful default concurrently constitutes non-compliance on the part of the Assignor with its representations, warranties or obligations under the Transaction Documents.

Increased Servicer and Services Provider Expenses Pre-funding Obligation means the obligation of the Assignor to pre-fund any and all Increased Servicer and Services Provider Expenses arising from time to time, as specified by the Assignee in a notice for pre-funding (each an **Increased Servicer and Services Provider Expenses Pre-funding Notice**), in accordance with the Security Transfer Agreement, provided that the relevant amount shall not become due earlier than 30 Business Days prior to the due date of the relevant payment owed by the Assignee to the respective Third Party Services Provider.

Increased Servicer and Services Provider Expenses Recourse and Indemnity Obligation means the obligation of the Assignor to reimburse and indemnify the Assignee for any and all Increased Servicer and Services Provider Expenses paid by the Assignee in accordance with the Security Transfer Agreement.

Increased Servicer and Services Provider Expenses Recourse Notice means the notice served on the Assignor setting forth the Recourse Claims of the Assignee under the Increased Servicer and Services Provider Expenses Recourse and Indemnity Obligation.

Initial Manager means Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, Switzerland.

Initial Third Party Services Provider means any of the Asset Monitor, the Account Bank, the Cash Manager, the Administration Services Provider and the Servicing Facilitator.

Insolvency Event means (i) the adjudication of bankruptcy (*Konkurrenzeröffnung*) pursuant to article 171, 189 or 191 DEBA, (ii) an application by the relevant company for, or the granting of, a provisional or

definitive stay of execution (*provisorische oder definitive Nachlassstundung*) pursuant to article 293 *et seq.* DEBA, (iii) the ordering of restructuring proceedings (*Sanierungsverfahren*) pursuant to article 28 to 32 FBA, and/or (iv) the ordering of liquidation proceedings (*Liquidation*) pursuant to article 33 to 37g FBA. It is understood and agreed that any relevant steps under (a) mere debt collection proceedings (*Betreibungsverfahren*) pursuant to article 38 *et seq.* DEBA, proceedings in connection with a freezing order (*Arrestverfahren*) pursuant to article 271 *et seq.* DEBA, (b) Protective Measures, (c) any declaration of a stay ordered in relation to the Issuer by FINMA pursuant to article 30a FBA or any successor or analogous Swiss law or regulation applicable to the Issuer, (d) the opening of Cembra Restructuring Proceedings, (e) the exercise of any Swiss Resolution Power with respect to the Issuer other than with respect to the Auto Covered Bonds, and (f) any consequences resulting from any of the foregoing do not constitute an Insolvency Event.

Insolvency Official means, in relation to a relevant entity, a liquidator, provisional liquidator, administrator, administrative receiver, receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, trustee, conservator, guardian or other similar officer in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction.

Insolvency Proceedings means the (i) issuance of a bankruptcy warning (*Konkursandrohung*) in the meaning of article 159 DEBA, (ii) the filing of a request to open bankruptcy proceedings (*Konkursbegehren*) in the meaning of article 166, 188, 190 or 191 DEBA, (iii) the ordering of protective measures (*Schutzmassnahmen*) pursuant to article 26 lit. (f) to (h) FBA, (iv) the ordering of restructuring proceedings (*Sanierungsverfahren*) pursuant to articles 28 to 32 FBA, (v) the ordering of liquidation proceedings (*Liquidation*) pursuant to articles 33 to 37g FBA, (vi) the adjudication of bankruptcy (*Konkursoröffnung*) pursuant to article 171, 189 or 191 DEBA, and (vii) an application for, or the granting of, a provisional or definitive stay of execution (*provisorische oder definitive Nachlassstundung*) pursuant to articles 293 *et seq.* DEBA. It is understood and agreed that none of (a) any debt collection proceedings pursuant to articles 38 *et seq.* DEBA which have not resulted in any of the foregoing, (b) proceedings in connection with a freezing order (*Arrestverfahren*) pursuant to article 271 *et seq.* DEBA or (c) Protective Measures, (d) any declaration of a stay ordered in relation to the Issuer by FINMA pursuant to article 30a FBA or any successor or analogous Swiss law or regulation applicable to the Issuer, (e) the opening of Cembra Restructuring Proceedings, (f) the exercise of any Swiss Resolution Power with respect to the Issuer other than with respect to the Covered Bonds, (g) the ordering of any Restructuring Protective Measures with respect to the Issuer other than with respect to the Auto Covered Bonds and (h) any consequences resulting from any of the foregoing do itself constitute Insolvency Proceedings.

Instruction of the Extension of the Guarantee means a written notice from the Issuer addressed to the Guarantor (with a copy to the Trustee and the Bondholders' Representative of any other Series (if any)), requesting that the Guarantee shall extend to and cover all amounts due and payable under the new (initial or subsequent) Series or Tranche of Auto Covered Bonds to be issued, in accordance with the Guarantee Mandate Agreement.

Intercreditor Agreement means the intercreditor agreement dated on or about the Programme Closing Date between, *inter alios*, the Issuer, Guarantor, the Cash Manager, the Principal Paying Agent, the Trustee, the Administration Services Provider, the Asset Monitor and the Servicing Facilitator, as amended or amended and restated from time to time.

Interest Commencement Date means, in the case of interest-bearing Auto Covered Bonds, the date specified in the Applicable Final Terms from (and including) which the relevant Auto Covered Bonds start accruing interest.

Interest Coverage Test means an interest coverage test carried out as described in section "*Credit Structure—Interest Coverage Test*" of the Base Prospectus.

Interest Payment Date means, in relation to any Series of Auto Covered Bonds, the applicable interest payment date(s) set out in the Applicable Final Terms or the meaning ascribed to such term in the Applicable Final Terms as the case may be.

Intermediary has the meaning ascribed to such term in Condition 1 (*Amount, Denomination, Form and Transfers*).

Intermediate Securities has the meaning ascribed to such term in Condition 1 (*Amount, Denomination, Form and Transfers*).

Issue Date means each date on which the Issuer issues a Series or Tranche of Auto Covered Bonds to Covered Bondholders as specified in the Applicable Final Terms prepared for such Series or Tranche.

Issue Price means the price, generally expressed as a percentage of the nominal amount of the Auto Covered Bonds, at which the Auto Covered Bonds will be issued.

Issuer means Cembra.

Issuer Default Notice has the meaning ascribed to such term in Condition 10.1 (*Events of Default relating to the Issuer*).

Issuer Event of Default has the meaning ascribed to such term in Condition 10.1 (*Events of Default relating to the Issuer*).

Lease Agreement means a lease agreement substantially in the form of the Cembra's Standard Contracts (originally) entered into between Cembra as lessor and a Lessee as lessee under which a Leased Vehicle is leased to the Lessee.

Lease Assets means the Lease Agreements (including, for the avoidance of doubt, any Lease Receivables), the Dealer Agreements (including, for the avoidance of doubt, any Dealer Receivables), the Leased Vehicles and all related Ancillary Rights and a **Lease Asset** means a package consisting of a Leased Vehicle, the Lease Agreement pursuant to which such Leased Vehicle is leased to the Lessee (including, for the avoidance of doubt, any Lease Receivable), the Dealer Agreement pursuant to which such Leased Vehicle is purchased from the Dealer (including, for the avoidance of doubt, any Dealer Receivables) and all related Ancillary Rights.

Lease Data means, any and all data, documents, files and other material or information relating to a Transferred Lease Asset, the relevant Lessee, Dealer and third party debtor of Ancillary Rights containing, *inter alia*: (a) all material correspondence relating to that Transferred Lease Asset; and (b) the complete documentation applicable to the Transferred Lease Agreements, the Transferred Dealer Agreements, the Transferred Leased Vehicles and the related Ancillary Rights, whether original documentation, electronic form or otherwise.

Lease Payments means any and all payments due or made by a Lessee, Dealer or third party debtor of Assigned Ancillary Rights under or in connection with a Transferred Lease Asset (including any amounts related to VAT, if any), including, without limitation (but without double-counting):

- (a) all payments of principal and interest by Lessees with respect to any Assigned Lease Receivable;
- (b) all payments with respect to any Assigned Dealer Receivables;
- (c) all Residual Value Proceeds; and
- (d) all amounts and proceeds arising in respect of any Assigned Ancillary Rights.

Lease Receivables means any and all assignable rights and claims of the Assignee under a Lease Agreement existing now or in the future.

Lease Security means, from time to time, (i) any and all Transferred Lease Assets, (ii) any and all Lease Payments (directly or indirectly) received by the Assignee (other than (x) the Enforcement Proceeds and (y) any amounts received by the Guarantor under the Subordinated Loan), in each case including all interest and profits accrued thereon.

Leased Vehicle means any vehicle which is leased to a Lessee under a Lease Agreement.

Legal Reservations means

- (a) the limitation of enforcement by laws relating to insolvency, bankruptcy or reorganisation and other laws affecting the rights of creditors generally; and

- (b) any matters which are set out as qualifications or reservations (howsoever described) in the legal opinions rendered in accordance with the Transaction Documents and the Programme.

Lessee means an individual or corporate lessee under a Lease Agreement or their heirs, executors, successors, guarantors or assignees who assume the obligations of such lessee thereunder.

Liabilities means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes) and legal fees and expenses on a full indemnity basis.

Manager means the Initial Manager and any New Manager and excludes any entity whose appointment has been terminated pursuant to the Programme Agreement, and references to the **relevant Manager** shall, in relation to any Auto Covered Bond, be references to the Manager or Managers with whom the relevant Issuer has agreed the issue and purchase of such Auto Covered Bond and **Manager** means any one of them.

Master Bank Account Agreement means the master bank account agreement entered into on or about the Programme Closing Date between the Account Bank, the Cash Manager and the Guarantor, in relation to the establishment of the Guarantor Bank Accounts and the Guarantor Share Capital Bank Account, as amended or amended and restated from time to time.

Master Definitions Schedule means the master definitions schedule dated on or about the Programme Closing Date between, *inter alia*, the Guarantor, the Issuer, the Assignor, the Cash Manager, the Account Bank, the Corporate Services Provider, the Principal Paying Agent, the Trustee, the Bondholders' Representative, the Servicing Facilitator, the Subordinated Loan Provider, the Administration Services Provider and the Asset Monitor, as amended or amended and restated from time to time.

Material Adverse Effect means a material adverse effect on:

- (a) the transferability of a significant portion of the Lease Assets in the manner contemplated by the Programme;
- (b) the collectability of a significant portion of the Transferred Lease Assets;
- (c) the ability of the Issuer and/or the Guarantor to perform any of its material obligations under the Auto Covered Bonds or any of the other Transaction Documents; or
- (d) the legality, validity or enforceability of any of the Transaction Documents to which the Issuer and/or the Guarantor is party or the rights of the Issuer and/or the Guarantor hereunder or thereunder (as applicable).

Meetings means meetings of the Covered Bondholders of one or more Series of Auto Covered Bonds individually and/or meetings of all Covered Bondholders whether originally convened or resumed following an adjournment and in respect of which minutes have been taken in accordance with the Bondholder Provisions, if applicable, and each a **Meeting**.

Monthly Invoice means the scheduled monthly instalment payable by a Lessee to the Servicer (on behalf of the Guarantor) or Cembra (as applicable) in accordance with a Lease Agreement, such scheduled monthly instalment including (a) the principal component, (b) the interest component, (c) VAT and (d) any fees due.

NA has the meaning ascribed to such term in Condition 18 (*Limited Recourse against the Guarantor*).

New Manager means any entity appointed as an additional Manager in accordance with the Subscription Agreement, a form of which is attached as annex to the Programme Agreement.

New Relevant Creditor means any person which becomes a Relevant Creditor (other than a Covered Bondholder) pursuant to, and in accordance with, the Intercreditor Agreement by entering into an Accession Agreement or a Supplement Agreement.

Nominal Amount means the nominal amount of the relevant obligation, liability, cost, expense, damage or loss, without recourse or giving effect to any provisions in the Transaction Documents limiting the amount or recourse of a claim or creditor.

Non-Restructuring Protective Measures means any Protective Measures ordered by the Swiss Resolution Authority with respect to the Issuer that are ordered outside of and independently of any Cembra Restructuring Proceedings.

Notice to Pay means a notice served on the Guarantor (with a copy to the Issuer, the Bondholders' Representative, the Principal Paying Agent, the Administration Services Provider and the Corporate Services Provider) in accordance with the Guarantee substantially in the form set out in the Guarantee.

Originator means Cembra.

Outstanding or outstanding means, in relation to the Auto Covered Bonds of all or any Series, all the Auto Covered Bonds of such Series issued other than:

- (a) those Auto Covered Bonds which have been redeemed pursuant the Conditions;
- (b) those Auto Covered Bonds in respect of which the date (including, where applicable, any deferred date) for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Trustee or to the Principal Paying Agent in the manner provided in the Paying Agency Agreement (and where appropriate notice to that effect has been given to the relative Covered Bondholders in accordance with Condition 12 (*Notices*)) and remain available for payment of the relevant Auto Covered Bonds;
- (c) those Auto Covered Bonds which have been purchased and cancelled in accordance with Conditions 6.5 (*Purchases*) and 6.6 (*Cancellation*); and
- (d) those Auto Covered Bonds which have become void or in respect of which claims have become prescribed, in each case under Condition 9 (*Prescription*).

Pass-Through Auto Covered Bonds has the meaning ascribed to such term in Condition 6.1 (*Redemption at Maturity*).

Paying Agency Agreement has the meaning ascribed to such term in the recitals of these Conditions.**Person** means a reference to any person, individual, corporation, bank, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, governmental entity or other entity of similar nature (whether or not having separate legal personality).

Post-Insolvency Priority of Payments means the priority of payments applicable following the GED Guarantee Activation Date as set out in section "*Cash Flows—Allocation and distribution of amounts following the GED Guarantee Activation Date*" of the Base Prospectus.

Pre-Event Tests means the Asset Coverage Test and the Interest Coverage Test.

Pre-funding Claim means each claim under a Pre-funding Obligation.

Pre-funding Notice means each Guarantee Pre-funding Notice, General Indemnity Pre-funding Notice and Increased Servicer and Services Provider Expenses Pre-funding Notice.

Pre-funding Obligations means each Guarantee Mandate Pre-funding Obligation and the Increased Servicer and Services Provider Expenses Pre-funding Obligation.

Pre-Guarantee Priority of Payments means the priority of payments applicable prior to the Guarantee Activation Date as set out in section "*Cash Flows—Allocation and distribution of amounts prior to the Guarantee Activation Date*" of the Base Prospectus.

Principal Amount Outstanding means in respect of an Auto Covered Bond the principal amount of that Auto Covered Bond on the relevant Issue Date thereof less principal amounts received by the relevant Covered Bondholder in respect thereof.

Principal Paying Agent means Zürcher Kantonalbank in its capacity as principal paying agent or, if applicable, any successor principal paying agent in relation to all or any Series of the Auto Covered Bonds.

Priorities of Payments means the Pre-Guarantee Priority of Payments, the Guarantee Priority of Payments and the Post-Insolvency Priority of Payments (and each individually, a **Priority of Payments**).

Private Customer means a Lessee that is an individual, regardless as to whether or not the Lease Agreement entered into by such Lessee is subject to the CCA.

Pro Rata Share Other Creditors has the meaning ascribed to such term in Condition 18 (*Limited Recourse against the Guarantor*).

Programme means the CHF 1 billion Auto Covered Bond programme of Cembra established by, or otherwise contemplated in, the Programme Agreement and the Trust Agreement.

Programme Agreement means the agreement dated as of the Programme Closing Date between, *inter alia*, the Issuer, the Assignor, the Guarantor and the Initial Manager concerning the issue and purchase of Auto Covered Bonds.

Programme Closing Date means 20 June 2025.

Protective Measure means any protective measure that the Swiss Resolution Authority may order pursuant to any statutory power set forth in article 26 FBA, or in any successor or analogous Swiss law or regulation applicable to banks in Switzerland such as the Issuer, including, without limitation (a) giving instructions to the governing bodies of the respective entity, (b) appointing an investigator, (c) stripping governing bodies of their power to legally represent the respective entity or removing them from office, (d) removing the regulatory or company-law audit firm from office, (e) limiting the respective entity's business activities, (f) forbidding the respective entity from making or accepting payments or undertaking security trades, (g) closing down the respective entity, or (h) except for mortgage-secured receivables of central mortgage bond institutions, ordering a moratorium or deferral of payments.

Rate of Interest means the rate of interest payable from time to time in respect of the Auto Covered Bonds as determined in the Applicable Final Terms.

Rating Agency means Fitch or any other rating agency appointed by the Issuer to provide ratings in relation to the Auto Covered Bonds provided that such rating agency will qualify for purposes of the inclusion of the Auto Covered Bonds in the Swiss Bond Index (SBI) by SIX Swiss Exchange.

Rating Agency Condition means a confirmation in writing by the Rating Agency that the then current ratings of the Auto Covered Bonds will not be adversely affected by or withdrawn as a result of the relevant event or matter, provided that if: (a) a confirmation or affirmation of rating or other response by the Rating Agency is a condition to any action or step under any Transaction Document; and (b) a written request for such confirmation, affirmation or response is delivered to the Rating Agency by any of the Guarantor, the Issuer or the Trustee, as applicable (each a **Requesting Party**) and the Rating Agency indicates that it does not consider such confirmation or response necessary in the circumstances, the Requesting Party shall be entitled to assume that the then current ratings of the Auto Covered Bonds in issue will not be downgraded or withdrawn by the Rating Agency as a result of such action or step.

Rating Agency Modification (i) the removal of a Rating Agency from rating of any Series of Auto Covered Bonds, and/or (ii) the appointment (or reappointment) of a Rating Agency to rate a Series of Auto Covered Bonds, and (iii) the methodology of a Rating Agency rating of any Series of Auto Covered Bonds is changed in such a way as is or can reasonably be expected to have an adverse effect on the rating of the relevant Series of Auto Covered Bonds.

Ratings Modification means any modifications that the Issuer considers necessary following a Rating Agency Modification, to implement the removal of the relevant Rating Agency and all ratings criteria,

rating tests, rating triggers and any and all requirements specified by and/or relating to such appointed Rating Agency.

Reassigned Ancillary Rights means any and all Assigned Ancillary Rights which have been reassigned to Cembra in accordance with the Security Transfer Agreement from time to time.

Reassigned Dealer Receivables means any and all Assigned Dealer Receivables which have been reassigned to Cembra in accordance with the Security Transfer Agreement from time to time.

Reassigned Lease Receivables means any and all Assigned Lease Receivables which have been reassigned to Cembra in accordance with the Security Transfer Agreement from time to time.

Reassigned Receivables means the Reassigned Lease Receivables, the Reassigned Dealer Receivables and the Reassigned Ancillary Rights.

Receivables means the Lease Receivables, the Dealer Receivables and the Ancillary Rights.

Recourse and Indemnity Obligations means each of the Guarantee Recourse and Indemnity Obligation, the General Recourse and Indemnity Obligation and the Increased Servicer and Services Provider Expenses Recourse and Indemnity Obligation.

Recourse Claim means a claim under a Recourse and Indemnity Obligation.

Recourse Notice means each of the Guarantee Recourse Notice, the General Indemnity Recourse Notice and the Increased Servicer and Services Provider Expenses Recourse Notice.

Relevant Creditor has the meaning ascribed to such term in Condition 18 (*Limited Recourse against the Guarantor*).

Relevant Date has the meaning ascribed to such term in Condition 7 (*Taxation*).

Relevant Payment Date has the meaning ascribed to such term in Condition 18 (*Limited Recourse against the Guarantor*).

Replacement Account Bank means any party designated in accordance with the terms of the Master Bank Account Agreement.

Replacement Asset Monitor means any party designated as such in accordance with the terms of the Asset Monitor Agreement.

Replacement Cash Manager means any party designated as such in accordance with the terms of the Cash Management Agreement.

Replacement Corporate Services Provider means any party designated as such in accordance with the terms of the Corporate Services Agreement.

Replacement Servicer means any party designated as such in accordance with the terms of the Security Transfer Agreement or Servicing Facilitator Agreement.

Replacement Servicer Agreement means any replacement servicer agreement governing the appointment of a Replacement Servicer.

Replacement Third Party Services Provider means any of the Replacement Asset Monitor, the Replacement Account Bank, the Replacement Cash Manager, the Replacement Corporate Services Provider as well as any successor of the Administration Services Provider.

Requirement of Law in respect of any person means (i) any law, treaty, rule, requirement or regulation, (ii) a notice by or an order of any court having jurisdiction, (iii) a mandatory requirement of any regulatory authority having jurisdiction or (iv) a determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon that person or to which that person is subject or with which it is customary for it to comply.

Requisite Percentage means the percentage of Covered Bondholders required to pass an Extraordinary Resolution as determined in accordance with the Bondholder Provisions.

Residual Value Proceeds means all proceeds under a sale of the Leased Vehicle, whether under the Dealer Agreements (i.e. in exercising the Dealer Repurchase Obligation) to the Dealer or whether in connection with a sale to the Lessee or to any other third party.

Restructuring Proceedings means restructuring proceedings within the meaning of article 28 *et seq.* FBA and article 40 *et seq.* BIO-FINMA, or in any successor or analogous Swiss law or regulation applicable to banks in Switzerland such as the Issuer.

Restructuring Protective Measures means any Protective Measure ordered by the Swiss Resolution Authority with respect to the Issuer that are ordered or confirmed upon the opening of or during any Cembra Restructuring Proceedings.

Retransfer Date means the date as specified as such in a Retransfer Deed on which a retransfer of Lease Assets is designated to take effect.

Retransfer Deed means the retransfer deed as attached to the Security Transfer Agreement relating to all reassignments and retransfers of Cover Pool Assets by the Assignee to the Assignor.

Retransferred Dealer Agreement means each Dealer Agreement which has been retransferred to the Assignor or any third party designated by the Assignor in accordance with the Security Transfer Agreement.

Retransferred Lease Agreement means each Lease Agreement which has been retransferred to the Assignor or any third party designated by the Assignor in accordance the Security Transfer Agreement.

Retransferred Leased Vehicle means each Leased Vehicle the ownership of which has been retransferred to the Assignor or any third party designated by the Assignor in accordance with the Security Transfer Agreement.

Retransferred Lease Assets means the Retransferred Lease Agreements (including, for the avoidance of doubt, any Reassigned Lease Receivables), the Retransferred Dealer Agreements (including, for the avoidance of doubt, any Reassigned Dealer Receivables), the Retransferred Leased Vehicles and all relevant Reassigned Ancillary Rights and a **Retransferred Lease Asset** means a package consisting of a Retransferred Leased Vehicle, the Retransferred Lease Agreement pursuant to such Retransferred Leased Vehicle is (or was) leased to the Lessee (including, for the avoidance of doubt, any Reassigned Lease Receivables), the Reassigned Dealer Agreement pursuant to which such Retransferred Leased Vehicle was purchased from the Dealer and all relevant Reassigned Ancillary Rights.

Retransferred Leased Vehicle means each Leased Vehicle legal title to which has been retransferred to the Assignor or any third party designated by the Assignor in accordance the Security Transfer Agreement.

Scheduled Interest means an amount equal to the amount in respect of interest which would have been due and payable under a relevant Series of Auto Covered Bonds on each Interest Payment Date as specified in Condition 4 (*Interest*) (but excluding any Excluded Scheduled Interest Amounts payable by the Issuer following the occurrence of an Issuer Event of Default):

- (a) as if the IED Guarantee Activation Date had not occurred and the relevant Series of Auto Covered Bonds had not immediately become due and repayable prior to their Final Maturity Date by the Issuer; and
- (b) as if the Final Maturity Date of the Auto Covered Bonds had been the Extended Due for Payment Date (but taking into account any principal repaid in respect of such Auto Covered Bonds or any Guaranteed Amounts paid in respect of such principal prior to the Extended Due for Payment Date); and
- (c) less any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 7 (*Taxation*).

Scheduled Payment Date means, in relation to payments under the Guarantee, each Interest Payment Date or the Final Maturity Date or other date in respect of which any principal or interest is payable by the Issuer (other than pursuant to Condition 10 (*Events of Default*) – as if an IED Guarantee Activation Date had not occurred and the relevant Series of Auto Covered Bonds had not become immediately due and repayable prior to their Final Maturity Date by the Issuer.

Scheduled Principal means an amount equal to the amount in respect of principal which would have been due and repayable under a relevant Series of Auto Covered Bonds on each Interest Payment Date or the Final Maturity Date or other date in respect of which any principal is payable by the Issuer (as the case may be) as specified in Condition 6.1 (*Redemption at Maturity*) (but excluding any Excluded Scheduled Principal Amounts payable by the Issuer following the occurrence of an Issuer Event of Default) as if the IED Guarantee Activation Date had not occurred and the relevant Series of Auto Covered Bonds had not become immediately due and repayable prior to their Final Maturity Date by the Issuer.

Secured Obligations means (i) any and all Guarantee Fees, (ii) any and all Pre-funding Obligations, and (iii) any and all Recourse and Indemnity Obligations.

Security Interest means any and all existing or future pledges, liens, encumbrances, or other interests of any nature, statutory and contractual retention rights (*Retentionsrechte*), rights to set-off (*Verrechnungsrechte*), rights to retain (*Zurückbehaltungsrechte*), rights to refuse performance (*Leistungsverweigerungsrechte*) and similar rights, whether obligatory rights or rights in rem.

Security Transfer Agreement means the security transfer agreement between the Assignor and the Assignee dated on or about the Programme Closing Date, as amended or amended and restated from time to time.

Series has the meaning ascribed to such term in the recitals of these Conditions.

Separate Maintenance and Service Agreement means an agreement separate to the Lease Agreement under which Cembra as lessor assumes the obligation to provide maintenance, other services or insurance or to pay any road traffic taxes.

Servicer means the Assignor in its function as Assignor under the Security Transfer Agreement to the extent it continues to service and administer the Serviced Lease Assets according to the Security Transfer Agreement and any Replacement Servicer or substitute Servicer.

SHAB means the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*).

Specified Denomination(s) has the meaning ascribed to such term in the Applicable Final Terms.

SIX SIS means SIX SIS AG, Baslerstrasse 100, 4600 Olten, Switzerland.

Subordinated Loan means the unsecured subordinated loan made by the Subordinated Loan Provider to the Guarantor in accordance with and subject to the terms and conditions of the Subordinated Loan Agreement.

Subordinated Loan Agreement means the subordinated loan agreement dated on or about the Programme Closing Date between the Subordinated Loan Provider and the Guarantor, as amended or amended and restated from time to time.

Subordinated Loan Provider means Cembra.

Subscription Agreement means a subscription agreement supplemental to the Programme Agreement in the form set out in the Programme Agreement or in such other form as may be agreed between the Issuer, the Guarantor and the person named as the lead manager or one or more Managers (as the case may be).

Subsidiary means in relation to any person (the **first person**) at any particular time, any other person (the **second person**) (i) which is controlled, directly or indirectly, by the first person; (ii) the first person owns at least 50 per cent. of the ownership interests in the controlled person; (iii) which is a subsidiary of another subsidiary of the first person and for these purposes a person shall be treated as being

controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body; or (iv) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person.

Substitute Assets means Eligible Substitute Assets in the Cover Pool in accordance with the Security Transfer Agreement and booked in the Cover Pool Bank Account or the Cover Pool Custody Account as the case may be.

Successor Trustee means any party designated as such in accordance with the terms of the Trust Agreement.

Supplement Agreement means the supplement agreement as attached to the Intercreditor Agreement.

Swiss Resolution Authority means FINMA or any other authority in Switzerland that is competent under Swiss law to exercise a Swiss Resolution Power or order Protective Measures at the relevant time.

Swiss Resolution Power means any statutory power of the Swiss Resolution Authority that it may exercise during Restructuring Proceedings as set forth in article 28 *et seq.* FBA and article 40 *et seq.* BIO-FINMA, or in any successor or analogous Swiss law or regulation applicable to banks in Switzerland, such as the Issuer, including, without limitation, (a) the Transfer Power, (b) the power to stay (for a maximum of two business days) the termination of, and the exercise of rights to terminate, netting rights, rights to enforce or dispose of certain types of collateral or rights to transfer claims, liabilities or certain collateral, in each case, under contracts to which the entity subject to such Restructuring Proceedings is a party, (c) the power to convert the debt of the entity subject to such Restructuring Proceedings into equity of such entity, and/or (d) the power to partially or fully write-down the obligations of the entity subject to such Restructuring Proceedings.

Swiss Withholding Tax means the Swiss withholding tax under the Swiss Federal Withholding Tax Act of 13th October 1965 (*Bundesgesetz über die Verrechnungssteuer vom 13. Oktober 1965*), as amended from time to time.

Tax Authority means any Governmental Authority exercising functions in Taxes matters.

Tax Jurisdiction has the meaning ascribed to such term in Condition 7 (*Taxation*).

Taxes means all present and future taxes, levies, imposts, duties, fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including, without limitation, income tax, corporation tax, VAT or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon and **Tax** and **Taxation** shall be construed accordingly.

Test means each of the Asset Coverage Test, the Interest Coverage Test and the Amortisation Test.

Test Date means at least one monthly date on a Business Day on which a Test is performed.

Third Party Services Provider means any Initial Third Party Services Provider or Replacement Third Party Services Provider, as applicable.

Total Liabilities to Relevant Creditor and Pari Passu Creditors has the meaning ascribed to such term in Condition 18 (*Limited Recourse against the Guarantor*).

Tranche has the meaning ascribed to such term in the recitals of these Conditions.

Transaction Documents means each of:

- (a) the Guarantee;
- (b) the Guarantee Mandate Agreement;
- (c) the Security Transfer Agreement;

- (d) the Intercreditor Agreement;
- (e) the Cash Management Agreement;
- (f) the Master Bank Account Agreement;
- (g) the Corporate Services Agreement;
- (h) the Administration Services Agreement;
- (i) the Trust Agreement;
- (j) the Paying Agency Agreement;
- (k) the Programme Agreement;
- (l) any Replacement Servicer Agreement;
- (m) the Asset Monitor Agreement;
- (n) the Subordinated Loan Agreement;
- (o) the Conditions;
- (p) each set of Applicable Final Terms (as applicable in the case of each issue of listed Auto Covered Bonds subscribed pursuant to a subscription agreement);
- (q) each Subscription Agreement (as applicable in the case of each issue of listed Auto Covered Bonds subscribed pursuant to a subscription agreement);
- (r) the Master Definitions Schedule;
- (s) each Series and/or Tranche of Auto Covered Bonds;
- (t) each document, agreement or indenture ancillary or supplemental to any of the documents specified in paragraphs (a) to (t) (inclusive) above; and
- (u) any other agreement or document from time to time designated as such by the Issuer, the Guarantor and the Trustee.

Transfer Date means the date as specified as such in a Transfer Deed on which a transfer of Lease Assets is designated to take effect.

Transfer Deed means a written deed of assignment for the transfer of Lease Assets from the Assignor to the Assignee substantially in the form set out in the Security Transfer Agreement.

Transferred Dealer Agreement means a Dealer Agreement which has been transferred by the Assignor to the Guarantor under the Security Transfer Agreement, from time to time, but excluding Retransferred Dealer Agreement.

Transferred Lease Agreement means a Lease Agreement which has been transferred by the Assignor to the Guarantor under the Security Transfer Agreement, from time to time, but excluding Retransferred Lease Agreement.

Transferred Lease Assets means the Transferred Lease Agreements (including, for the avoidance of doubt, any Assigned Lease Receivables), the Transferred Dealer Agreements (including, for the avoidance of doubt, any Assigned Dealer Receivables), the Transferred Leased Vehicles and all related Assigned Ancillary Rights and a **Transferred Lease Asset** means a package consisting of a Transferred Leased Vehicle, the Transferred Lease Agreement pursuant to which such Transferred Leased Vehicle is leased to the Lessee (including, for the avoidance of doubt, any Assigned Lease Receivable), the Transferred Dealer Agreement pursuant to which such Transferred Leased Vehicle is purchased from the Dealer (including, for the avoidance of doubt, any Assigned Dealer Receivables) and all related Assigned Ancillary Rights.

Transferred Leased Vehicles means any and all Related Leased Vehicle transferred which has been transferred by the Assignor to the Guarantor under the Security Transfer Agreement, from time to time, but excluding (i) any Retransferred Leased Vehicles and (ii) any Leased Vehicles sold in accordance with the Security Transfer Agreement.

Transfer Power means any statutory power of the Swiss Resolution Authority that it may exercise during Restructuring Proceedings as set forth in article 30 para. 2 FBA and article 52 BIO-FINMA, or in any successor or analogous Swiss law or regulation applicable to banks in Switzerland, such as the Issuer, to transfer the assets of the entity subject to such Restructuring Proceedings, or portions thereof, together with such entity's debt and other liabilities, or portions thereof, and contracts, to another entity (including, for the avoidance of doubt, to a public corporation or governmental agency or to an entity held or set up by a public corporation or governmental agency).

Trust Agreement means the trust agreement dated on or about the Programme Closing Date between the Issuer, the Assignor, the Guarantor, the Assignee and the Trustee under which the Trustee has agreed to act as trustee and includes any trust agreement or other document executed by the Issuer, the Guarantor and the Trustee in accordance with the provisions of the Trust Agreement, as amended or amended and restated from time to time.

Trustee means TMF Services SA, rue de Jargonnant 2, 1207 Geneva, Switzerland, in its capacity as trustee under the Trust Agreement, and/or any Successor Trustee or additional trustees appointed from time to time.

Uncertificated Auto Covered Bonds has the meaning ascribed to such term in the recitals of these Conditions.

VAT and Value Added Tax means any tax levied under the Swiss VAT Act of 12 June 2009, as amended from time to time.

THE GUARANTEE

Set out below is an excerpt from the Guarantee made as of the Programme Closing Date between:

- (1) **Cembra Auto Finance AG**, a company incorporated as a stock corporation (*Aktiengesellschaft*) under the laws of Switzerland with its registered office at c/o Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland, registered in the commercial register of the Canton of Zurich under register number CHE-472.832.355 (hereinafter referred to as the **Guarantor**); and
- (2) **TMF Services SA**, a company incorporated as a stock corporation (*Aktiengesellschaft*) under the laws of Switzerland with its registered office at Rue de Jargonnant 2, 1207 Geneva, Switzerland, registered in the commercial register of the Canton of Geneva under register number CHE-106.263.314 (hereinafter referred to as the **Bondholders' Representative and Trustee**, in its capacities as (i) Bondholders' Representative, acting in the name and for the account of the Covered Bondholders as their direct representative (*direkter Stellvertreter*) and (ii) Trustee under the Trust Agreement).

Whereas

- A. On 20 June 2025, Cembra Money Bank AG (the **Issuer**) is establishing a Programme pursuant to which the Issuer may from time to time issue Tranches and Series of Auto Covered Bonds.
- B. Pursuant to the Guarantee Mandate Agreement, the Issuer has appointed and mandated the Guarantor to issue, in its own name but for the account of the Issuer, a guarantee to the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, for the due and punctual performance by the Issuer of its obligations to pay Scheduled Interest and Scheduled Principal on the Auto Covered Bonds in an amount equal to the Guaranteed Amounts (the **Guarantee**) and the Guarantor has agreed to issue the Guarantee.
- C. In accordance with Condition 13 (*Appointment of the Bondholders' Representative*), each Covered Bondholder (i) has appointed and authorised the Trustee to act as bondholders' representative in the sense of article 1158 seq. CO (*Anleihensvertreter*) for the purposes of the Conditions and this Agreement and (ii) has authorised the Bondholders' Representative to accept and execute as direct representative (*direkter Stellvertreter*) the Guarantee and to hold, administer and, if necessary, enforce any rights under this Agreement on behalf of the Covered Bondholders.

Now, therefore, the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

- (a) Unless otherwise defined herein and except to the extent that the context requires otherwise, capitalized terms used in this guarantee agreement (the **Agreement**) shall have the meaning ascribed to them in the terms and conditions of the Auto Covered Bonds (the **Conditions** and each a **Condition**) as set out in the base prospectus within the meaning of article 45 of the FinSA prepared in connection with the Programme by the Issuer and the Guarantor, as revised, supplemented and/or amended from time to time (the **Base Prospectus**).
- (b) In addition to the definitions elsewhere in this Agreement, the following terms shall have the following meaning for purposes of this Agreement:
 - (i) **Agreement** means this guarantee agreement, as it may be amended or supplemented from time to time;
 - (ii) **Clause** means a clause of this Agreement;
 - (iii) **Parties** means the parties to this Agreement and **Party** means any of them; and
 - (iv) **Schedule** means a schedule to this Agreement.

1.2 Interpretation

- (a) Any reference made in this Agreement to any Transaction Document (including this Agreement) or to any other agreement or document relating to a Transaction Document shall be deemed to be references to such Transaction Document or such other agreement or document as the same may have been, or may from time to time be, amended, restated, extended or novated or as the Parties or persons may accede thereto or withdraw therefrom or as the principal amount of the outstanding Auto Covered Bonds may be increased or decreased thereunder.
- (b) Any references made in this Agreement to any person include a reference to any natural or legal person, corporation or other body corporate, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality), as well as to any of its successors, permitted assignees and permitted transferees.
- (c) Unless the context otherwise requires, any references made in this Agreement to the Bondholders' Representative shall be read as references to the Bondholders' Representative acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders.

2. INITIAL AND SUBSEQUENT AUTO COVERED BONDS

- (a) The Guarantee shall become effective on the date hereof and shall extend to all Series and Tranches listed in the guarantee extensions table substantially in the form attached as Schedule 1 (*Form of Guarantee Extensions Table*) (the **Guarantee Extensions Table**).
- (b) Pursuant to the Guarantee Mandate Agreement, the Issuer shall deliver to the Guarantor (with a copy to the Trustee and the Bondholders' Representative of any other Series (if any)) two (2) Business Days prior to the relevant Issue Date:
 - (i) an Instruction of the Extension of the Guarantee; and
 - (ii) the Guarantee Extensions Table updated to reflect all initial and subsequent Series and Tranches of Auto Covered Bonds.

3. GUARANTEE

- (a) Subject to the terms and conditions set forth herein, the Guarantor hereby irrevocably and unconditionally guarantees in accordance with article 111 CO, as a primary obligor and not merely as surety (*Bürge*) to the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, by way of a continuing guarantee, irrespective of the validity or enforceability of the Auto Covered Bonds or any other Transaction Document, and waiving all rights of objection or defense arising from the Auto Covered Bonds or any other document related thereto, the due and punctual performance by the Issuer of its obligations to pay all amounts payable by the Issuer under the Auto Covered Bonds in an amount equal to the Guaranteed Amounts.
- (b) The Guarantor shall:
 - (i) following the IED Guarantee Activation Date and subject to the service of a Notice to Pay (as defined below) on the Guarantor for the relevant Guaranteed Amounts becoming Due for Payment in accordance with Clause 4(c), and without requiring the Trustee or any Bondholders' Representative to take steps against the Issuer or any other person, pay or procure to be paid in the manner described in Clause 4 to the Principal Paying Agent for distribution to the Covered Bondholders pursuant to the Conditions and the Paying Agency Agreement, on first demand an amount equal to those Guaranteed Amounts which shall have become Due for Payment (irrespective of any variation, release or discharge of the equivalent amounts that would have been payable by the Issuer in respect of the Auto Covered Bonds), where the equivalent amount has not been paid by the Issuer to the relevant Covered Bondholders on the relevant date for payment; and

- (ii) following the GED Guarantee Activation Date and subject to the service of a Notice to Pay on the Guarantor for all Guaranteed Amounts becoming Due for Payment in accordance with Clause 4(e), and without requiring the Trustee or any Bondholders' Representative to take steps against the Issuer or any other person, in respect of the Auto Covered Bonds of each Series, pay or procure to be paid in the manner described in Clause 4 to the Principal Paying Agent for distribution to the Covered Bondholders pursuant to the Conditions and the Paying Agency Agreement, on first demand an amount equal to all Guaranteed Amounts (irrespective of any variation, release or discharge of the equivalent amounts that would have been payable by the Issuer in respect of the Auto Covered Bonds),

in each case provided, however, that any obligation of the Guarantor to pay Guaranteed Amounts hereunder shall be limited in amount and recourse as set out in Clause 5.

- (c) This Guarantee:
 - (i) is a continuing guarantee and shall not be discharged except by complete performance of the obligations under this Agreement and is additional to and independent of, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person (whether from the Guarantor or otherwise); and
 - (ii) shall remain in force until all money payable under the Auto Covered Bonds shall have been paid, regardless of any intermediate payment or discharge in whole or in part.
- (d) The Guarantor shall not in respect of any payment due to be made under this Guarantee be released from its obligations under or pursuant to this Agreement in any circumstances except upon the receipt by or for the account of the Principal Paying Agent of the full amount of such payment from the Issuer or the Guarantor in the currency, at the place and in the manner provided for in this Guarantee, the Trust Agreement and the Conditions.
- (e) If any discharge (whether in respect of the obligations of the Issuer or the Guarantor or otherwise) is made in whole or in part on the faith of any payment or other disposition received by the Principal Paying Agent or any Covered Bondholder which is avoided or must be set aside in whole or in part under any laws relating to the bankruptcy, sequestration, liquidation, insolvency, administration, corporate reorganisation or other such similar Insolvency Event of the Issuer, the liability of the Guarantor under this Agreement shall continue or be reinstated, as applicable, as if the discharge or arrangement had not occurred.
- (f) Without prejudice to the generality of the foregoing provisions of this Clause 3, the Guarantor agrees that its obligations under this Agreement shall, notwithstanding any reference herein to the Auto Covered Bonds and any other Transaction Document, constitute separate, independent, primary, unsecured, unsubordinated and non-accessory guarantee obligations of the Guarantor within the meaning of article 111 CO and not merely a surety (*Bürgschaft*) within the meaning of article 492 et seq. CO, be absolute and, following the Guarantee Activation Date and service of a Notice to Pay on the Guarantor for the relevant amount, unconditional, and irrespective of any invalidity, irregularity or unenforceability of all or any of the obligations of the Issuer under the Conditions or any other Transaction Document (other than this Agreement) and the Guarantor hereby waives all rights of objection and defense arising therefrom. For the avoidance of doubt, should the Trustee or the Bondholders' Representative (as applicable) serve a Notice to Pay on the Guarantor after the date specified for such service in Clause 4(b) or 4(c), such late service will not invalidate the obligations of the Guarantor to make such payment under the Guarantee.
- (g) Subject to the occurrence of the Guarantee Activation Date and following the service of a Notice to Pay for the relevant amount on the Guarantor, the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, may take action to enforce the Guarantor's obligations under this Agreement in accordance with and subject to the provisions set forth herein, without first making any demand or taking any proceedings against the Issuer or any other person.

- (h) Until all amounts which may be or become payable by the Issuer under the Auto Covered Bonds have been irrevocably paid in full, the Guarantor hereby waives irrevocably and unconditionally:
- (i) all rights of subrogation, indemnity, contribution or otherwise (arising under the Transaction Documents, law, regulation or otherwise whatsoever) which it might otherwise have against the Issuer by virtue of any payment made or amount payable by the Guarantor pursuant to this Agreement;
 - (ii) all rights to take any steps or institute any Insolvency Proceedings or any similar procedure in respect of the Issuer, and in particular, it will not initiate or support any Insolvency Proceedings against the Issuer before payment in full of all amounts payable by the Issuer under the Auto Covered Bonds shall have been made to the Covered Bondholders; and
 - (iii) all rights to claim, rank, prove or vote as creditor of the solvent Issuer or, upon the Issuer's bankruptcy or other insolvency, to file its claim with the Issuer's estate in competition with the Trustee, the Bondholders' Representative and/or the Covered Bondholders or to receive or have the benefit of any payment, distribution or security from or on account of the Issuer or to claim or exercise a right of set-off against the Issuer, provided that this paragraph (h)(iii) shall not apply to any claims, payments or distribution of assets from or on the account of the Issuer to which the Guarantor is entitled pursuant to the Transaction Documents,

subject always to the rights of the Guarantor (i) to set-off amounts due and payable by the Issuer to the Guarantor in respect of amounts paid by the Guarantor under the Guarantee against any amounts repayable by the Guarantor to the Issuer under the terms of the Guarantee Mandate Agreement or the Security Transfer Agreement; (ii) to claim and enforce (including filing any of its claims in the insolvency of the Issuer) amounts owing by the Issuer to the Guarantor in respect of the Issuer's Pre-funding Obligations and/or Recourse and Indemnity Obligations in accordance with the terms of the Guarantee Mandate Agreement or the Security Transfer Agreement; and (iii) to enforce and/or liquidate a part of the Cover Pool Assets sufficient to discharge the relevant Secured Obligations upon and after the occurrence of a Collateral Enforcement Event or an Issuer Event of Default in accordance with the terms of the Security Transfer Agreement and subject to the terms of clause 8 of the Trust Agreement, which in each case shall remain unaffected.

- (i) If, notwithstanding the foregoing, upon the occurrence of an Insolvency Event in relation to the Issuer, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, shall be received by the Guarantor (other than to any claims, payments or distribution of assets from or on the account of the Issuer to which the Guarantor is entitled pursuant to the Transaction Documents) or if the Guarantor is able to exercise any set-off rights against the Issuer (other than as set forth above) before payment in full of all amounts payable shall have been made to the Covered Bondholders, such payment and/or an amount equal to the amount so set-off shall be held by the Guarantor on behalf of the Relevant Creditor and credited to the General Bank Account to be applied in accordance with the applicable Priority of Payments.

4. PAYMENTS UNDER THE GUARANTEE

- (a) In accordance with the provisions of the Guarantee Mandate Agreement, prior to the Guarantee Activation Date, the Issuer will notify the Trustee in writing (with a copy to the Guarantor and the Bondholders' Representative) not later than close of business on (a) the second Business Day, or, (b) in case of a Shortfall (as defined below), on the fifth Business Day, before each Interest Payment Date or such other date in respect of which any principal or interest in relation to the Auto Covered Bonds is due and payable by the Issuer (other than pursuant to Condition 10.1 (*Events of Default relating to the Issuer*)) (the **Payment Due Date**)
 - (i) of the amount of interest and/or principal in relation to the Auto Covered Bonds which is due and payable by the Issuer on such Payment Due Date and will confirm whether

- or not it will have sufficient funds to make such payments of such interest and/or principal on such Payment Due Date; and
- (ii) if the amount available for payment by the Issuer in respect of such interest and/or principal on such Payment Due Date will be insufficient to meet the amount of such interest and/or principal due and payable on such Payment Due Date (the difference being the **Shortfall**), of the amount of the Shortfall.
- (b) Following the occurrence of an Issuer Event of Default and service by the Bondholders' Representative of an Issuer Default Notice on the Issuer pursuant to Condition 10.1 (*Events of Default relating to the Issuer*), with a copy to the Guarantor, the Trustee, the Administration Services Provider and the Bondholders' Representative of any other Series (if any), the Trustee shall promptly deliver a Guarantee Activation Notice substantially in the form of Schedule 2 (*Form of Guarantee Activation Notice*) to the Guarantor (with a copy to the Issuer, the Bondholders' Representative, the Principal Paying Agent and the Administration Services Provider) requiring the Guarantor to pay the Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of this Agreement.
 - (c) On the IED Guarantee Activation Date (but prior to the GED Guarantee Activation Date), the Trustee shall prepare, sign and serve a notice to pay on the Guarantor (with a copy to the Issuer, Bondholders' Representatives of all Series, the Principal Paying Agent, the Administration Services Provider and the Corporate Services Provider) substantially in the form set out in Schedule 3 (*Form of Notice to Pay*) (a **Notice to Pay**):
 - (i) for the Guaranteed Amounts (A) then Due For Payment, and (B) falling Due for Payment in the 65 Business Day period commencing on such date; and
 - (ii) thereafter, the Trustee shall, not earlier than 65 Business Days and to the extent practical, not later than 63 Business Days prior to each Scheduled Payment Date in respect of each Series of Auto Covered Bonds, prepare, sign and serve a Notice to Pay on the Guarantor for the Guaranteed Amounts falling Due for Payment on each such Scheduled Payment Date.
 - (d) Following receipt of each Notice to Pay, the Guarantor, or the Administration Services Provider on its behalf, shall serve without delay a Guarantee Pre-funding Notice on the Issuer in accordance with clause 7.1 of the Guarantee Mandate Agreement, and the Guarantor shall pay the Guaranteed Amounts to the Principal Paying Agent pursuant to the terms of this Agreement and the Guarantee Priority of Payments by 10.00 a.m. (local time in the relevant financial centre of the payment or, in the case of a payment in CHF, CET) on the date on which the relevant Guaranteed Amount is Due for Payment. Where the Guarantor is required to make a payment of a Guaranteed Amount, to the extent that the Guarantor has insufficient money available after payment of higher ranking amounts and taking into account amounts ranking *pari passu* therewith in the Guarantee Priority of Payments to pay such Guaranteed Amounts, it shall make partial payment of such Guaranteed Amounts in accordance with the Guarantee Priority of Payments.
 - (e) Following the GED Guarantee Activation Date, all Guaranteed Amounts will become immediately due and payable by the Guarantor and (i) the Trustee shall immediately serve a Notice to Pay for all Guaranteed Amounts on the Guarantor, upon receipt of which the Guarantor, or the Administration Services Provider on its behalf, shall serve without delay a corresponding Guarantee Pre-funding Notice on the Issuer in accordance with clause 7.1 of the Guarantee Mandate Agreement, and (ii) subject to Applicable Law, the Guarantor shall pay the Guaranteed Amounts Due for Payment pursuant to the terms of this Agreement and the Post-Insolvency Priority of Payments by 10.00 a.m. (local time in the relevant financial center of the payment) on the date directed by the Trustee.
 - (f) Each Notice to Pay served on the Guarantor by the Trustee, as the case may be, in accordance with this Clause 4, shall be sent in copy to the Administration Services Provider.
 - (g) If the Trustee – following the occurrence of an Insolvency Event with respect to the Trustee – automatically ceases to be a Party to this Agreement in accordance with Clause 11, or if the

Trustee fails to deliver a Guarantee Activation Notice and/or a Notice to Pay in accordance with Clauses 4(b), 4(c) and 4(d) and paragraph (c) of Condition 10.1 (*Events of Default relating to the Issuer*), respectively, within a reasonable time period and such failure is continuing, the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, shall be entitled to deliver such Guarantee Activation Notice and/or Notice to Pay.

- (h) The Parties acknowledge and agree that:
- (i) the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, herewith instructs the Guarantor to pay (or to procure the payment of) all sums payable under this Guarantee, subject always to the applicable Priority of Payments, solely and exclusively to the Principal Paying Agent for distribution to the relevant Covered Bondholders in accordance with the Conditions and the Paying Agency Agreement (*Anweisung*). No payments under this Guarantee shall be made to or to the order of the Bondholders' Representative;
 - (ii) the Guarantor for the benefit of the Covered Bondholders herewith expressly and irrevocably agrees to pay (or to procure the payment of) all sums payable under this Guarantee, subject always to the applicable Priority of Payments, solely and exclusively to the Principal Paying Agent for distribution to the relevant Covered Bondholders in accordance with the Conditions and the Paying Agency Agreement (*Annahme der Anweisung*);
 - (iii) pursuant to the Paying Agency Agreement, the Principal Paying Agent has agreed to receive and distribute payments pursuant to sub-paragraph (i) above; and
 - (iv) the obligation of the Guarantor to make any payments hereunder solely and exclusively to the Principal Paying Agent for distribution to the Covered Bondholders in accordance with this Clause 4, shall be irrevocable in all circumstances, including, without limitation, the occurrence of an Insolvency Event with respect to the Guarantor.
- (i) At least two Business Days before the date on which the Guarantor is obliged to make a payment under this Guarantee, it shall notify or procure the notification of the Principal Paying Agent of the irrevocable instructions to the Account Bank through which payment to the Principal Paying Agent is to be made.
 - (j) The Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, acknowledges and agrees that the Cash Manager shall apply the applicable Priority of Payments and that Covered Bondholders shall have no claim against the Cash Manager, each other Relevant Creditor or any insolvency official as a result of the application thereof.

5. LIMITED RECOURSE AGAINST THE GUARANTOR

- (a) Any payment obligation of the Guarantor under or in connection with this Agreement will become due only (i) until the occurrence of an GED Guarantee Activation Date, on any Guarantor Payment Date, or (ii) thereafter, on any date on which amounts are paid or payable in accordance with the Post-Insolvency Priority of Payments (each such date a **Relevant Payment Date**), in each case subject to the other provisions set out in this Agreement, and is limited to the amount ("x") corresponding to the pro rata share of such obligation in the Available Funds from time to time, which amount shall not be less than zero or greater than the nominal amount of the relevant obligation and shall be calculated in accordance with the following formula:

$$x = \text{NA} \times \frac{(\text{Available Funds} - \text{Higher Ranking Creditors} - \text{Pro Rata Share Other Creditors})}{\text{Total Liabilities to Relevant Creditor and Pari Passu Creditors}}$$

where:

NA means the Nominal Amount of Accrued Obligations due by the Guarantor to the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the relevant Covered Bondholders) under this Agreement as at the Relevant Payment Date.

Available Funds means on any Guarantor Payment Date or other Relevant Payment Date (as applicable):

- (i) prior to the occurrence of a Guarantor Liquidation Event, all cash standing to the credit of the General Bank Account (including funds recorded on the Guarantor Profit Amount Ledger); and
- (ii) after the occurrence of a Guarantor Liquidation Event, the aggregate of (A) all cash standing to the credit of the General Bank Account (including funds recorded on the Guarantor Profit Amount Ledger) and (B) all cash standing to the credit of the Cover Pool Bank Account up to the amount of all Secured Obligations not covered pursuant to sub-paragraph (A) of this paragraph (ii).

Higher Ranking Creditors means, as of the Relevant Payment Date, the aggregate Nominal Amount of all Accrued Obligations due by the Guarantor to creditors ranking ahead of the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the relevant Covered Bondholders) under the applicable Priority of Payments (excluding amounts owed to creditors not bound by the Priorities of Payments).

Pro Rata Share Other Creditors means, as of the Relevant Payment Date, the aggregate Nominal Amount of all Accrued Obligations due by the Guarantor to creditors not bound by the Priorities of Payments, multiplied by the Available Funds, divided by the aggregate Nominal Amount of the Accrued Obligations due by the Guarantor under the Transaction Documents and due to creditors not bound by the Priorities of Payments.

Relevant Creditor means each of the Issuer, the Servicer, the Subordinated Loan Provider, the Assignor, the Cash Manager, the Account Bank, the Corporate Services Provider, the Trustee, the Principal Paying Agent, the Asset Monitor, the Administration Services Provider, the Servicing Facilitator, the Bondholders' Representative and the Covered Bondholders and any New Relevant Creditor acceding to the Intercreditor Agreement by means of an Accession Agreement or Supplement Agreement, as the case may be.

Total Liabilities to Relevant Creditor and Pari Passu Creditors means, as of the Relevant Payment Date, the aggregate Nominal Amount of all Accrued Obligations due by the Guarantor to the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders) under this Agreement plus the aggregate Nominal Amount of all Accrued Obligations due by the Guarantor to creditors (other than creditors not bound by the Priorities of Payments) ranking *pari passu* with the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders) under the applicable Priority of Payments.

- (b) Upon the Cash Manager giving written notice to the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders) that:
 - (i) it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Available Funds or future realisations from the Cover Pool Assets which would be available to pay amounts owing to the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders); and
 - (ii) all amounts available to be applied to pay amounts owing to the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders) have been so applied in accordance with the Transaction Documents,

the Guarantor shall have no further obligations in respect of any amounts owed under this Agreement which remain unpaid and such unpaid amounts shall be deemed to be discharged in full as against the Guarantor.

- (c) The limitations set forth in this Clause 5 shall also apply after the initiation of bankruptcy proceedings against the Guarantor, provided that it is understood that the competent liquidator, administrator or similar official appointed in respect of the Guarantor shall be competent to calculate the relevant amounts set forth in this Clause 5 and the Guarantor shall have no further obligations in respect of any amounts owed under this Agreement which remain unpaid and such unpaid amounts shall be deemed to be discharged in full as against the Guarantor after all Available Funds have been realised in full by the competent liquidator, administrator or similar official appointed in respect of the Guarantor or otherwise and all amounts available to be applied to pay amounts owing to the Bondholders' Representative (acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders) have been so applied.

6. GUARANTEE FEE

- (a) In consideration of the issuance of this Guarantee, the Issuer shall pay to the Guarantor the Guarantee Fee in accordance with clause 8.2 (*Guarantee Fee*) of the Guarantee Mandate Agreement.
- (b) The Guarantor's obligations under the Guarantee (i) shall not be conditional upon whether or not the Issuer pays the Guarantee Fee in time or at all and (ii) shall not be deemed to have been discharged if the Issuer fails to pay the Guarantee Fee to the Guarantor for any reason.

7. TAXATION

Should any payments made by the Guarantor under the Guarantee be made subject to any withholding or deduction for or on account of Taxes of whatever nature imposed or levied by any tax jurisdiction or any political subdivision or any authority thereof or therein having power to tax, the Guarantor will not be obliged to pay any additional amounts to the Trustee or any Covered Bondholder or any other person in respect thereof. If any such withholding or deduction is required by law, the Guarantor shall pay any amount net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted.

8. REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

The Guarantor hereby represents and warrants to the Trustee and the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, as at the date hereof and each Issue Date (if different) as follows:

- (a) it is duly incorporated as a stock corporation (*Aktiengesellschaft*) and is validly existing under the laws of Switzerland with power and authority to carry on its business and has obtained all necessary licenses and approvals which are required for the conduct of its business and to perform its obligations under this Agreement and each other Transaction Document to which it is a party and such licenses and approvals have not been revoked or suspended and it is not aware of any circumstances which indicate that any such licenses or approvals that have been obtained are likely to be terminated or revoked, except to the extent that failure to obtain, comply with the terms of or maintain any such authorization, approval license, notification or consent could not reasonably be expected to have a Material Adverse Effect;
- (b) it has the requisite power and authority, and all necessary corporate authority has been obtained and action taken, for it to execute and deliver, and perform the transactions contemplated in this Agreement and each other Transaction Document to which it is a party;
- (c) subject to the Legal Reservations, its obligations under this Agreement and each other Transaction Document to which it is a party constitute, or when executed by it will constitute, legal, valid and binding obligations and are enforceable against it in accordance with their respective terms;

- (d) the execution and delivery of this Agreement and each other Transaction Document to which it is a party and the performance of any of the obligations and transactions contemplated thereby do not and will not contravene, breach or constitute a default under or conflict or be inconsistent with or cause to be exceeded any limitation on it or the powers of its directors imposed by or contained in:
 - (i) any law, statute, decree, rule, regulation or license to which it or any of its assets or revenues is subject or of any order, judgment, injunction, decree, resolution, determination or award of any court or any judicial, administrative, or Governmental Authority or organisation which applies to it or any of its assets or revenues;
 - (ii) its articles of association; or
 - (iii) any agreement, indenture, mortgage, deed of trust, bond, or any other document or instrument to which it is a party or by which any of its assets or revenues is bound or affected;
- (e) no Insolvency Event has occurred in respect of it nor will occur as a result of the entry into or performance of its obligations and undertakings under this Agreement and each other Transaction Document to which it is a party;
- (f) it has duly and unconditionally obtained and maintained in effect all authorisations, approvals, consents, licenses, exemptions, registrations, recordings or filings required in connection with (i) the execution and delivery of this Agreement and each other Transaction Document to which it is a party, (ii) the compliance with its obligations under the Transaction Documents to which it is a party and (iii) the consummation by it of the transactions contemplated by this Agreement and each other Transaction Document to which it is a party;
- (g) the Transaction Documents to which it is a party have been entered into by it in good faith for the purposes of carrying on its business and on arm's length commercial terms;
- (h) no litigation, arbitration or administrative proceedings of or before any court, tribunal or governmental body have been commenced or are pending or threatened against it or against any of its directors or any of its assets or revenues which may have a Material Adverse Effect;
- (i) no event has occurred which would constitute a Guarantor Event of Default;
- (j) it has not engaged in any material activities since its incorporation except as contemplated or permitted pursuant to the Transaction Documents;
- (k) except as contemplated or permitted pursuant to the Transaction Documents, there exists no mortgage, pledge, lien, encumbrance, charge or other security interest whatsoever over the whole or any part of its assets (including, but not limited to, the Cover Pool Assets), except for security interests created by operation of mandatory law, and it has not entered into any trust agreement other than the Trust Agreement;
- (l) it has no subsidiaries or branches and no employees;
- (m) it is a company which is and has, since incorporation, been resident for tax purposes solely in Switzerland and has its usual place of abode in Switzerland; and
- (n) its management, the places of residence of its directors and the place at which meetings of its board of directors are held are all situated in Switzerland.

9. UNDERTAKINGS OF THE GUARANTOR

9.1 Negative undertakings

Save (i) with the prior written consent of the Bondholders' Representative, (ii) as provided in or envisaged by this Agreement any other Transaction Document, or (iii) to the extent reasonably required in connection with the Guarantor's entry into Transaction Documents or the performance of the Guarantor's obligations thereunder, the Guarantor shall not:

- (a) create or permit to subsist any security interest (unless arising by operation of law), over the whole or any part of its assets (including, but not limited to, the Cover Pool Assets);
- (b) transfer, sell, or otherwise dispose of any of its assets (including, but not limited to, the Cover Pool Assets);
- (c) have an interest in any bank account;
- (d) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any such indebtedness;
- (e) have any employees or branches or subsidiaries;
- (f) acquire or hold any assets;
- (g) engage in any activities or conduct any business or to hold itself out to that effect or hold itself out as the Issuer or any of its other Affiliates or as having the financial support of the Issuer or any of its other Affiliates;
- (h) enter into any contracts, agreements or other undertakings other than the Transaction Documents;
- (i) agree to any amendments or modifications to the terms of the Transaction Documents to which the Guarantor is a party without the prior written consent of the Trustee;
- (j) compromise or release any debt due to it;
- (k) have any establishment other than in Switzerland; or
- (l) commence, settle or compromise any litigation or other claims relating to it or any of its assets.

9.2 Affirmative undertakings

The Guarantor shall notify the Trustee of:

- (a) any changes made or initiated to the Persons acting as any Third Party Services Provider; and
 - (b) the termination of any of the Transaction Documents with any Third Party Services Provider,
- but any failure to so notify will not affect in any way the Guarantor's obligations under this Agreement.

10. NON-PETITION

Each of the Trustee and the Bondholders' Representative, acting for itself and as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, agrees that for so long as any Auto Covered Bonds are outstanding and until the expiry of a period ending 366 calendar days after the date on which all potential liabilities guaranteed by the Guarantor under the Guarantee have been discharged or satisfied in full:

- (a) it will not take any legal steps nor institute any legal proceedings against the Guarantor or its assets or corporate bodies for the purpose of asserting or enforcing any of its rights or claims against the Guarantor; in particular, it will not:
 - (i) file a request for payment (*Betriebsbegehren*) under the DEBA or otherwise initiate any debt collection, attachment or enforcement proceedings against the Guarantor or support any such proceedings; or
 - (ii) initiate any arbitration, court, administrative or other proceedings against the Guarantor, its assets or executive bodies, or support any such proceedings, except for any such action (x) solely seeking declaratory relief without requesting the adjudication of damages, or (y) solely seeking specific performance of the Guarantor's obligations under the Transaction Documents to serve Pre-funding Notices and/or Recourse Notices; or

- (iii) except as explicitly provided for in the Transaction Documents, exercise any right of set-off;
- (b) it will not take any steps nor institute any proceedings to procure or initiate the bankruptcy, winding up, liquidation, restructuring, administration or any similar procedure in respect of the Guarantor, and, in particular, it will not initiate or support any Insolvency Proceedings against the Guarantor; and
- (c) other than by virtue of filing any of its claims in an insolvency of the Guarantor, it will not claim, rank, prove or vote as creditor of the Guarantor or its estate in competition with any prior ranking creditors in the relevant Priority of Payments until all amounts then due and payable to creditors who rank higher in the relevant Priority of Payments have been paid in full,

provided, however, that paragraphs (a)(i) and (ii) as well as paragraph (b) of this Clause 10 shall become inapplicable if the Guarantor is adjudicated bankrupt by a competent Swiss court. In such case, each of the Trustee, the Bondholders' Representative, acting for itself and as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, and each Covered Bondholder shall submit its claims against the Guarantor with the bankruptcy administrator of the Guarantor and clarify that the claims are subject to rights of higher ranking creditors pursuant to the Post-Insolvency Priority of Payments.

11. SUCCESSOR TRUSTEE AND BONDHOLDERS' REPRESENTATIVE

- (a) Upon the occurrence of an Insolvency Event with respect to the Trustee, the Trustee shall automatically cease to be a Party without any further notice or action by any Party being required.
- (b) If a Successor Trustee is appointed in accordance with clause 17 of the Trust Agreement, with effect as of the appointment of the Successor Trustee, (i) all rights and obligations of the Trustee under this Agreement shall be automatically transferred to such Successor Trustee and (ii) the Trustee shall automatically cease to be a Party. All Parties hereby agree in advance to such transfer and assumption of contract (*Vertragsübertragung und -übernahme*) to and by the Successor Trustee.
- (c) Pursuant to Condition 13 (*Appointment of Bondholders' Representative*), each Covered Bondholder has appointed and authorised the Trustee to act as Bondholders' Representative and has authorised the Bondholders' Representative to accept and execute as direct representative (*direkter Stellvertreter*) this Agreement and to hold, administer and, if necessary, enforce any rights under this Agreement on behalf of the Covered Bondholders. To the extent of this delegation, no Covered Bondholder may independently exercise any rights under the Conditions and this Agreement and the Guarantee.
- (d) If a new Bondholders' Representative is appointed with respect to one or more Series of Auto Covered Bonds pursuant to the Conditions, such new Bondholders' Representative shall, with effect as of the appointment of the new Bondholders' Representative, act as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders of the relevant Series of Auto Covered Bonds.

12. MISCELLANEOUS

Any settlement or discharge in respect of the obligations of the Issuer or any security for the obligations of the Issuer or otherwise in whole or in part or any arrangement made on the faith of any payment, security or other disposition shall be conditional upon no payment to a Covered Bondholder being avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation or similar laws of general application and, in the event of any such payment being so avoided or reduced, the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders of the relevant Series shall be entitled to recover from the Guarantor the amount by which such payment is so avoided or reduced as if such settlement or discharge had not occurred. The Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders of

the relevant Series, acting in good faith, shall be entitled to concede or compromise any claim that any settlement of discharge is liable to avoidance or reduction.

13. NOTICES

- (a) Unless otherwise specifically provided for herein, any notice required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or transmitted by registered mail (airmail, if international) or by internationally recognized courier service to the Parties as follows (as elected by the Party giving such notice):

If to the Guarantor:

Cembra Auto Finance AG
c/o Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland
Attention: Head of Treasury and Capital Management
Email: autofinance@cembra.ch

with a copy to:

TMF Management Services SA
Talstrasse 83, 8001 Zurich, Switzerland
Attention: Capital Markets Services Team
Email: ch-cembraACB@tmf-group.com

If to the Bondholders' Representative / Trustee:

TMF Services SA
Rue de Jargonnant 2, 1207 Geneva, Switzerland
Attention: Capital Markets Services Team
Email: ch-trustee_cembraACB@tmf-group.com

or any substitute address as a Party may notify to the others in accordance with the above by not less than five Business Days' notice.

- (b) Except as otherwise specified herein, all notices and other communications shall be deemed to have been duly given on the date of receipt if delivered personally or by courier or transmitted by mail.

14. AMENDMENTS

This Agreement may only be modified or amended with the prior written consent of the Bondholders' Representative.

15. ASSIGNMENT AND TRANSFERS

Except as provided for herein, no Party (other than the Covered Bondholders), no Party may assign, novate, transfer or sub-contract any of its rights or obligations under this Agreement in whole or in part to any third party without the prior written consent of the other Parties.

16. GOVERNING LAW AND JURISDICTION

16.1 Governing law

This Agreement shall be governed by and construed in accordance with the substantive laws of Switzerland.

16.2 Jurisdiction

Any dispute, controversy or claim arising under, out of or in connection with this Agreement, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich 1), Switzerland.

[Signatures on next page]

Cembra Auto Finance AG, as Guarantor

By: _____
Function: _____

By: _____
Function: _____

TMF Services SA, as Bondholders' Representative and Trustee

By: _____
Function: _____

By: _____
Function: _____

SCHEDULE 1 – FORM OF GUARANTEE EXTENSIONS TABLE

Extension Number	Date of Acknowledgement of Extension	Description of the Series or Tranche of Auto Covered Bonds (additionally) Covered	Nominal Amount of the Series or Tranche (additionally) Covered
1	[date]	[Description of initial Series or Tranche]	CHF [amount]
2	[date]	[Description of initial Series or Tranche]	CHF [amount]

SCHEDULE 2 – FORM OF GUARANTEE ACTIVATION NOTICE

From: TMF Services SA, Rue de Jargonnant 2, 1207 Geneva, Switzerland (the **Trustee**)

To: Cembra Auto Finance AG, c/o Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland (the **Guarantor**)

Copy: Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland (the **Issuer**)

TMF Services SA, Rue de Jargonnant 2, 1207 Geneva, Switzerland (the **Bondholders' Representative**)

Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, Switzerland (the **Principal Paying Agent**)

TMF Management Services SA, Rue de Jargonnant 2, 1207 Geneva, Switzerland (the **Administration Services Provider**)

[Place, date]

Dear Sirs,

Guarantee Activation Notice

We refer to the CHF 1 billion auto covered bond programme of the Issuer and the guarantee dated [●] 2025 between the Guarantor, the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, and the Trustee regarding the guarantee for the due and punctual performance by the Issuer of certain of its obligations in connection with the Auto Covered Bonds (the **Guarantee**). Unless defined otherwise herein, capitalised terms used herein shall have the meaning ascribed to them in the Guarantee.

We hereby notify you that an Issuer Event of Default has occurred and that the Bondholders' Representative has served an Issuer Default Notice on the Issuer pursuant to Condition 10.1 (*Events of Default relating to the Issuer*). Accordingly, this notice shall constitute the Guarantee Activation Notice of the Guarantee requesting you to pay all Guaranteed Amounts which are Due for Payment in accordance with the terms of the Guarantee.

This notice letter is governed by Swiss law and the courts of the city of Zurich (Zurich 1), Switzerland shall have exclusive jurisdiction.

Yours faithfully,

TMF Services SA
as Trustee

By:
Function:

By:
Function:

SCHEDULE 3 – FORM OF NOTICE TO PAY

From: TMF Services SA, Rue de Jargonnant 2, 1207 Geneva, Switzerland (the **Trustee**)

To: Cembra Auto Finance AG, c/o Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland (the **Guarantor**)

Copy: Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland (the **Issuer**)

TMF Services SA, Rue de Jargonnant 2, 1207 Geneva, Switzerland (the **Bondholders' Representative**)

Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, Switzerland (the **Principal Paying Agent**)

TMF Management Services SA, Rue de Jargonnant 2, 1207 Geneva, Switzerland (the **Administration Services Provider**)

Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland (the **Corporate Services Provider**)

[place, date]

Notice to Pay

Dear Sirs,

We refer to the guarantee dated [●] between Cembra Auto Finance AG as guarantor and [●] as bondholders' representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, and as Trustee (the **Guarantee**). This letter constitutes a Notice to Pay in accordance with Clauses 4(c) and 4(e) of the Guarantee. Unless defined otherwise herein, capitalised terms used herein shall have the meaning ascribed to them in the Guarantee.

In accordance with Clause 4 of the Guarantee, we herewith notify to you that the following Guaranteed Amounts (i) are now due and payable on the Auto Covered Bonds and (ii) are falling due and payable in the next sixty-five Business Days as from the date hereof:

Currency, amount[s]: _____

Due date[s]: _____ [(10.00 a.m. CET)]

Description: [payment of principal / interest], [Indication of Series or Tranche of Auto Covered Bonds]

Please procure the payment of the specified amount[s] in the specified currency[ies] no later than on the specified due date[s] to [bank account].

This notice letter is governed by Swiss law and the courts of the city of Zurich (Zurich 1), Switzerland shall have exclusive jurisdiction.

Yours faithfully,

TMF Services SA
as Trustee

By:
Function:

By:
Function:

USE OF PROCEEDS

The net proceeds of the issue of each Series or Tranche of Auto Covered Bonds will be used by the Issuer for general corporate purposes.

OVERVIEW OF SWISS VEHICLE LEASE MARKET

The Swiss automotive leasing market (personal as well as utility and light commercial vehicles up to 3.5 tonnes) is a mature market with total new volume accounting for CHF 10.8 billion in 2024, compared with total new volume of CHF 10.8 billion for 2023 (Source: *Schweizerischer Leasingverband (SLV)*).¹

The consumer leasing of personal vehicles demonstrated a decrease in new volume of 15 per cent. (from CHF 8.63 billion to CHF 7.32 billion for the years 2023 and 2024 respectively), and makes up the majority of the Swiss vehicle lease market.

At the end of 2024, assets of the auto leasing market increased by 4.2 per cent. to CHF 11.51 billion compared to 2023. The number of newly leased cars reached 609'418 which indicates a growth of 0.7 per cent. compared to 2023 (Source: Zentralstelle für Kreditinformation (**ZEK**)).

Cembra is one of the major leasing companies in Switzerland with a strong market position (as of December 2024, its market share was around 18 per cent.) and a stable auto leasing business (Source: ZEK).

¹ Numbers include only SLV members. SLV estimates that it covers approximately 80% of the total leasing market in Switzerland across all business lines.

CHARACTERISTICS OF THE LEASE ASSETS AND CEMBRA'S BUSINESS

The descriptions under "*General*" to "*Cembra's Servicing Procedures*" below are based on certain template documents or procedures of Cembra. In exceptionally rare cases, Cembra may agree to allow a Lessee to use the Leased Vehicle for commercial rental purposes, notwithstanding a restriction in the standard lease contract terms and conditions, subject to the Lessee signing an agreement with Cembra consenting to this variation. Otherwise, each Lease Agreement will feature the general characteristics described below.

1. General

Cembra currently provides financing for motor vehicles, *e.g.* in respect of cars, mobile homes, light commercial vehicles and motorcycles originated by authorised dealers throughout Switzerland. For this purpose, Cembra enters as lessor into Lease Agreements with the Lessees as lessees using the Cembra's Standard Contracts. Cembra acquires legal title in the vehicle (a **Leased Vehicle**) which is leased to the Lessee under the Lease Agreement from the car dealer (the **Dealer**) by entering into the Dealer Agreement using Cembra's Standard Contracts. Each Dealer Agreement, among other things, provides for a Dealer Repurchase Obligation of the Dealer to repurchase the Leased Vehicle that is subject to the relevant Dealer Agreement and to pay (at least) the Dealer Repurchase Price, upon maturity or early termination of the related Lease Agreement.

Except as otherwise specified, the description below applies to all Lease Agreements.

2. Lease Assets

The Transferred Lease Assets assigned and/or transferred (as applicable) by Cembra as Assignor to the Guarantor under the Security Transfer Agreement as security for the Secured Obligations will comprise of the following Lease Assets:

- (a) a selection of Leased Vehicles which are owned by Cembra and are leased to the Lessee under the relevant Lease Agreement;
- (b) the Lease Agreements pursuant to which such Leased Vehicles are leased to the Lessees (including, for the avoidance of doubt, any Lease Receivables);
- (c) the Dealer Agreements pursuant to which such Leased Vehicles are purchased from the Dealers (including, for the avoidance of doubt, any Dealer Receivables); and
- (d) all the related Ancillary Rights, including:
 - (i) any and all assignable rights and claims in relation to any claim under any insurance policies entered into by a Lessee (which have been assigned to Cembra) relating to the relevant Leased Vehicle;
 - (ii) any and all assignable rights and claims in relation to any claim made by Cembra under an insurance policy held by Cembra;
 - (iii) any and all assignable rights and claims to Residual Value Proceeds relating to the Leased Vehicles; and
 - (iv) any right to any amount or sum payable by or on behalf of a Lessee under or in connection with a Lease Asset (for example, rights of action against the relevant Lessee or rights against any person or entity guaranteeing the obligations (in whole or in part) of the relevant Lessee under the applicable Lease Agreement).

3. Cembra's Servicing Procedures

3.1 Origination and Underwriting

Cembra leases new or used Leased Vehicles under the Lease Agreements to the Lessees. Under its lease business, Cembra acquires Leased Vehicles through its nationwide dealer network from authorized Dealers under the terms and conditions of the Dealer Agreements. Dealers are not liable for the performance of the Lessees during the term of the Lease Agreement. Under the terms and conditions of the Dealer Agreements, the Dealers have an obligation to repurchase the Leased Vehicle that is subject to the relevant Dealer Agreement and to pay the Dealer Repurchase Price, upon maturity or early termination of the related Lease Agreement.

The Leased Vehicles are new or used cars, mobile homes, light commercial vehicles and motorcycles. The Lessees are either consumers or commercial customers who meet Cembra's underwriting standards at the time of the origination of the lease. As Cembra's underwriting standards may change over time, the leases from

time to time may have differing credit quality and the credit quality of the leases in a later year may not be the same as the credit quality of the leases in a prior year. The leases have been originated by participating Dealers in accordance with Cembra's requirements under Dealer Agreements, and have been originated in accordance with Cembra's underwriting standards. These underwriting standards evaluate applicants based on, among other things, the following criteria:

- full and proper know-your-customer validation;
- customer budget assessment;
- customer creditworthiness assessment; and
- commercial terms of the lease such as residual value and amount to be financed.

Cembra's process of acquiring leases begins, in general, with the application for financing of a Leased Vehicle at the premises of a Dealer. Applications are initiated by a Dealer on behalf of the Lessee through a secure web portal established and maintained by Cembra. The application process will capture the following information to be used in the origination and underwriting process such as:

- customer information for consumer applicants – name, date of birth, marital status, number of children, residence status;
- customer information for commercial applicants – company name, company financial information;
- address details (for both types of applicants);
- income and expenses (for consumer applicants);
- employment details (for consumer applicants);
- lease vehicle details (for both types of applicants); and
- desired lease terms (for both types of applicants).

Management of Cembra believes that a vast majority of all applications are approved, either through an entirely automated process or through a combination of an automated process and a manual process involving employee intervention. The following automated and manual origination and underwriting processes are performed by Cembra following receipt of an application:

- performance of a customer matching process to Cembra's existing customer base to determine if an existing customer record can be utilised or a new customer record needs to be created;
- obtaining a Eurotax valuation of the Leased Vehicle proposed to be leased, involving input of data by Cembra into Eurotax's system and valuation produced by Eurotax;
- registration of the customer application with the credit bureau (**ZEK**) and requesting of information from ZEK regarding the customer's consumer credit exposures and present and prior customer consumer credit performance. ZEK information is produced following the request by Cembra;
- check of customer name against Cembra's internal blacklist, anti-money laundering and PEP lists;
- completion of an affordability calculation;
- calculation of a customer's credit score using Cembra's internal credit scorecard;
- assessment of the application against Cembra's risk policy rules, involving an assessment against those rules and acceptance of risk using a manual decision making process; and
- calculation of the residual value figure (as described in more detail below).

In addition, at various stages of the application process other actions may need to be performed by Cembra employees such as data validation and confirmation, review of data received during the application process and consideration of additional underwriting conditions for approval of the application.

The underwriting and origination processes applied within Cembra are covered by written operating procedures. In addition, there are defined approval levels for underwriting decisions based on either the requested lease amount or the type of manual intervention event to be performed.

When an application has been approved, the Lease Agreement to be entered into with the Lessee is sent to the Dealer who initiated the application or alternatively the electronic version of the Lease Agreement, that has been stored in the secure web portal eConnect by Cembra, is printed directly by the Dealer at its premises for the Lessee to sign. The Dealer contacts the Lessee to arrange for the Lessee to attend the Dealer's premises for the purposes of confirming that the Lessee's identification documents (such as driving licence, ID card, passport or, for eligible foreigners residing in Switzerland, the resident permit) are correct and in order for the Lessee to sign the Lease Agreement and to provide a signed counterpart of the Lease Agreement to the Lessee. Once the Lease Agreement is entered into, the Dealer arranges for the Lessee to attend the Dealer's premises to:

- collect the Leased Vehicle from the Dealer;
- pay the agreed initial down payment or first instalment to the Dealer;
- provide the Dealer with the Leased Vehicle insurance details for physical damage insurance and personal injury insurance coverage on the Leased Vehicle; and
- sign, together with the Dealer, the hand over protocol relating to the Leased Vehicle (*Übergabeprotokoll*).

In some cases, these actions such as payment of the initial down payment or first instalment or provision of insurance details may occur as part of the signing of the Lease Agreement.

Following collection of the Leased Vehicle from the Dealer, Cembra pays to the Dealer an amount equal to the purchase price of the Leased Vehicle less the initial downpayment or first instalment to the Dealer.

The collection of the Leased Vehicle by the Lessee from the Dealer may occur, at the option of the Dealer, during the 14 day cooling off period (which commences on receipt of the signed counterpart of the Lease Agreement by the Lessee). In that case, the risk of a Lessee withdrawing from a Lease Agreement is with the Dealer on the basis of an arrangement between Cembra and the Dealers. Accordingly, it is up to the Dealer to decide whether or not it wants to take the risk of delivering the Leased Vehicle to the Lessee during the cooling off period. For the avoidance of doubt, it should be noted that a Lease Agreement (and the related Lease Asset) is not an Eligible Lease Asset (and, hence, may not be transferred and assigned to the Guarantor under the Security Transfer Agreement) unless the cooling off period has lapsed without the Lessee exercising any right of withdrawal.

3.2 Determination of Residual Value

Cembra develops and maintains model specific residual value tables and uses these to monitor the residual values on the Lease Vehicles set by the Dealers at the time of the lease acquisition. The value set is principally determined by reference to the age of each Lease Vehicle and the mileage at the scheduled expiry date of the Lease Agreement. The values in the tables are defined using data from various industry sources such as Eurotax, an independent company that uses industry data to provide current and forecast valuations for Leased Vehicles and is widely used by Dealers as a reference for setting residual values.

On an annual basis, Cembra purchases vehicle valuation forecast data from Eurotax to compare the residual values on book with the Eurotax assessed market value and uses the results of the assessment to determine whether the residual value tables need revising.

3.3 Terms of Lease Agreements

Each Leased Vehicle is purchased by Cembra from the Dealer under the Dealer Agreement for its "capitalized cost", which may exceed the manufacturer suggested retail price (**MSRP**). The capitalized cost represents the present value (as of the acquisition date) of the monthly instalments and the stated residual value discounted at an implied leasing rate. Each Lease Agreement provides for equal monthly instalments except for the first monthly payment (which is paid to the Dealer on or before the Leased Vehicle is released by the Dealer to the Lessee), and the monthly instalments under the Lease Agreement are payable in advance.

A lease may terminate before its scheduled termination date (*i.e.* an early termination) in one of the following ways: a voluntary early termination by the Lessee under the Lease Agreement or a default under the Lease Agreement by the Lessee or a total casualty loss or theft of the Leased Vehicle or death of the Lessee.

Each Lease Agreement provides that the lessor may terminate the lease and retake the Lease Vehicle if the Lessee is in payment default. In cases where the Lease Agreements are governed by the CCA, the early termination right of the lessor arises only after the Lessee is in default of payment of at least 3 Monthly Invoices. In all other cases, the Lease Agreement may be terminated early in the event that the Lessee remains in default with one or more Monthly Invoices for more than 30 days following a delivery of a notice of termination.

Cembra is further allowed to early terminate with immediate effect both CCA governed and other Lease Agreements, if the Lessee is in breach of other provisions of the Lease Agreement, in particular, in case of improper vehicle treatment, inadequate maintenance, excess wear and tear or inadequate insurance coverage. In addition, Cembra may immediately terminate the Lease Agreement if the Lessee goes bankrupt or is issued a loss certificate or the Leased Vehicle is seized or burdened with arrest or a third party lien.

Upon default by a Lessee, Cembra may terminate the Lease Agreement and the Lessee is responsible for any payments otherwise required upon early termination of the lease.

If an early termination of a Lease Agreement relates to a Transferred Lease Agreement such early termination by Cembra will be subject to the prior written consent by the Guarantor. See "*Overview of the Principal Transaction Documents—Security Transfer Agreement*".

CCA governed Lease Agreements may be terminated by the Lessee upon thirty calendar days' notice as of the end of any three month period during the term of a Lease Agreement. If a Lease Agreement is terminated early, the Lessee must return the vehicle to the address Cembra designates where the condition of the car is assessed. As part of the assessment process, a transfer protocol (*Übergabeprotokoll*) listing the condition of the car and any over usage (together with associated costs) is completed by the Dealer (or its agent) and signed by the Dealer and the Lessee. In addition, the mileage details for the Leased Vehicle are recorded.

In cases where the Lessee does not agree with the usage assessment (and the associated costs) or where for other reasons does not sign the transfer protocol (*Übergabeprotokoll*) and presents the Leased Vehicle to the Dealer, that Dealer sends to Cembra the completed transfer protocol signed only by the Dealer. Following receipt of the transfer protocol from the dealer, Cembra sends to the Lessee an invoice for the costs assessed by the Dealer for over usage (as indicated on the handover protocol), and requests the Lessee to sign the protocol. In the event the Lessee disputes the assessed amount of over usage, the Lessee is referred back to the Dealer to clarify the aspects in dispute. In addition, the Lessee is entitled under the Lease Agreement to request an evaluation by an independent licenced valuer (an expert), whose decision is binding on both Cembra and the Lessee. The valuation costs of the expert are borne equally by Cembra and the Lessee.

In the case of early termination by Cembra due to Lessee default or a voluntary early termination by the Lessee, the Lessee will owe to Cembra an amount equal to the early termination payment determined in accordance with the early termination table set out in the Lease Agreement together with the early termination fee and any over usage, excess mileage costs or vehicle valuation costs due under the Lease Agreement.

In the case of a total casualty loss and theft, the Lessee will owe an amount determined in accordance with the formula set out in the Lease Agreement.

3.4 Insurance Required to be Maintained by Lessees

Each Lease Agreement requires the Lessee to maintain automobile bodily injury and 3rd party property damage liability insurance. Each Lease Agreement further requires the Lessee to maintain (all risks) comprehensive and collision insurance covering damage to the Leased Vehicle. The terms of the Lease Agreement provide that the Lessee's rights under any (all risks) comprehensive and collision insurance are assigned to Cembra. In addition, the Lessee completes a declaration (*Kaskobestätigung und Zessionserklärung*) form setting out the details of the property damage liability insurance coverage and sends this to Cembra. This form is then sent by Cembra to the relevant insurance company as a notification of Cembra's rights under the relevant insurance policy and with a request for confirmation of insurance coverage. In the event the insurance company is unable to confirm coverage, the Lessee is requested by Cembra to complete a new declaration form which is sent to the relevant insurance company for the purposes of notification and confirmation.

3.5 Vehicle Maintenance; Excess Wear and Excess Mileage

Each Lease Agreement provides that the Lessee is responsible for all maintenance, repair, service and operating expenses of the Leased Vehicle. In addition, the Lessee is responsible for all "excess wear" damage to or any "excess mileage" with the Leased Vehicle. "Excess wear" generally includes such items as inoperative mechanical and electrical parts, damage to the body, lights, trim or paint, missing equipment, parts and accessories, and similar items. "Excess mileage" means any mileage in excess of the permitted mileage provided for in the Lease Agreement. "Excess wear" and "excess mileage" amounts are due and payable at termination or expiration of the lease. Finally, the Lessee is responsible for the loss, seizure or theft of the Leased Vehicle on the occurrence of any such event.

3.6 Collections and enforcement of overdue payments

Cembra maintains the account information with respect to each Lessee account in digital form and title records (in the form of the purchase invoice) with respect to the vehicles in digital format.

Each Lessee receives a monthly invoice for the instalment due, via mail or on the Cembra Webportal and App. The invoice can be paid via the following methods: over the counter bank payment, over the counter post office payment, internet banking payment or setting up a debit direct with Cembra.

If any payment remains outstanding past its due date, Cembra mails a notice of overdue payment to the Lessee according to a predefined schedule. The Lessee can expect to receive up to three reminder letters prior to Cembra initiating debt enforcement proceedings. Each notice of overdue payment will result in a reminder fee being billed under the Lease Agreement together with any late payment interest to the contract.

Cembra will also undertake collections activity within the early collections team to collect overdue payments such as: the making of outbound collections calls from a specialised manual dialling team; utilising an automated dialler or SMS contacts to Lessee or receiving inbound collections calls made by, or mail received from, Lessee.

During the collections activity it may be determined that the contract requires special action and a number of processes areas operate within the collections department such as skip-tracing to search for a Lessee's address and phone number; international collections to repossess the Leased Vehicles or cash collections from the Lessee; legal process to initiate repossession of the Lease Vehicles; insurance checks on the status of insurance coverage for the Leased Vehicles; bankruptcy details of commercial Lessees as recorded in the commercial registry or repossession and remarketing processes.

Cembra's collections and repossession policies, practices and methodologies may change over time to reflect its experience and learnings or the process applied in undertaking such activity.

3.7 Repossession and Liquidation Procedures

If Cembra determines that eventual payment in full of a Lease Agreement is unlikely, Cembra will follow its normal practices and procedures to realise upon the Lease Agreement, including the repossession and disposition of the Leased Vehicle to Dealers or the taking of any other action permitted by applicable law. Instructions to repossess a Leased Vehicle are given by Cembra to its field agents who are Cembra employees or to an outside collection agency located in the geographic location of the Lessees. If a repossession and/or any other disposition over the Leased Vehicle relates to a Transferred Leased Vehicle, such repossession, disposition or other action will be subject to the prior written consent by the Guarantor. See "*Overview of the Principal Transaction Documents—Security Transfer Agreement*".

Following repossession, Cembra prepares and circulates on a bi-weekly basis a list of repossessed vehicles available for purchase to those Dealers that are on its repossessed vehicle purchaser list. The list of recipient Dealers is drafted by Cembra to reflect the names of those Dealers who wish to be offered the opportunity to purchase repossessed Leased Vehicles. On circulation of the list of repossessed Leased Vehicles available for purchase, Dealers are given approximately 5 calendar days to provide an offer to purchase a Leased Vehicle on the list. As long as the offer made to Cembra is considered reasonable, Cembra would accept the offer made by the Dealer that originated the lease for the repossessed Leased Vehicle as long as it was the best offer received for that vehicle. In cases where the best offer is not received from the originating Dealer, then that Dealer is given the opportunity by Cembra to match the best offer it has received for the repossessed Leased Vehicle. If the originating Dealer makes a matching offer, then the Leased Vehicle is sold to that Dealer. If the originating Dealer does not agree to match the best offer, then Cembra will accept the best offer made by the dealer making that offer. If Cembra believes that the offers made by the Dealer for the repossessed Leased Vehicle offered for sale through this process are not reasonable, then steps are taken by Cembra to look for other sale alternatives such as listing the Leased Vehicle on internet sale platforms. In the cases where the sale of the Leased Vehicle using the usual processes has become protracted then Cembra would also seek to negotiate with the Dealers within its network the best price then available to purchase the repossessed Leased Vehicle.

After the sale of the repossessed Leased Vehicle, Cembra sends an invoice to the Lessee showing the amount owing by the Lessee under the Lease Agreement, based on the early termination table included in the Lease Agreement, minus any received leasing payments, plus additional costs for additional mileage or damage repair, plus any late payment interest and fees. Any excess proceeds arising from the liquidation of the repossessed Lease Vehicle, if any, are remitted to Cembra, the owner of the beneficial interest in the vehicle. Any balances that remain after repossession proceeds have been applied, if any, remain within Cembra collections processes for evaluation and possible further attempts to collect amounts owing by the Lessee. Cembra will be entitled under the Lease Agreement to receive its repossession and or disposition expenses from the Lessee such as transportation costs and storage costs, Lease Vehicle condition evaluation costs and any other out-of-pocket expenses.

3.8 Residual Value Realisation

(a) Normal contract termination (end of term)

Under the Dealer Agreement, the Dealer is obligated to repurchase the Leased Vehicle following the end of the lease term at the residual value set at the beginning of the contract. In some cases, however, Cembra will not require the Dealer to repurchase the Leased Vehicle but will instead sell the Leased Vehicle to the Lessee or a third party for a purchase price not less than the Dealer Repurchase Price.

If the Lessee fails to maintain the Leased Vehicle as required under the Lease Agreement or to pay excess wear or excess mileage charges at the end of the lease term, the residual value payable by the Dealer will be reduced accordingly and the Lessee will be required to pay the amount equal to the reduction in the residual value.

(b) Early termination

Cembra generally uses two remarketing channels to dispose of Leased Vehicle after the early termination of the Lease Agreement: (i) purchase by a Dealer or (ii) auto listing platforms. The primary purpose of the vehicle disposition process in both cases is to maximise the amount of the sale proceeds with minimum costs.

Under the Dealer Agreement the Dealer is obligated to repurchase the Leased Vehicle at the Eurotax buy ("*Eurotax Ankauf*") value applicable at the time of repurchase.

3.9 Extension, Waiver or Modification of Lease Agreements

Cembra does not grant extensions to or modifications of Lease Agreements. In the event a Lessee requests that Cembra agree to an extension of a Lease Agreement or a modification of a term of a Lease Agreement, Cembra will treat the request as if there was a new lease financing application submitted by the respective Lessee in accordance with its then applicable origination and underwriting policies. After approval, Cembra would enter into a new Lease Agreement while terminating the existing Lease Agreement.

DESCRIPTION OF CEMBRA MONEY BANK AG

1. General

Cembra is a corporation (*Aktiengesellschaft*) organised under the laws of Switzerland in accordance with article 620 *et seq.* CO. Cembra was founded and registered under the name GE Money AG in the Canton of Zurich on 17 December 2009 and is registered under the register number CHE-115.295.655.

On 1 December 2010, as part of a restructuring of General Electric Company and its group (collectively the **GE Group**) GE Money AG acquired the entire banking business from the former GE Money Bank AG, the then current GE Capital Swiss Funding AG and also changed its business name from "GE Money AG" to "GE Money Bank AG". The former GE Money Bank AG was founded in 1953 as Bank Aufina. In 1998 Bank Aufina acquired Banque Procrédit SA, another bank fully owned by GE Capital at the time, and subsequently changed its business name to "GE Capital Bank" and later to "GE Money Bank AG" and on 29 October 2013 to "Cembra Money Bank AG". Cembra's duration is unlimited as per its articles of association dated 24 April 2025.

As from 30 October 2013, Cembra's registered shares with a par value of CHF 1.00 each (the **Cembra Shares**) have been listed and traded on SIX Swiss Exchange and classified under the International Reporting Standard.

2. Registered and Head Office

Cembra's registered and head office is at Bändliweg 20, 8048 Zurich, Switzerland.

3. Purpose

The articles of association of Cembra are dated 24 April 2025. Cembra's principal purpose, as set out in article 2 of Cembra's articles of association, is to operate a bank, with its scope of business comprising all types of banking activities in Switzerland and other European countries, of secured and unsecured loans and credits of all kinds, in particular consumer and mortgage loans, credit card business, the leasing business, the refinancing of leasing business and the brokering of services related to these activities, such as residual debt insurances and acceptance of money as is customary for a bank, in particular in the form of deposit accounts, medium term bonds and fixed deposits.

Cembra may acquire, hold and dispose of real estate, incorporate branches and subsidiaries in Switzerland and abroad, invest in other enterprises, process data for third parties and effect all financial, commercial and other transactions that are related to the performance of the purpose of Cembra.

4. Legal Entity Identifier (LEI)

549300ZDHOETLAIIVTE82

5. Group

The consolidated accounts of the Group are prepared in accordance with accounting principles generally accepted in the US (US GAAP) and in compliance with Swiss law.

The Group comprises the Issuer as the parent company and the following consolidated subsidiaries of the Issuer (the **Group**):

- Fastcap AG*;
- Cembra Credit GmbH*;
- CembraPay AG*;
- Cembra Latvia SIA*;
- Swiss Auto Lease 2020-1 GmbH*;
- Swiss Auto Lease 2023-1 GmbH*; and
- Cembra Auto Finance AG**.

* Wholly-owned subsidiary of the Issuer

** The Issuer holds 98 per cent. of the shares of Cembra Auto Finance AG (also see "*The Guarantor—Capital Structure—Ownership of the Guarantor*")

6. Capital Structure

The registered share capital of Cembra amounts as of the date of this Base Prospectus to CHF 30,000,000. It is divided into 30,000,000 registered shares (*Namenaktien*) with a nominal value of CHF 1.00 each. Each share carries one vote in Cembra's meetings of shareholder. The shares rank *pari passu* in all respects with each other, including with respect to dividends, to a share in the liquidation proceeds in case of a liquidation of Cembra, and to subscription rights (*Bezugsrechte*).

6.1 Capital Band

As of 24 April 2025, Cembra had the following authorised share capital (article 4 of the articles of association):

¹*The Board of Directors is authorised until 24 April 2027 to conduct one or more increases and/or reductions of the share capital within the upper limit of CHF 33,000,000, corresponding to 33,000,000 of registered shares with a nominal value of CHF 1.00 each, and the lower limit of CHF 28,500,000, corresponding to 28,500,000 of registered shares with a nominal value of CHF 1.00 each. Capital reductions can be conducted either through a reduction of the nominal value of the shares or through cancellation of shares.*

²*In case of a share capital increase:*

- a) *the Board of Directors shall, to the extent necessary, determine the number of shares, the issue price, the type of contribution, the date of issue, the conditions governing the exercise of the pre-emptive rights and the commencement of dividend entitlement. The Board of Directors may issue new shares which are underwritten by a bank or other third party and subsequently offered to existing shareholders. The Board of Directors is authorised to restrict or to exclude trading in the pre-emptive rights. In the event of pre-emptive rights not being exercised, the Board of Directors may, at its discretion, either allow such rights to expire, place them or the shares to which they are entitled at market conditions, or use them in some other manner conducive to the interests of the Company;*
- b) *the Board of Directors is authorised to withdraw or limit the pre-emptive rights of the shareholders and allot such rights to individual shareholders or third parties if:*
 - *the new shares are to be used for the acquisition of an enterprise, part(s) of an enterprise or participations, or for the financing or refinancing of such transactions, or for the financing of new investment plans of the Company; or*
 - *the new shares are to be used for the purpose of broadening the shareholder constituency of the Company in connection with the listing of new shares on domestic or foreign stock exchanges or, for purposes of the participation of strategic partners of the Company; or*
 - *in the determination of the issue price of the new shares, the market price is taken into account.*

³*Within the limits of this capital band, the Board of Directors is further also authorised:*

- a) *to increase the capital by converting freely disposable equity capital into share capital;*
- b) *to carry out capital reductions by means of a reduction in nominal value and to pay out the reduction amount to the shareholders.*

⁴*After a change of the nominal value pursuant to paragraph 3(b), the Board of Directors is authorised to adjust the nominal value and the number of shares in paragraph 1 accordingly and any new registered shares issued within the capital band shall bear the changed nominal value.*

⁵*The subscription and acquisition of new shares as well as any subsequent transfer of the shares shall be subject to the restrictions of Article 8 of these Articles of Incorporation.*

⁶*Capital increases from the capital band under exclusion of pre-emptive rights are limited by capital increases already carried out (i) from conditional capital pursuant to Article 5, which resulted from the exercise of conversion rights and/or warrants in connection with bonds or other financial market instruments issued under exclusion of advance subscription rights as well as (ii) from conditional capital pursuant to Article 6. The maximum amount of such capital increases under exclusion of pre-emptive rights or advance subscription rights, respectively, may not exceed CHF 3,000,000, corresponding to 3,000,000 registered shares with a nominal value of CHF 1.00 each, whereby the allocation between the two categories shall be at the discretion of the Board of Directors."*

6.2 Conditional Share Capital

As of 24 April 2025, Cembra had the following conditional share capital for conversion rights and / or warrants (article 5 of the articles of association):

¹The share capital may be increased by an amount not to exceed CHF 3,000,000 by the issuance of up to 3,000,000 fully paid registered shares with a nominal value of CHF 1.00 each, (a) through the voluntary or mandatory exercise of conversion rights and/or warrants granted in connection with the issuance on national or international capital markets of newly or already issued bonds or other financial market instruments by the Company or one of its group companies and (b) through the exercise of warrant rights granted to the shareholders by the Company or one of its group companies. The Board of Directors may use warrant rights not taken up by shareholders for other purposes in the interest of the Company. The pre-emptive rights of the shareholders are excluded in connection with the issuance by the Company or any of its group companies of bonds or other financial market instruments which are linked to conversion rights and/or the issuance of warrants. The then current owners of conversion rights and/or warrants shall be entitled to subscribe for the new shares. The conditions of the conversion rights and/or warrants shall be determined by the Board of Directors.

²The acquisition of shares through the voluntary or mandatory exercise of conversion rights and/or warrants and each subsequent transfer of the shares shall be subject to the restrictions of Article 8 of these Articles of Incorporation.

³The exercise of the option and/or conversion rights or the respective waiver shall be effected in a form demonstrable via text.

⁴In connection with the issuance by the Company or one of its group companies of bonds or other financial market instruments which are linked to conversion rights and/or warrants, the Board of Directors is authorised to restrict or deny the advance subscription rights of shareholders if such issuance is made for the purpose of financing or refinancing the acquisition of an enterprise, parts of an enterprise, or participations or for new investments or for the issuance on national or international capital markets. If advance subscription rights are denied by the Board of Directors, the following shall apply: the bonds or other financial market instruments which are linked to conversion rights and/or warrants shall be issued at the relevant market conditions and new shares shall be issued at market conditions, under consideration of the current price on the stock exchange of the shares of the Company and/or comparable financial instruments having a market price. Conversion rights may be exercised during a maximum 20-year period, and warrants may be exercised during a maximum 10-year period, in each case from the date of the respective issuance. The advance subscription rights of the shareholders may be granted indirectly.

⁶Capital increases (i) from conditional capital pursuant to this Article 5, which result from the exercise of conversion rights and/or warrants in connection with bonds or other financial market instruments issued under exclusion of advance subscription rights as well as (ii) from conditional capital pursuant to Article 6 are limited by capital increases already carried out from the capital band pursuant to Article 4 under exclusion of pre-emptive rights. The maximum amount of such capital increases under exclusion of pre-emptive rights or advance subscription rights, respectively, may not exceed CHF 3,000,000, corresponding to 3,000,000 registered shares with a nominal value of CHF 1.00 each whereby the allocation between the two categories shall be at the discretion of the Board of Directors."

As of 24 April 2025 Cembra had the following conditional share capital for employee options (article 6 of the articles of association):

¹The share capital may be increased by an amount not to exceed CHF 900,000 through the issuance of up to 900,000 fully paid registered shares with a nominal value of CHF 1.00 each by the issuance of new shares to members of the Board of Directors, members of the Management Board and employees of the Company and group companies. The pre-emptive rights of the shareholders of the Company shall be excluded. The shares or rights to subscribe for shares shall be issued to members of the Board of Directors, members of the Management Board and employees of the Company or group companies pursuant to one or more regulations to be issued by the Board of Directors. Shares or subscription rights may be issued at a price lower than that quoted on the stock exchange.

²The acquisition of shares within the context of employee share ownership and each subsequent transfer of the shares shall be subject to the restrictions of Article 8 of these Articles of Incorporation.

³The exercise of the option and/or conversion rights or the respective waiver shall be effected in a form demonstrable via text."

As per 24 April 2024, Cembra has introduced in its articles of incorporation the possibility to increase its share capital by issuance of conversion capital (article 5a (*Conversion Capital*) of the articles of association):

¹ The share capital is increased by a maximum of CHF 4,200,000 through the issue of a maximum of 4,200,000 fully paid-up registered shares with a nominal value of CHF 1.00 each through the conversion of claims from mandatory convertible bonds or similar financial instruments of the Company, which provide for a conditional or unconditional mandatory conversion into shares of the Company upon the occurrence of a trigger event.

² The pre-emptive rights of shareholders are excluded. The then current owners of mandatory convertible bonds shall be entitled to subscribe for the new shares.

³ The advance subscription rights of shareholders with respect to mandatory convertible bonds shall be granted. The Board of Directors is authorised to deny the advance subscription rights of shareholders for the issuance of mandatory convertible bonds, provided that the mandatory convertible bonds are issued at market conditions or at a discount that is necessary to ensure a fast and complete placement.

⁴ The Board of Directors shall determine the issue price of the new shares taking into account the market price of the shares and/or comparable instruments.

⁵ The acquisition of shares through the conversion of mandatory convertible bonds and each subsequent transfer of shares shall be subject to the restrictions of Article 8 of these Articles of Incorporation. "

6.3 Listing of the Shares

The shares of Cembra are listed in accordance with the International Reporting Standard on SIX Swiss Exchange under the symbol "CMBN".

7. Capital adequacy requirements

The FINMA Circular 2011/2 "Capital buffer and capital planning - banks" fleshes out FINMA's supervisory practices concerning the capital buffer and the additional capital in accordance with Capital Adequacy Ordinance (CAO, SR 952.03). It also contains further details on the countercyclical buffers as defined in the CAO as well as the guidelines on implementing further requirements under Pillar 2, in particular relating to the internal capital planning process. FINMA reviews the allocation of institutions and financial groups to one of the five categories set out in the FBO at the end of the calendar year on the basis of their supervisory reporting and capital statement with effect from the next fiscal year.

The Group belongs to the "category 4" as defined by the FBO. At 31 December 2024, the applicable regulatory total capital requirement for a category 4 bank was set at 11.2% by FINMA. The Group aims to consistently maintain a capital base that is well above this mark, having defined a mid-term minimum target for its Tier 1 capital ratio of 17% for the Group. At 31 December 2024, the Group's Tier 1 capital ratio was 17.9%, in line with the mid-term target.

8. Outstanding conversion and option rights and bonds

As of the date of this Base Prospectus, the Issuer does not have any option rights outstanding. One convertible bond is outstanding as per the below.

At the date of this Base Prospectus, the Issuer has the following bonds outstanding:

ISIN	Type	Currency	Nominal	Coupon	Term
CH0367206718	Senior unsecured	CHF	150mn	0.375%	2017 / 2025
CH0419042475	Senior unsecured	CHF	125mn	0.875%	2018 / 2026
CH0485252784	Additional Tier 1	CHF	150mn	2.9566%	2019 / perpetual*
CH0486598227	Convertible Bonds [#]	CHF	250mn	0%	2019 / 2026
CH0419041352	Senior unsecured	CHF	175mn	0.29%	2019 / 2027
CH0419041659	Senior unsecured	CHF	200mn	0.15%	2019 / 2026
CH1141700414	Senior unsecured	CHF	200mn	0.418%	2021 / 2028
CH1189217735	Senior unsecured	CHF	250mn	1.18%	2022 / 2025
CH1206367554	Senior unsecured	CHF	220mn	3.11%	2022 / 2027
CH1243651903	Senior unsecured	CHF	235mn	2.41%	2023 / 2029
CH1266847131	Senior unsecured	CHF	210mn	2.67%	2023 / 2030
CH1290222400	Senior unsecured	CHF	215mn	2.54%	2023 / 2029

CH1314941472	Senior unsecured	CHF	250mn	2.22%	2024 / 2030
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* Callable every year.

The convertible bonds (ISIN CH0486598227) confer a conversion right with reference to registered shares with the then applicable nominal value of the Issuer.

In addition, subsidiaries of the Issuer have issued the following asset-backed securities:

Subsidiary	Currency	Nominal	Coupon	Term
Swiss Auto Lease 2023-1 GmbH	CHF	275mn	2.58%	2023 / 2026

9. Own Shares

As of 31 December 2024 the Company held 681'103 own shares or 2.3% of the voting rights in the Company.

10. Majority Shareholders

The table below sets out the shareholders of the Company holding more than 3% of the voting rights of the Company based on the share capital recorded in the Commercial Register of the Canton of Zurich according to the notifications that the Company received as of 31 December 2024. The information is based on the information provided by the respective shareholders to SIX Exchange Regulation and the Company.

Shareholder

BlackRock, Inc.	<i>between 3% and 5% of the shares</i>
UBS Fund Management (Switzerland) AG	<i>between 10% and 15% of the shares</i>
Swisscanto Fondsleitung AG	<i>between 3% and 5% of the shares</i>

As of 31 December 2024, the Company held 681'103 own shares or 2.3% of the voting rights in the Company based on the share capital recorded in the Commercial Register of the Canton of Zurich. These shares constitute a purchase position pursuant to article 14 para. (1)(a)(1) of the Ordinance of the FINMA on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 3 December 2015, as amended (the **FMIO-FINMA**).

The Company held in addition a sale position, corresponding to a total of 6.97% of the voting rights based on the share capital registered in the Commercial Register of the Canton of Zurich pursuant to article 14 para. (1)(b)(1) and (2) FMIO-FINMA, consisting of (i) conversion rights embedded in the convertible bonds of the Company in the aggregate principal amount of CHF 250 million (ISIN: CH0486598227).

Further information on major shareholders of the Company may be found under https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#.

11. Dividends

Cembra has paid the following dividends in CHF for the past five fiscal years to holders of shares in Cembra:

Business Year	2024	2023	2022	2021	2020
Dividend per share in CHF	4.25	4.00	3.95	3.85	3.75

12. Ratings

The Issuer is rated A- by S&P.

13. Notices

Notices in relation to the Issuer will be published in the Swiss Official Gazette of Commerce.

All notices in relation to the Bonds will be published in electronic form on the internet site of SIX Swiss Exchange under the section headed "Official Notices" (https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#).

14. Members of the Board of Directors as per 24 April 2025

The following table sets forth the name, function and committee membership of each member of the board of directors of Cembra as of the date of this Base Prospectus.

As at the date of this Base Prospectus, all members of the board of directors of Cembra are, and pursuant to Swiss law applicable to Cembra as a bank must be, non-executive.

<u>Name</u>	<u>Function</u>	<u>Committee Membership</u>	<u>First Elected</u>	<u>End Current Period</u>
Dr. Francesco Morra	Chairperson	n/a	2023	2026
Marc Berg	Member	Member Compensation and Nomination Committee	2022	2026
Thomas Buess	Member	Vice-Chairman Compensation and Nomination Committee	2020	2026
Susanne Klöss-Braekler	Member	Chairperson Compensation and Nomination Committee	2021	2026
Sandra Hauser	Member	Member Audit and Risk Committee	2024	2026
Wanda Eriksen	Member	Chairperson of the Audit and Risk Committee	2025	2026

The business address for all members of the Board of Directors is Bändliweg 20, 8048 Zurich, Switzerland.

15. Composition of the Management Board

The following table sets forth the name and principal position of each member of the management board of Cembra as at the date of this Base Prospectus.

<u>Name</u>	<u>Appointed</u>	<u>Position</u>
Holger Laubenthal	2021	Chief Executive Officer
Pascal Perritaz	2018	Chief Financial Officer
Eric Paul Anliker	2022	General Counsel
Volker Gloe	2013	Chief Risk Officer
Alona Eiduka	2022	Chief Operating Officer
Peter Alois Schnellmann	2022	Business Unit Leader Lending
Christian Stolz	2024	Business Unit Leader Payments
Sandra Babylon	2024	Chief Technology Officer

The business address for each member of the management board of Cembra is Bändliweg 20, 8048 Zurich, Switzerland.

16. Financial Statements and Auditors

Pursuant to Cembra's articles of association, the company's financial year is determined by the company's board of directors (*Verwaltungsrat*). As at the date of this Base Prospectus, Cembra's financial year ends on 31 December of each calendar year.

The annual financial statements of Cembra are compliant with the FBA and its accompanying ordinance together with the guidelines issued by FINMA, Cembra's articles of incorporation and article 14 of the Directive on Financial Reporting issued by SIX Swiss Exchange.

The auditors of Cembra are obliged to have their domicile or a registered subsidiary in Switzerland and have to be independent in accordance with articles 728 and 729 *et seq.* CO. Since April 2005, Cembra's statutory auditor is KPMG AG, Badenerstrasse 172, 8004 Zurich, Switzerland. KPMG AG's audit oversight body is the

Federal Audit Oversight Authority (*Eidgenössische Revisionsaufsichtsbehörde*). KPMG AG's registration number with the Federal Audit Oversight Authority (*Eidgenössische Revisionsaufsichtsbehörde*) is 501403.

17. Business activities

The Group is a Swiss provider of financing solutions and services. The product range includes consumer credit products such as personal loans and auto leases and loans, credit cards, insurance products sold in this context, invoice financing, and deposits and savings products. The Group is subject to prudential supervision by FINMA, holds a banking licence and provides a range of financing products and services. Headquartered in Zurich, the Group operates in Switzerland through a nationwide network of 9 branches as well as through other distribution channels, such as the internet, credit card partners (including Conforama, FNAC, Touring Club Schweiz, LIPO, IKEA and SPAR), independent intermediaries and auto dealers. As of 31 December 2024, the Group employed approximately 812 employees (FTEs) and served more than one million customers. The Group's product offering includes unsecured personal loans, auto leases and loans, credit cards and insurance products sold with these products as well as invoice financing.

17.1 Personal loans

The Group is a leading provider in the highly competitive personal loans market offering a personalised premium service. The loan products are being made available through branches across Switzerland, independent intermediaries and online. As at 31 December 2024, net financing receivables from personal loans amounted to CHF 2,273 million, 4% less than at year end 2023. In 2024, interest income from personal loans increased by CHF 14.7 million, or 9%, to CHF 186.2 million, predominantly due to a higher yield. The yield in personal loans increased to 7.7% from 7% compared to the same reporting period in the previous year. In a competitive environment, the Group had an estimated market share of approximately 37% of outstanding consumer loans.

In 2024, the Group's provision for losses on financing receivables increased by CHF 17.2 million to CHF 74.2 million compared to an increase of CHF 16.0 million in 2023. The main drivers of the increase was the post-Covid growth maturing in a slightly more adverse macro environment with stretched cost-of-living in exposed customer segments. The provision for losses on personal loans decreased by CHF 12.1 million to CHF 28.7 million, driven by portfolio management actions and continued calibration between risk, price and volume.

17.2 Auto leases and loans

The Group offers leases and loans to finance the purchase of, both new and used vehicles (primarily cars but also other auto vehicles including light commercial vehicles, motorcycles and caravans) to private and self-employed individuals and small businesses. The Group also offers an inventory finance product for car dealers on a limited scale. The Group's auto lease and auto loan portfolio is diversified by geography within Switzerland, brand and auto dealer.

As at 31 December 2024, the provision for losses in auto leases and loans increased by CHF 24.5 million to CHF 29.9 million mainly driven by post-Covid growth and certain volatility in market demand or supply and its impact on vehicle values.

The Group is a large brand-independent auto loans and leasing provider in Switzerland. The products are sold via a distribution network of around 3,200 car dealers, who act as intermediaries. A dedicated sales force of 22 field agents together with employees at four service centers, provides a personalised, flexible and efficient service.

As at 31 December 2024, net financing receivables in auto leases and loans increased by 1% to CHF 3,182 million compared with CHF 3,147 million at the end of 2023. Interest income increased by CHF 24.5 million, or 16%, to CHF 175.3 million in 2024. The yield increased to 5.5% from 4.9% compared to the same reporting period in the previous year. The Group estimated its auto leasing market share to be about 18% of total leasing assets outstanding as of December 2024.

17.3 Credit cards

The Group is one of the leading credit card providers in Switzerland, with about 1.031 million cards in circulation, offering a range of credit cards through partner programmes with Conforama, FNAC, IKEA, LIPO, SPAR, TCS, and as well as its own credit cards. The cards offer a range of attractive features, such as loyalty points, cash back, personalised designs and no annual fees.

In 2022, the Group launched successfully the new credit card range Certo! This was a key step in the strategy implementation by offering a new range of credit cards with money back rewards and other services. The new range initially comprised two credit cards, such as Certo! One Mastercard, available to anyone, and the Certo! Mastercard for existing Cembra customers with a Cumulus-Mastercard.

In 2023, the card migration programme was concluded with more than two thirds of the transition portfolio being migrated to the new proprietary offering Certo!. The Group's new business line Payments concentrates on growth, following the successful migration to the new in-house credit card portfolio Certo!.

All credit cards issued by the Group are Mastercard credit cards and the Issuer holds a Mastercard licence. To differentiate itself from its competitors, the Group has developed its own in-house transaction processing network which allows partner retailers to benefit from reduced processing fees when compared to other Mastercard-processed transactions. The Group also offers an eservice platform for its customers to check their account details and activity online.

The Group earns income on its credit card products from interest charges and various fees such as annual fees, foreign exchange fees, cash withdrawal fees, reminder fees, card replacement fees, processing fees from credit card partners using the Group's network and interchange fees through the Mastercard programme.

As at 31 December 2024, the credit cards business net financing receivables decreased by 2%, from CHF 1,028 million to CHF 1,011 million. The interest income increased by CHF 21.6 million, or 25%, to CHF 109.6 million in the reporting period, and the yield amounted to 10.5% as compared to 8.4% in the same reporting period in the previous year. The transaction volumes increased by 2% year on year to CHF 57 billion in 2024. The Group's transaction volumes decreased by 6% and the Group's number of credit cards issued remained flat since 31 December 2023, at about 1,031,000 at 31 December 2024. The provision for losses on cards increased by CHF 1.5 million to CHF 4.9 million.

The market share, based on the number of credit cards issued, remained stable at 12%.

17.4 Buy Now Pay Later (BNPL)

The Group has a market share of 30–40% of the BNPL market via its subsidiaries CembraPay AG (formerly trading under Byjuno AG and following a merge in May 2024 also consolidating the business of former Swissbilling SA). Billing volume decreased by 9% to CHF 818 million compared with the financial year 2023. As at 31 December 2024, BNPL net financing receivables increased by 12% to CHF 159 million (2023: CHF 141 million). Provision for losses on BNPL increased by CHF 3.4 million to CHF 10.7 million as an impact of accelerated growth with key partners.

17.5 Insurance

The Group provides its customers access to various insurance products. Credit and leasing insurance products offer financial protection in the event of involuntary unemployment, accidents, illness or disability. It also provides its credit card customers with travel and air accident insurance, a protection package in the event of death as well as cyber protection and insurance related to shopping risks.

As a bound intermediary, Cembra also distributes motor vehicle insurance products to its vehicle financing customers and household insurance to its credit card customers. In June 2022 Cembra announced a partnership with Zurich Insurance for combining car insurance with leasing products. Insurance income decreased slightly in 2024 to CHF 23.5 million (2023: CHF 23.8 million).

17.6 Deposits and savings

The Group offers saving products, such as savings accounts and term deposits to retail customers in order to finance its business activities as described above. The deposit base slightly increased by around 1% from CHF 3,497 million at 31 December 2023 to CHF 3,524 million at 31 December 2024.

The Group's deposits and savings account customers are resident in Switzerland and only Swiss residents are accepted as new customers. Direct retail deposits and retail savings are both covered by the Swiss deposit protection scheme up to CHF 100,000 per customer.

17.7 Prospects

The Group continues to execute on four programmes to achieve its strategic and financial ambitions until 2026:

- **Operational Excellence:** As part of the Operational Excellence programme, the Group simplifies its operating model and transforms its technology landscape. The aim is to deliver a seamless digital customer experience and to significantly increase efficiency through standardisation and automation. With all of its partners, the Group focuses on integrated and tailored one-stop offerings.
- **Business Acceleration:** In personal loans, the Group differentiates its offerings through a dual-brand positioning as well as digital and flexible solutions. In the auto business, the emphasis is on dealer-partnerships, and continuously improving services and processes. The Group's credit card business

will focus on both a proprietary card family with attractive features offered to consumers directly as well as long-term co-branding partnerships.

- New Growth Opportunities: BNPL is identified as an attractive new business with growth opportunities, and with the launch of the new business area CembraPay, by bundling the activities of its subsidiaries Swissbilling SA and Byjuno AG, the Group has taken a further step in the expansion of its strong position and activities in the growing BNPL segment. The strategic focus is on the fast and versatile integration of checkout solutions with merchants, new applications and offers.
- With its cultural transformation towards an agile, learning-oriented and collaborative organisation the Groups's strategy execution is supported by a comprehensive cultural transformation programme. The emphasis is on fostering an uncompromising customer-first mindset with interdisciplinary teams and empowered people.

The Group has also redefined its corporate vision for the coming years - leveraging technology to provide the most intuitive customer solutions in consumer finance. It therefore forms the foundation on which Cembra will achieve shared goals. An important part of this is the work on its corporate culture and how people interact with each other and how customers are approached.

The Group operates in a market environment that will continue to be dynamic and challenging.

Assuming the Swiss economy continues to grow slightly in 2025, Cembra currently expects to grow net revenues at least in line with Swiss GDP growth, a continued solid loss performance and a cost/income ratio $\leq 45\%$. As a result, Cembra expects an increase in net income and a ROE of 14–15% for 2025, confirms its financial targets for 2026, to pay a dividend of at least CHF 4.25 for 2025 and thereafter increasing based on sustainable earnings growth, and will target a Tier 1 capital ratio of above 17%.

As of 1 January 2023, the Group had to change from incurred to expected Credit Loss Standard (CECL) based on US GAAP accounting standard ASC 326- "Financial instruments - Credit losses" as published by the FASB. This CECL change has impacted the Balance Sheet, Profit & Loss, Risk-Weighted Assets, Capital Ratios, Interest Rate Risk (IRR) and Liquidity risk metrics. Risk-weighted assets remain stable at CHF 6,088 million at 31 December 2024 compared with CHF 6,090 million at 31 December 2023, largely reflecting the trend in net financing receivables. Tier 1 capital increased by CHF 45 million, or 2.4%, to CHF 1,091 million, mainly due to the net income generated in 2024, offset by the expected future dividend payment. This resulted in a Tier 1 capital ratio of 17.9% at 31 December 2024, which is significantly above the regulatory total capital requirement of 11.2%.

18. Legal Proceedings

The Group is, from time to time, involved in various claims and lawsuits incidental to the ordinary operations of its business. Other than as disclosed in this Base Prospectus, the Group is currently not involved in any court, arbitral or administrative proceedings that are of material importance to its assets and liabilities or profits and losses nor, as far as the Group is aware, are any such proceedings threatened.

19. Recent Developments

20. For the most recent developments of the Group's business, please refer to section "*Business Activities*" above. Material Change

Except as disclosed in this Base Prospectus, there has been no material change in Cembra's assets and liabilities, financial condition or profits and losses since 31 December 2024.

THE GUARANTOR

1. General Corporate Information

The Guarantor was incorporated under Swiss law as a stock corporation (*Aktiengesellschaft*) under the name Cembra Auto Finance AG with unlimited duration on 13 August 2024 (date of registration) and was registered in the Commercial Register of the Canton of Zurich under the number CHE-472.832.355. The Guarantor is a subsidiary of Cembra. The Guarantor's registered head office is located at c/o Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland.

2. Purpose and Principal Activities

The purpose of the Guarantor, as set out in article 2 of its Articles of Incorporation dated as of 8 August 2024, is (a) to grant, with or without adequate consideration, guarantees for the benefit of holders of bonds issued by its majority shareholder or its majority shareholder's affiliates pursuant to guarantee mandate agreements with the respective issuer of bonds, (b) to enter, with or without adequate consideration, into other financing, collateralization or other intercession transactions for the benefit of its majority shareholder or any of its majority shareholder's affiliates in connection with the issuance of bonds by its majority shareholders any of its majority shareholder's affiliates, (c) to acquire, hold, manage, and realize leased vehicles, lease agreements and dealer agreements related to the leased vehicles as well as all claims and receivables under or in connection therewith (including claims arising from such lease and dealer agreements and any other related claims) which are transferred to the Company as security for claims of the Company in connection with the guarantee mandate agreements and other transaction documents relating to financing, collateralization or other intercession transactions, as well as to hold, manage and apply the corresponding proceeds, (d) to fulfill, with or without adequate consideration, obligations resulting from contracts with its majority shareholder, any of its affiliates or third parties entered into in connection with such transactions pursuant to (a) to (c), and (e) to provide liquidity for meeting the obligations vis-à-vis the holders of bonds issued by its majority shareholder or its majority shareholder's affiliates, or vis-à-vis third parties in connection with agreements entered into pursuant to (a) to (c), in particular by realizing assets which have been transferred to it as security and using the proceeds accordingly.

The Guarantor shall not engage in any transactions which are not apt to favor directly or indirectly the purpose of the Guarantor. In particular, the Guarantor shall not acquire, hold, use or sell real estate or intellectual property rights in Switzerland or abroad. The Guarantor shall not open branch offices or subsidiaries, acquire participations in other companies, grant guarantees or other personal securities to third parties except in relation to bonds issued by its majority shareholder or any of its affiliates or have any employees or premises.

The Guarantor is an SPE domiciled in Switzerland and the Guarantor has no subsidiaries or employees. It is not expected that the Guarantor will carry out any business other than providing the Guarantee in respect of any and all Series of Auto Covered Bonds issued by the Issuer, the acquisition, holding, administration, management and liquidation of the security interests in the Cover Pool, as well as activities and transactions ancillary thereto.

3. Information on Management

3.1 Board of Directors

The articles of incorporation of the Guarantor (the **Articles of Incorporation**) provide that the board of directors of the Guarantor (the **Board of Directors**) shall consist of not more than four members (each a **Director**). Two of the Directors must be independent from any majority shareholder (currently Cembra) within the meaning of the Swiss Code of Best Practice for Corporate Governance (the **Independent Directors**). The Directors are elected by the general meeting of shareholders of the Guarantor (the **General Meeting of Shareholders**) for a term of three years. If a Director is replaced during his term, his successor shall continue in office until the end of his predecessor's term. Re-election is allowed without limitation.

The Board of Directors is authorised to pass resolutions concerning all matters which are not reserved or assigned for decision to another corporate body by law, the Articles of Incorporation or by the organisational regulations (*Organisationsreglement*) of the Board of Directors (the **Organisational Regulations**). The Board of Director's non-delegable and inalienable duties include (i) the ultimate direction of the business of the Guarantor and the issuance of the necessary instructions, (ii) the determination of the organisation of the Guarantor, (iii) the administration of accounting, the financial control, and, to the extent necessary for the management of the Guarantor, the financial planning, (iv) the appointment and removal of the persons entrusted with the management and representation of the Guarantor, (v) the ultimate supervision of the persons entrusted with the management of the Guarantor, namely in view of their compliance with the law, the Articles of Incorporation, the Organisational Regulations and instructions, (vi) the preparation of the business report and the General Meetings of Shareholders and the execution of the resolutions adopted by the General Meeting of Shareholders, (vii) the notification of the court if liabilities exceed assets. In addition, the Board of Directors must (viii) take appropriate action that the relevant notices be served that are required to claim the Guarantor's

rights in connection with agreements of the Guarantor entered into pursuant the Guarantor's purpose as set out in article 2 of the Articles of Incorporation, (ix) in all conscience carry on the realization of the Transferred Leased Vehicles, the Transferred Lease Agreements and the Transferred Dealer Agreements as well as all claims and receivables under or in connection therewith, if and when such a realization is contractually required, (x) use the available liquid assets to fulfill the payment obligations of the Guarantor in accordance with the Intercreditor Agreement and the other agreements entered into pursuant the Guarantor's purpose as set out in article 2 of the Articles of Incorporation, and (xi) carry out the other duties and powers, which are reserved to the authority of the Board of Directors by law or by the Articles of Incorporation.

The Board of Directors determines its own organisation in the Organisational Regulations. However, certain rules are set forth in the Articles of Incorporation and cannot be altered in the Organisational Regulations including the following: (i) the Board of Directors appoints a Chairperson and a Vice-Chairperson, each of whom must be an Independent Director, (ii) meetings of the Board of Directors shall be called by its chairperson or, should the Chairperson be prevented, by its Vice-Chairperson or any other Director whenever the need arises and the chairperson shall also call a meeting upon the written request of one Director, (iii) the Board of Directors shall only be quorate if the majority of the Directors is present. No such presence quorum is required for formal resolutions of the Board of Directors in connection with a capital increase that require a public deed, (iv) subject to the exemptions set forth in the Organisational Regulations, the adoption of resolutions by the Board of Directors requires a majority of votes cast including, in any event, the consent of either the Chairperson or the Vice-Chairperson. In the event of tie votes, the Chairperson has no casting vote, (v) minutes of meetings recapitulating the deliberations and containing the resolutions adopted shall be kept. The minutes shall be signed by the Chairperson and the secretary, (vi) resolutions may also be passed by written consent to a proposal, unless a member of the Board of Directors requests oral deliberation, (vii) all Directors other than the Chairperson or the Vice-Chairperson, shall have joint signatory power only together with the Chairperson or the Vice-Chairperson, as the case may be.

The Organisational Regulations were enacted by the Board of Directors on or about the date of this Base Prospectus. Pursuant to the Organisational Regulations, the following resolutions require the approval of at least three members of the Board of Directors: (i) the conclusion and amendment of contracts, (ii) the delegation of any power of the Board of Directors, including in connection with the exercise and performance of the rights and obligations of the Guarantor under agreements entered by the Guarantor, to any third party and the granting of powers of attorney (for the avoidance of doubt, this does not include the revocation of the delegation and of powers of attorneys), and (iii) the granting or increasing of guarantees and other securities for the benefit and on the account of Cembra or any of its affiliates. The following resolutions can only be adopted unanimously (provided, however, that the Directors shall abstain from exercising their voting rights in matters involving their personal interests or the interests of individuals or entities related to them): (i) Establishment of guidelines regarding the liquidation and sale of Cover Pool Assets and other securities (other than the Credit and Collection Policies and Procedures and other rules relating to the servicing, liquidation and/or sale of Cover Pool Assets pursuant the Transaction Documents), (ii) determination of the signatory power (other than in relation to the granting of a power of attorney), (iii) all resolutions to be taken by the board pursuant to the Merger Act, (iv) all proposals to the meeting of shareholders relating to an amendment of the Articles of Incorporation and resolutions pursuant to the Merger Act, (v) the notification of the court if liabilities exceed assets and the filing of a request for provisional or definitive stay of execution (*provisorische oder definitive Nachlassstundung*), and (vi) any amendment to the Organisational Regulations.

In accordance with article 16 and article 17 of the Articles of Incorporation, the Guarantor currently has four Directors, two Cembra employees (the **Cembra Directors**) and two Independent Directors as set out in the table below.

Name	Business Address	Position
Ilona Désirée Brandt	Bändliweg 20, 8048 Zurich, Switzerland	Chairperson of the Board of the Guarantor
Sophie Catherine Perrin-Janet	Bändliweg 20, 8048 Zurich, Switzerland	Vice-Chairperson of the Board of the Guarantor
Pascal Perritaz	Bändliweg 20, 8048 Zurich, Switzerland	Member of the Board of the Guarantor
Volker Gloe	Bändliweg 20, 8048 Zurich, Switzerland	Member of the Board of the Guarantor

There are no conflicts of interest between the private interests or other duties of the Directors listed above and their duties to the Guarantor. Ilona Désirée Brandt and Sophie Catherine Perrin-Janet as the Chairperson and Vice-Chairperson, respectively, are not affiliated with Cembra as the majority shareholder and independent in accordance with the Swiss Code of Best Practice for Corporate Governance, pursuant to article 17 para. 2 of the Articles of Incorporation.

The Independent Directors have been proposed by TMF Services SA. TMF Services SA has agreed to propose Directors and provide certain other services in consideration for the payment by the Guarantor of an annual fee to TMF Services SA.

4. Disposition by the Guarantor of the Cover Pool Assets

The following precautions have been taken to safeguard that the Cover Pool Assets are only disposed of with the consent of at least one Independent Directors: (i) joint signatory power is given to the Directors only together with the Chairperson or the Vice-Chairperson who both are, as set forth in the Articles of Incorporation, Independent Directors; (ii) all the resolutions of the Board of Directors require either the consent of the Chairperson or Vice-Chairperson.

5. Financial Statements and Auditors

5.1 Financial Year and Financial Statements

Pursuant to the Guarantor's Articles of Incorporation, the company's financial year is determined by the company's Board of Directors. As at the date of this Base Prospectus, the Guarantor's financial year runs from 1 January through 31 December (however, the first financial year of the Guarantor is extended and will end on 31 December 2025)

The annual financial statements of the Guarantor are compliant with the Swiss Code of Obligations and the Guarantor's Articles of Incorporation.

5.2 Auditors

Since its incorporation, the Guarantor's independent statutory auditor has been KPMG AG. KPMG AG's audit oversight body is the Federal Audit Oversight Authority (*Eidgenössische Revisionsaufsichtsbehörde*). KPMG AG's registration number with the Federal Audit Oversight Authority (*Eidgenössische Revisionsaufsichtsbehörde*) is 501403.

6. Capital Structure

6.1 Share Capital

As of the date of this Base Prospectus, the Guarantor's share capital amounts to CHF 100,000 and is divided into 1,000 registered shares with a nominal value of CHF 100 each. Each of the shares of the Guarantor is fully paid in. The Guarantor has no authorised share capital and no conditional share capital.

6.2 Ownership of Guarantor

The Guarantor was incorporated by Cembra on 13 August 2024. As of the date of this Base Prospectus, Cembra holds 98 per cent. of the shares of the Guarantor. Each of the two Independent Directors directly holds ten shares corresponding to 2 per cent. of the Guarantor's share capital in the aggregate.

In view of Cembra's majority ownership of the Guarantor, certain measures taken seek to ensure that such control is not abused, including:

- (a) there are two Independent Shareholders of the Guarantor, each holding 1 per cent. of the issued share capital (2 per cent. in total). The Articles of Incorporation of the Guarantor provide that certain key resolutions of the shareholders meeting can only be passed with the consent of at least one independent shareholder;
- (b) there are four members of the Board of Directors of the Guarantor, two of whom are Independent Directors. Resolutions of the Board of Directors can only be passed with the consent of an Independent Director, and representatives of Cembra on the Board of Directors of the Guarantor have signing authority for the Guarantor only together with an Independent Director; and
- (c) following the occurrence of an Issuer Event of Default, the Cembra Directors of the Guarantor are required to resign and their signing authority is removed and Cembra shall exercise its voting rights at shareholders' meetings in accordance with the proposals of the Board of Directors.

7. General Meeting of Shareholders

The General Meeting of Shareholders is the supreme body of the Guarantor. It has the following non delegable powers: (i) to adopt and amend the Articles of Incorporation, (ii) to elect and remove the members of the Board of Directors and the auditors; (iii) to approve the management report and, if any, the consolidated financial statements, (iv) to approve the annual financial statements and to determine the allocation of profits as shown on the balance sheet, in particular with regard to dividends and profit sharing (*Tantieme*) to members of the

Board of Directors, (v) to discharge the members of the Board of Directors and (vi) to pass resolutions concerning all matters which are reserved to the authority of the General Meeting of Shareholders by law or by the Articles of Incorporation.

The ordinary General Meeting of Shareholders shall be held annually within six months after the close of the fiscal year. Extraordinary General Meetings of Shareholders shall be called whenever the Board of Directors or the auditors deem it necessary, or if a General Meeting of Shareholders decides so. Pursuant to the Articles of Incorporation, the Board of Directors shall also call a General Meeting of Shareholders if one or more shareholders demand it in writing and specify the items and the proposals, in the case of elections the names of the proposed candidates, to be submitted to the meeting. The General Meeting of Shareholders shall be called by the Board of Directors or, if necessary, the auditors, not less than 20 days before the date of the meeting. To call a General Meeting of Shareholders, written notices shall be sent to the addresses of the shareholders and usufructuaries registered in the share register. The notice of a meeting shall state the items and the proposals of the Board of Directors and the shareholders who have requested that the General Meeting of Shareholders be called or that items be included in the agenda, and, in the case of elections, the names of the proposed candidates. Pursuant to the Articles of Incorporation, every shareholder may request that an item be included in the agenda. Shareholders or their proxies representing all shares issued may hold a General Meeting of Shareholders without observing the formalities required for calling a meeting, unless objection is raised (*Universalversammlung*). At such a meeting, discussions may be held and resolutions passed on all matters within the scope of the powers of a General Meeting of Shareholders for so long as the shareholders or proxies representing all shares issued are present.

Each share entitles a shareholder to one vote. A resolution of the General Meeting of Shareholders passed by at least 99% of all shares of the Guarantor and the absolute majority of the par value of shares of the Guarantor shall be required for the following matters: (i) the change of the Guarantor purpose, (ii) the creation of shares with privileged voting right, (iii) the restriction of the transferability of registered shares and the abrogation of such a restriction, (iv) any increase of capital, (v) the limitation or withdrawal of preemptive subscription rights (vi) the change of the domicile of the Guarantor, (vii) the dissolution of the Guarantor, (viii) the amendment of the Articles of Incorporation, (ix) all resolutions being the General Meeting of Shareholders the competent body pursuant to the Merger Act, (x) the removal of Directors or the auditors; and (xi) the granting of discharge to Directors.

8. Shareholders Agreement

Cembra and the two Independent Shareholders are parties to a shareholders agreement (the **Shareholders Agreement**). The Shareholders Agreements sets forth, *inter alia*, that (i) the parties are obliged to vote at the General Meeting of Shareholders as follows: The Independent Shareholders shall act and vote independently from Cembra. In case of an Issuer Event of Default, the Independent Shareholders and Cembra shall exercise their voting rights in the General Meeting of Shareholders in accordance with the proposals of the Board of Directors. Until an Issuer Event of Default, Cembra is obliged not to vote for any resolution in the General Meeting of Shareholders relating to the amendment of the Articles of Incorporation; the disposition of all or a substantive part of the assets of the Guarantor, if such a disposition entails a factual liquidation of the Guarantor; resolutions for which the shareholders' meeting is the competent body pursuant to the Merger Act; and the removal of the auditors and Directors, in each case, unless the votes represented by at least 99% of all shares issued and the absolute majority of the par value of the shares issued vote in favour of the relevant resolution, (ii) Cembra procures that the Cembra Directors immediately resign upon an Issuer Event of Default and that their signatory authority is withdrawn, and (iii) after the resignation of the Cembra Directors in case of an Issuer Event of Default, the General Meeting of Shareholders shall elect without delay an additional member of the Board of Directors who shall be Independent Director.

9. Publication

Communications from the Guarantor to the shareholders are sent by mail to the addresses of the shareholders and usufructuaries registered in the share register. Unless otherwise required by law, the Board of Directors may also give notices to shareholders by publication in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*).

10. Legal Proceedings

The Guarantor is not involved in any judicial, regulatory or arbitration proceedings concerning matters arising in connection with the conduct of their business.

DESCRIPTION OF THE TRUSTEE AND BONDHOLDERS' REPRESENTATIVE

1. Overview

TMF Services SA is a stock corporation (*Aktiengesellschaft*), with its registered office located at 2, Rue de Jargonnant, CH-1207 Geneva, Switzerland and registered with the commercial register of the Canton Geneva under company number CHE-106.263.314.

TMF Services SA is soon to be regulated in Switzerland by FINMA and is currently regulated by the Association Romande des Intermédiaires Financiers (ARIF) a self-regulatory body recognised by the Swiss Federal State according to article 24 of the Swiss Federal Act on Combating Money Laundering and Terrorist Financing in the Financial Sector.

2. Ownership and Governance

TMF Services SA is a wholly owned subsidiary of TMF Group Holding B.V., a limited liability company (*besloten vennootschap*) incorporated under the laws of the Netherlands, with its registered office at Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands and registered under number 86647385 (**TMF Group**).

Ultimate holding company

TMF Group Holding B.V. was incorporated on 13 June 2022 as part of the acquisition of TMF Sapphire Topco B.V. ("Topco") by a shareholder group led by CVC Capital Partners and a wholly owned subsidiary of the Abu Dhabi Investment Authority; and had limited operations during 2022 (nil FTE), incurring cost of EUR0.7 million in relation to set up of the new structure. From 1 January until 31 March 2023, TMF Group Holding B.V. had sole operations in direct connection with the acquisition of Topco and had only incurred transaction costs of EUR1.3 million, funded by the shareholders. On 31 March 2023, TMF Group Holding B.V. acquired 100% of the shares of Topco, indirectly acquiring 100% shares of TMF Sapphire Midco B.V. ("TMF Group"), which consolidates TMF operational entities.

TMF Group Holding B.V. ("TMF Group") is the parent company of our operational entities. The majority of the shares in TMF Group Holding B.V. are held by CVC Strategic Opportunities Fund II ("CVC") and a wholly owned subsidiary of the Abu Dhabi Investment Authority ("ADIA") and the remainder of the shares are held by Stichting Administratiekantoor Management Sapphire.

Corporate governance compliance

TMF Group closely follows the developments in the area of corporate governance and the applicability of the relevant corporate governance rules for TMF Group. Any substantial changes to TMF Group's corporate governance structure or application of the corporate governance code will be discussed by the Management Board and Supervisory Board.

Governance structure

TMF Group Holding B.V. has a two-tier governance structure, with a Supervisory Board, comprising of eight Supervisory Directors, responsible for supervising, monitoring and advising the Management Board. CVC and ADIA can appoint three Supervisory Board members, and three independent members are appointed through the General Meeting.

The Management Board comprises of two Managing Directors, a Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"). The Management Board aims to have a minimum 50% of Dutch resident directors. The Management Board is responsible for achieving the TMF Group's objectives, strategy (including any long term, medium term and short term business plans with operational and financial objectives and parameters to be applied) and the accompanying risk profile (ensuring that effective internal risk management and control systems are in place and reported on), the performance trend and results and for the corporate social responsibility issues relevant to the business.

The Supervisory Board of TMF Group Holding B.V. has further established several committees, each with a distinct purpose. These committees are: Audit Committee, Risk Committee, Sustainability Committee, Nomination Committee and Remuneration Committee. These Committees advise and support the Supervisory Board in their task and responsibilities.

The Supervisory Board of TMF Group consists of eight members and two seats are taken by women. The Management Board of the Company consisted of two members, seats are taken by men. The Executive Committee consists of nine members, four of whom are women. TMF Group recognises the benefits of diversity, including gender balance. However, TMF Group understands that gender is only one part of diversity. The company is proud of the team diversity with a balanced mix of people regarding gender and

cultural background. The Management Board aims to improve gender diversity on the boards and among senior management personnel and has set target ratios that one third of seats for Supervisory Board, Management Board and the Executive Committee are held by women by 2027. Both TMF Group's majority shareholders and the Supervisory Board endeavour to support any appointments in order to achieve the set target ratios, provided TMF Group is an equal opportunities employer and is committed to hiring the most qualified employees irrespective of race and gender.

DESCRIPTION OF THE CASH MANAGER, ADMINISTRATION SERVICES PROVIDER AND SERVICING FACILITATOR

1. Overview

TMF Management Services SA is a stock corporation (*Aktiengesellschaft*), with its registered office located at 2, Rue de Jargonnant, CH-1207 Geneva, Switzerland and registered with the commercial register of the Canton Geneva under company number CHE-102.019.057.

TMF Management Services SA is regulated in Switzerland by the Association Romande des Intermédiaires Financiers (ARIF) a self-regulatory body recognised by the Swiss Federal State according to article 24 of the Swiss Federal Act on Combating Money Laundering and Terrorist Financing in the Financial Sector.

2. History and Ownership

TMF Management Services SA is a wholly owned subsidiary of TMF Group (see "*Description of the Trustee and Bondholders' Representative—Ownership and Governance*").

DESCRIPTION OF THE PRINCIPAL PAYING AGENT AND THE ACCOUNT BANK

For the purposes of the Transaction, Zürcher Kantonalbank will act as the Principal Paying Agent and as the Account Bank.

Zürcher Kantonalbank has its principal office at Bahnhofstrasse 9, 8001 Zurich, Switzerland, and is registered with the commercial register of the Canton of Zurich under number CHE-108.954.607. Currently, Zürcher Kantonalbank is rated "AAA" by Fitch, "Aaa" by Moody's and "AAA" by S&P.

DESCRIPTION OF THE ASSET MONITOR

KPMG AG is a stock corporation (*Aktiengesellschaft*), with its registered office at Badenerstrasse 172, 8004 Zurich, Switzerland, and registered with the commercial register of the Canton Zurich under company number CHE-106.084.881, will act as the Asset Monitor pursuant to the Asset Monitor Agreement. KPMG AG will also act as statutory auditor to the Issuer and the Guarantor until the end of the financial year 2025.

KPMG AG's audit oversight body is the Federal Audit Oversight Authority (*Eidgenössische Revisionsaufsichtsbehörde*). KPMG AG's registration number with the Federal Audit Oversight Authority (*Eidgenössische Revisionsaufsichtsbehörde*) is 501403.

OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a brief description of the principal Transaction Documents and an overview of the principal provisions of each. These overviews do not purport to be complete, and are qualified in their entirety by reference to the relevant document.

1. Trust Agreement

1.1 Appointment of the Trustee

The Issuer and the Guarantor appoint the Trustee to act as trustee with a view to safeguard the interest of the Covered Bondholders under the Programme and the Trustee accepts such appointment on the terms and subject to the conditions of the Trust Agreement.

1.2 Role of the Bondholders' Representative pursuant to the Conditions and the Bondholder Provisions

Pursuant to paragraph (a) of Condition 13 (*Appointment of Bondholders' Representative*), the Issuer and each Covered Bondholder will appoint and authorise the Trustee to act as bondholders' representative (*Anleihensvertreter*) in the sense of the Bondholder Provisions (the **Bondholders' Representative**) for purposes of the Conditions and the Guarantee. Pursuant to Condition 3.3 (*Role of the Trustee*), each Covered Bondholder will acknowledge and agree that TMF Services SA has been appointed as Trustee under the Trust Agreement and that the role of the Trustee is separate and different from the role of Bondholders' Representative.

1.3 Overview

The Trust Agreement contains provisions relating to, but not limited to:

- (a) the method of sale of Transferred Lease Assets by the Guarantor;
- (b) the notification of Lessees, Dealers and third parties upon the occurrence of a Notification Event;
- (c) the modification of Transaction Documents other than the Conditions and/or the Guarantee; and
- (d) the appointment, powers and responsibilities of the Trustee and the circumstances in which the Trustee may resign or retire or be removed.

1.4 Undertakings

Each of the Issuer and the Guarantor give certain undertakings to the Trustee. In particular, the Guarantor undertakes, *inter alia*, to:

- (a) following the occurrence of an IED Guarantee Activation Date and the service of a Notice to Pay by the Trustee in accordance with Condition 10.1 (*Events of Default relating to the Issuer*), serve without delay a Guarantee Pre-funding Notice on the Issuer in accordance with the terms of the Guarantee Mandate Agreement;
- (b) immediately upon the occurrence of a Collateral Enforcement Event, take appropriate action to enforce a corresponding part of the Cover Pool Assets in accordance with the Security Transfer Agreement and the Trust Agreement with a view to ensure timely performance of its payment obligations;
- (c) not waive any condition precedent set out in the Guarantee Mandate Agreement without the prior written consent of the Trustee; and
- (d) not give any directions or exercise any discretion in a way that would likely be adverse to the interests of the Covered Bondholders, except as otherwise provided for in the Transaction Documents or applicable law.

The Guarantor further undertakes that it will not, *inter alia*:

- (a) create or permit to subsist any mortgage, standard security, assignation, pledge, lien, charge or other security interest whatsoever (unless arising by operation of mandatory law), upon the whole or any part of its assets (including but not limited to the Cover Pool Assets) or its undertakings, present or future;
- (b) transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets (including the Cover Pool Assets) or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do so;

- (c) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any such indebtedness;
- (d) enter into any contracts, agreements or other undertakings other than the Transaction Documents; and
- (e) without prejudice to the clause 14 of the Trust Agreement agree to any amendments to the terms of the Transaction Documents to which the Guarantor is a party without the prior written consent of the Trustee.

1.5 Sale of Transferred Lease Assets

Circumstances when the Guarantor shall sell Transferred Lease Assets in order to meet its obligations

The Trust Agreement also sets out the circumstances when the Guarantor shall undertake its reasonable best efforts to sell Transferred Lease Assets in order to meet its obligations. In summary, the Guarantor shall, following the service of a Guarantee Pre-funding Notice or Guarantee Recourse Notice on the Issuer, undertake its reasonable best efforts to sell Transferred Lease Assets

- (a) by no later the sixth (6th) Guarantor Payment Date after the date of the service of such Guarantee Pre-funding Notice or Guarantee Recourse Notice on the Issuer (the **First Sale Date**); and
- (b) thereafter, by every sixth (6th) Guarantor Payment Date after the First Sale Date (each such date a **Subsequent Sale Date**, and of the First Sale Date and the Subsequent Sale Dates, each a **Sale Date**),

in each case subject to the sales requirements set out below. A failure by the Guarantor to sell Transferred Lease Assets in accordance with the Trust Agreement will not constitute a Guarantor Event of Default.

Requirements to be met for Transferred Lease Assets to be sold

Transferred Lease Assets shall only be sold by the Guarantor on any Sale Date prior to the GED Guarantee Activation Date if:

- (a) a sales price can be obtained which is not less than an amount (net of any costs and expenses) equal to the sum of (i) the Guaranteed Amounts Due for Payment on the Guarantor Payment Date falling on the relevant Sale Date and (ii) the amount required to pay or provide for payment of amounts ranking higher or *pari passu* to such Guaranteed Amounts in accordance with the Guarantee Priority of Payments (the **Required Sale Amount**) less (where applicable) the sum of any cash amounts standing to the credit of the Cover Pool Bank Account and the principal amount of any Authorised Investments (the **Adjusted Required Sale Amount**); and
- (b) such sale of Transferred Lease Assets and subsequent redemption of the respective Auto Covered Bonds (if any) does not result in a deterioration of the quotient of (A) the Amortisation Adjusted Aggregate Lease Balance and (B) the Aggregate Principal Amount Outstanding.

Notwithstanding the above, the Guarantor shall be permitted to sell Transferred Lease Assets at any time (i) if the net proceeds of the sale of such Transferred Lease Assets are in an amount not less than the amount required to fully repay or provide for any and all amounts outstanding under all Series of Auto Covered Bonds, (ii) if such sale relates to a Transferred Leased Vehicle only, provided that the Transferred Leased Lease Agreement under which such Transferred Leased Vehicle has been leased to a Lessee has exceeded its original maturity date or been terminated prior to such sale (iii) with the prior consent of the Trustee or (iv) following the GED Guarantee Activation Date.

Method of the sale of Transferred Lease Assets

The Trust Agreement sets out the method by which the Guarantor shall sell Transferred Lease Assets. In summary, it is required to ensure that (i) the Transferred Lease Assets have been selected from the Cover Pool on a random basis and (ii) any sale of Transferred Lease Assets is made in accordance with the applicable provisions of the Security Transfer Agreement and the Guarantee Mandate Agreement, and with a view to obtaining the best price reasonably available in light of prevailing market conditions. The Guarantor may appoint a portfolio manager of recognised standing on a basis intended to incentivise the portfolio manager to achieve the best price for the sale of the Transferred Lease Assets (if such terms are commercially available in the market) and to advise it in relation to the sale of the Transferred Lease Assets. Prior to the Guarantee Activation Date, the Guarantor may appoint either an independent portfolio manager or the Assignor to advise it as described above; provided that if it appoints the Assignor, the Assignor shall not be entitled to any remuneration for its services.

1.6 Notices to Lessees, Dealers and Third Parties

Without prejudice to the right of the Assignee to notify the Lessees, Dealers and relevant third parties, upon (i) receipt by the Trustee of notice of the occurrence of (A) a Servicing Termination Event from the Assignee pursuant to the Security Transfer Agreement or (B) an Issuer Event of Default pursuant to Condition 10.1 (*Events of Default relating to the Issuer*) or (ii) the Trustee otherwise becoming aware of the occurrence of such Notification Event, the Trustee shall notify the relevant Lessees, Dealers and relevant third parties, the competent road traffic department (*Strassenverkehrsamt*) and any holder of a Transferred Lease Vehicle (if different from the Lessee) and instruct such Lessees and/or third parties to make all further payments in respect of the Transferred Lease Asset to an account held in the name of the Assignee, by no later than thirty 30 Business Days following receipt of such notice or it becoming aware of such Notification Event. For this purpose, the Guarantor shall, by no later than five Business Days following the receipt of such notice or at the request of the Trustee, provide the Trustee with all information, data and Lease Data required by the Trustee to comply with its obligations to notify the Lessees, Dealers and relevant third parties.

1.7 Waiver and Modification

The Trust Agreement sets out the basis on which the Trustee may waive or authorise any breach or proposed breach by the Issuer, the Guarantor or any other person of any of the covenants or provisions contained in any Transaction Document (other than the Conditions and/or the Guarantee), in each case subject to applicable provisions of mandatory Swiss law applicable at the relevant time. In particular, the Trustee may, without the consent of any of the Covered Bondholders of any Series make a determination, waive or authorise any breach or proposed breach by the Issuer, the Guarantor or any other person of any of the covenants or provisions contained in any Transaction Document (other than the Conditions and/or the Guarantee), provided that in the sole opinion of the Trustee, the interests of the Covered Bondholders of any Series will not be materially prejudiced.

Furthermore, the Trust Agreement sets out the basis on which the Trustee can effect or agree to modifications to the Transaction Documents other than the Conditions and/or the Guarantee to which it is a party, in each case subject to applicable provisions of mandatory Swiss law applicable at the relevant time. In particular, the Trustee shall, without the consent of the Covered Bondholders at any time agree with the Issuer, the Guarantor or any other person to modifications, which in its opinion are proper to make, provided that such modifications are, in the sole opinion of the Trustee, (i) not materially prejudicial to the interests of the Covered Bondholders of any Series, (ii) of a formal, minor or technical nature, or (iii) to correct a manifest error or an error which is, in the opinion of the Trustee, proven. In addition, the Trustee shall, without the consent of the Covered Bondholders or any other person, agree to modifications of any Transaction Document (other than the Conditions and/or the Guarantee) that are requested by the Issuer:

- (a) for the purpose of implementing a Ratings Modification;
- (b) for the purpose of enabling the Auto Covered Bonds or a Series to be (or to remain) included in the Swiss Bond Index by SIX; and
- (c) for the purpose of complying with any changes in any applicable law and/or Requirement of Law relating to Swiss tax law or in any requirement of any Tax Authority,

provided in each case that (i) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Trustee, (ii) the Issuer certifies to the Trustee that the requested amendments are to be made solely for one or more of the purposes set out in sub-clauses (a) to (c) above and has been drafted solely to that effect, (iii) the Trustee shall only effect or agree to any such modifications which in its opinion may be proper to make, provided that the Trustee is of the opinion (in its sole opinion) that such modification will (x) not be materially prejudicial to the interests of Covered Bondholders of any Series or (y) is of a formal, minor or technical nature or (z) is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven.

Any such modification may be made on such terms and subject to such conditions (if any) as the Trustee may determine and shall require notice to be given by the Issuer or the Guarantor (as the case may be) to the Rating Agency and, unless the Trustee otherwise agrees, to the Covered Bondholders as soon as practicable thereafter. The Trustee shall not be obliged to agree to any such modification which, in the sole opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction, (ii) increasing the obligations or duties, or decreasing the protections of the Trustee, as applicable, under the Transaction Documents and/or the Conditions, or (iii) otherwise prejudicing the interests of the Trustee.

Furthermore, the parties to the Trust Agreement shall use reasonable endeavours to negotiate and agree (in the case of the Trustee at the cost of the Issuer) in good faith any amendments to the Transaction Documents (other than the Conditions and/or the Guarantee) that may be required (i) for the proper servicing of the Transferred Lease Assets and (ii) for the appointment of a Replacement Servicer and for the proper servicing of the

Transferred Lease Assets by such Replacement Servicer in accordance with the terms of the agreement to be entered in accordance with the Security Transfer Agreement. See "*Security Transfer Agreement*".

Condition 15 (*Waiver, Authorization and Determination*) and Condition 16 (*Modification*) set out the basis on which each Covered Bondholder authorises the Bondholders' Representative, on behalf of the Covered Bondholders, without the consent of any Covered Bondholder of any Series, at any time and from time to time (i) to waive or authorise certain breaches or proposed breaches by the Issuer of the Conditions and/or the Guarantee and (ii) to agree to certain modifications of any provisions contained in the Conditions and/or the Guarantee. Pursuant to the Trust Agreement, if the Bondholders' Representative, on behalf of the Covered Bondholders, (i) waives or authorises certain breaches or proposed breaches by the Issuer of the Guarantee pursuant to Condition 15 (*Waiver, Authorization and Determination*) and/or (ii) agrees to certain modifications of any provisions contained in the Guarantee pursuant to Condition 16 (*Modification*), the Trustee, in its capacity as Trustee, shall, and is authorised without further consent of any Covered Bondholder of any Series to, agree to such waiver, authorization and/or modifications (as applicable).

1.8 Termination of Appointment and appointment of Successor Trustee

The Trust Agreement shall remain in full force and effect until expiry of a period ending 366 calendar days after the date on which all potential liabilities guaranteed by the Guarantee have been discharged or satisfied in full.

Subject to the appointment of a Successor Trustee, the Trustee may retire at any time on giving not less than six months' prior written notice to the Issuer and the Guarantor. The Trust Agreement provides that any termination by the Trustee prior to the appointment of a Successor Trustee shall be deemed to be effected at an improper time and that Trustee shall become liable to the Guarantor for any damage caused thereby.

Pursuant to the Trust Agreement, the power to appoint a Successor Trustee shall be vested solely in the Issuer and the Guarantor jointly. Because the roles of Trustee and Bondholders' Representative with respect to each Series of Auto Covered Bonds should, to the extent possible, at all times be held by the same person, the Trust Agreement further provides that:

- (a) if a new Bondholders' Representative is appointed with respect to one or more Series of Auto Covered Bonds with an Aggregate Principal Amount Outstanding of more than 50 per cent. of the Aggregate Principal Amount Outstanding of all Series of Auto Covered Bonds, such Bondholders' Representative shall be appointed as Successor Trustee pursuant to the Trust Agreement, provided that the Issuer and the Guarantor shall have the right to jointly appoint any other Person as Trustee in case it is not feasible in the view of the Guarantor and the Issuer, acting reasonably, for such new Bondholders' Representative to be appointed as Trustee, in each case subject to any provisions of mandatory Swiss law applicable at the relevant time; and
- (b) if a new Bondholders' Representative is appointed with respect to one or more Series with an Aggregate Principal Amount Outstanding of 50 per cent. or less of the Aggregate Principal Amount Outstanding of all Series of Auto Covered Bonds, such new Bondholders' Representative (i) shall not be appointed as Trustee under the Trust Agreement and (ii) its role shall be limited strictly to its authorisation as Bondholders' Representative pursuant to paragraph (a) of Condition 13 (*Appointment of Bondholders' Representative*).

1.9 Remuneration of Trustee

The Issuer, or failing the Issuer, the Guarantor shall pay to the Trustee such remuneration as may from time to time be agreed between the Issuer and the Trustee or the Guarantor and the Trustee (as the case may be).

1.10 Governing law and Jurisdiction

The Trust Agreement shall in all respects be governed by, and construed in accordance with, the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich I), Switzerland.

2. Guarantee Mandate Agreement

2.1 Guarantee

Pursuant to the terms of the Guarantee Mandate Agreement, the Issuer appoints and mandates the Guarantor to issue, and the Guarantor accepts the mandate to issue, in its own name but for the account of the Issuer, the Guarantee to the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders. See "*The Guarantee*".

The Guarantor is obliged to issue the Guarantee no later than one Business Day prior to the First Issue Date of Auto Covered Bonds issued under the Programme

2.2 Conditions Precedent to Issuance

Pursuant to the terms of the Guarantee Mandate Agreement, the Issuer undertakes not to issue any Series or Tranche of Auto Covered Bonds unless certain conditions precedent are fulfilled or otherwise waived by the Guarantor, and the Guarantor is not obliged to agree to an extension of the Guarantee to any proposed Series or Tranche of Auto Covered Bonds if any of the conditions precedent is not fulfilled. The conditions precedent include, *inter alia*, that:

- (a) as of the relevant Issue Date, the relevant representations and warranties made by the Issuer in the Guarantee Mandate Agreement (i) shall be true and correct, and (ii) will not be breached as a result of the issue of the proposed Series or Tranche of Auto Covered Bonds;
- (b) the Issuer shall have duly and timely performed all of its obligations under the Guarantee Mandate Agreement to be performed on or by the relevant Issue Date;
- (c) as of two Business Days prior to the relevant Issue Date, (i) based on the most recent Cover Pool Report as adjusted for any additional Cover Pool Assets to be transferred to the Assignee under the Security Transfer Agreement prior to the relevant Issue Date, neither the Asset Coverage Test nor the Interest Coverage Test has been breached or will be breached as a result of the issue of the proposed Series or Tranche of Auto Covered Bonds and (ii) no Breach of Pre-Event Test Notice is outstanding;
- (d) as of 00:01 a.m. CET on the relevant Issue Date, (i) no Issuer Event of Default or Guarantor Event of Default has occurred which is continuing and (ii) no Issuer Event of Default or Guarantor Event of Default will occur as a result of the issue of the proposed Series or Tranche of Auto Covered Bonds;
- (e) the Guarantor shall have received from the Issuer an Instruction of the Extension of the Guarantee, legal opinions (if and to the extent required under the Programme Agreement) and corporate documents in form and substance reasonably acceptable to it; and
- (f) the Parties have agreed on the Guarantee Rate applicable to the relevant Series or Tranche of Auto Covered Bonds pursuant to and in accordance with clause 8.2 of the Guarantee Mandate Agreement.

It is understood and agreed by the Issuer and the Guarantor that once the Guarantee has been issued and, in relation to the issuance of the relevant Series or Tranche of Auto Covered Bonds, been extended, all conditions precedent shall be deemed to have been fulfilled or waived as of the relevant Issue Date, and the Guarantee shall not be open to rescission or challenge by the Guarantor for non-fulfilment of any condition precedent, provided, however, that the Guarantor shall be at liberty to seek indemnification in accordance with the Guarantee Mandate Agreement.

2.3 Guarantee Pre-funding Obligation and Guarantee Recourse and Indemnity Obligation

Under the Guarantee Pre-funding Obligation, the Issuer is obliged to pre-fund the Guarantee Expenses arising from time to time by payment to the General Bank Account of the amount specified by the Guarantor in a Guarantee Pre-funding Notice with value no later than (i) in relation to Guarantee Expenses already due, within one Business Day (ii) in relation to Guarantee Expenses falling Due for Payment in the 60 calendar day period from and including the date of the Guarantee Pre-funding Notice, within five Business Days and (iii) in relation to all other Guarantee Expenses properly quantified in the Guarantee Pre-funding Notice, 60 calendar days prior to the date when the relevant Guaranteed Amount or other amount shall become Due for Payment, or if this is not practicable such other date within such 60 calendar day period as specified in the Guarantee Pre-funding Notice. Each Pre-funding Claim under the Guarantee Pre-funding Obligation constitutes a conditional cash coverage claim for release of liabilities incurred which is subject to the conditions precedent (*aufschiebende Bedingungen*) that (x) a Guarantee Activation Notice or Guarantor Acceleration Notice has been served upon the Guarantor, and (y) a Notice to Pay has been served upon the Guarantor for the relevant amount in accordance with the terms of the Guarantee and the Trust Agreement. Each Pre-funding Claim under the Guarantee Pre-funding Obligation shall become due and payable (*fällig*) as set out in the relevant Guarantee Pre-funding Notice as described above.

Under the Guarantee Recourse and Indemnity Obligation, the Issuer shall reimburse and indemnify the Guarantor for any and all Guarantee Expenses which are paid by the Guarantor, to the extent the Guarantor has not already been compensated under the Guarantee Pre-funding Obligation. Each Recourse Claim under the Guarantee Recourse and Indemnity Obligation constitutes a conditional recourse claim which is subject to the conditions precedent that (x) a Guarantee Activation Notice or Guarantor Acceleration Notice has been served upon the Guarantor in accordance with the terms of the Guarantee and the Trust Agreement, and (y) payment of the relevant Guaranteed Amount under the Guarantee has been made. Each Recourse Claim under

the Guarantee Recourse and Indemnity Obligation shall become due and payable (*fällig*) upon service of a relevant Guarantee Recourse Notice.

If the Issuer fails to pay all or part of any amount owed under the Guarantee Pre-funding Obligation or the Guarantee Recourse and Indemnity Obligation on the date specified or indicated in the Guarantee Pre-funding Notice or the Guarantee Recourse Notice, respectively, the Guarantor may enforce a corresponding part of the Cover Pool Assets (including by way of sale of Transferred Lease Assets in accordance and subject to the terms of the Trust Agreement in accordance with the Security Transfer Agreement) and satisfy the relevant claims of the Covered Bondholders under the Guarantee with (i) the proceeds from Cover Pool Assets and (ii) certain other cash or cash equivalents held by the Guarantor subject to and in accordance with the applicable Priority of Payments.

2.4 General Recourse and Indemnity Obligations and General Recourse and Indemnity Pre-funding Obligations

Under the General Recourse and Indemnity Pre-funding Obligation, the Issuer is obliged to pre-fund any and all amounts covered by the General Recourse and Indemnity Obligation and payable by the Guarantor to a third party from time to time by payment to the General Bank Account of the amount specified by the Guarantor in writing in the General Indemnity Pre-funding Notice with value no later than (i) one Business Day after receipt of the General Indemnity Pre-funding Notice or (ii) such other date as specified in the General Indemnity Pre-funding Notice, provided that the relevant amount shall not become due earlier than 30 Business Days prior to the due date of the relevant payment owed by the Guarantor to the respective third party. Any payment under the General Recourse and Indemnity Pre-funding Obligation shall not prejudice the Issuer's right to ask for full or partial reimbursement of the relevant payment upon presentation of conclusive evidence that the Guarantor did not pay, in good faith, the corresponding amount to a third party. The relevant reimbursement claim shall come into existence and become due and payable 366 calendar days after the due date of the amount pre-funded pursuant to relevant General Indemnity Pre-funding Notice.

Each Pre-funding Claim under the General Recourse and Indemnity Pre-funding Obligation constitutes a conditional claim which is subject to the conditions precedent that (x) a Notification Event has occurred and (y) the relevant amount has become due and payable. Each Pre-funding Claim under the General Recourse and Indemnity Pre-funding Obligation shall become due and payable upon service of the relevant General Indemnity Pre-funding Notice as described above.

Save to the extent the Guarantor has already been compensated by the Issuer under any Guarantee Mandate Pre-funding Obligation or any Guarantee Mandate Recourse and Indemnity Obligation, the Issuer shall under the General Recourse and Indemnity Obligation reimburse and indemnify the Guarantor for any and all expenses, costs, damages and losses paid or incurred by the Guarantor as a result of non-compliance by the Issuer of its representations, warranties or undertakings as set out in the Guarantee Mandate Agreement or as a result of any payment default by the Issuer as set out in the Guarantee Mandate Agreement.

Each Recourse Claim under the General Recourse and Indemnity Obligation shall be due and payable upon service of a relevant General Indemnity Recourse Notice.

In case of a bankruptcy of the Issuer pursuant to article 171 *et seq.* DEBA, no Guarantee Recourse Notices are required to be served after the communication by the Insolvency Official to the creditors of the Issuer that the upcoming final bankruptcy distribution pursuant to article 261 *et seq.* DEBA will be paid out to the creditors.

2.5 Claims Separate and Independent

Except as specifically provided in the Guarantee Mandate Agreement, the Recourse and Indemnity Obligations and the Pre-funding Obligations are separate and independent obligations.

2.6 Fees and Collateral Differential

As consideration for the issuance of the Guarantee, the Issuer shall pay to the Guarantor the Guarantee Fee at a rate per annum set by mutual agreement of the Issuer and the Guarantor at arm's length terms and documented in the Instruction to Extend the Guarantee, as determined on the basis of market rates, in relation to each relevant Series or Tranche of Auto Covered Bonds as of the Issue Date of the relevant Series or Tranche. The determination of the Guarantee Fee, which will remain applicable and unchanged for the entire duration of the relevant Tranche of Auto Covered Bonds, shall be based on the funding advantage of the corresponding Auto Covered Bonds to the Issuer as a result of the issuance of the Guarantee by the Guarantor, and shall be calculated as the difference between the interest rate the Issuer, in its reasonable belief, would have to pay on senior unsecured bonds of the same amount, currency and maturity and the interest rate the Issuer will have to pay for the relevant Tranche of Auto Covered Bonds, taking into account any premium or discount of the Issue Price of the Auto Covered Bonds. The rate of the Guarantee Fee will be applied to the nominal amount of the corresponding Tranche of Auto Covered Bonds in the currency of such Auto Covered Bonds and the resulting Guarantee Fee shall be payable in such currency. The Guarantee Fee is calculated on the basis of the weighted

average amount of the relevant Tranche of Auto Covered Bonds outstanding in the relevant year and the number of days lapsed in the relevant period (such number of days being calculated on the basis of a year of 360 days with 12, 30-day months), divided by 360 and is due and payable by the Issuer on the Guarantor Payment Date immediately following the the Issue Date of the relevant Series or Tranche of Auto Covered Bonds and thereafter on the date falling on each anniversary of such Guarantor Payment Date.

As consideration for providing to the Guarantor the Cover Pool Assets under the Security Transfer Agreement as security, the Guarantor shall pay over to Cembra as Originator, and Cembra shall be entitled to receive from the Guarantor, out of the Guarantee Fee received by the Guarantor, an amount corresponding to the difference between the amount of (i) the annual Guarantee Fee received and (ii) the annual Guarantor Spread Amount (the **Collateral Differential**). Subject to following paragraph, the Collateral Differential for each Series or Tranche of Auto Covered Bonds shall be due and payable to the Originator for the first time on Guarantor Payment Date immediately following the the Issue Date of the relevant Series or Tranche of Auto Covered Bonds and thereafter on each Guarantor Payment Date (in each case subject to and following the receipt of any Guarantee Fee), to the relevant account of the Originator as specified by the Originator from time to time, free and clear of any taxes, duties or charges.

Upon (i) the service of a Breach of Pre-Event Test Notice, or (ii) the occurrence of an Issuer Event of Default, no Collateral Differential shall become due and any obligation of the Guarantor to pay any Collateral Differential to Cembra shall be deferred for as long as a Breach of Pre-Event Test Notice or an Issuer Event of Default is outstanding. Thereafter, any payment of any deferred amount of Collateral Differential to Cembra shall be made in accordance with the applicable Priority of Payments.

2.7 Termination

The Guarantee Mandate Agreement shall remain in full force and effect until expiry of a period ending 366 calendar days after the date on which all potential liabilities guaranteed by the Guarantee have been discharged or satisfied in full. The parties to the Guarantee Mandate Agreement shall agree that, subject to applicable law, the Guarantee Mandate Agreement may not be terminated for any default, reason or circumstance prior to that date.

2.8 Governing Law and Jurisdiction

The Guarantee Mandate Agreement will be governed by and construed in accordance with the substantive laws of Switzerland, and any dispute, controversy or claim arising under, out of or in connection with the Guarantee Mandate Agreement, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich 1), Switzerland.

3. Security Transfer Agreement

Pursuant to the terms of the Security Transfer Agreement, Cembra as Assignor shall secure the Secured Obligations (i.e., (i) any and all Guarantee Fees, (ii) any and all Pre-funding Obligations and (iii) any and all Recourse and Indemnity Obligations of the Issuer) under the Guarantee Mandate Agreement and the Security Transfer Agreement by assigning and transferring the Lease Assets and Substitute Assets to the Guarantor as Assignee.

3.1 Transfer of Lease Assets and Substitute Assets

Pursuant to the Security Transfer Agreement the Assignor undertakes to:

- (a) assign and transfer for security purposes from time to time to the Assignee Lease Assets which meet the Eligibility Criteria (the **Eligible Lease Assets**); and
- (b) transfer for security purposes from time to time the Substitute Assets to the Assignee,

in amount and composition sufficient to ensure that each Pre-Event Test is met as of any Cut-Off Date prior to the occurrence of an Issuer Event of Default and service of the Guarantee Activation Notice, and the Assignee undertakes to accept such assignment and transfer.

In the event of the issuance of a Series or Tranche of Auto Covered Bonds, the Assignor undertakes to (i) assign and transfer for security purposes to the Assignee Eligible Lease Assets and (ii) transfer for security purposes to the Assignee Substitute Assets, in amount and composition sufficient that, based on the most recent Cover Pool Report as adjusted for the additional Cover Pool Assets to be assigned and transferred two Business Days prior to the relevant Issue Date, the Asset Coverage Test and the Interest Coverage Test would have been met (as of the Cut-off Date underlying the most recent Cover Pool Report) on a pro forma basis after giving effect to the issuance of that Series or Tranche, as the case may be.

If, as of any Test Date prior to the occurrence of an Issuer Event of Default and service of the Guarantee Activation Notice, either the Asset Coverage Test or the Interest Coverage Test is not met, the Assignor agrees, subject to applicable law, before the next Cut-off Date after the relevant Test Date, to (i) assign and transfer for security purposes to the Assignee additional Eligible Lease Assets and/or (ii) transfer for security purposes to the Assignee Substitute Assets in an amount and composition sufficient to ensure that the Pre-Event Tests are met as of the following Cut-Off Date (the **Undertaking to Provide Additional Cover**).

However, following the occurrence of an Issuer Event of Default and service of the Guarantee Activation Notice on the Assignee or the occurrence of an Insolvency Event with regard to the Assignor, the Assignor shall no longer be subject to the Undertaking to Provide Additional Cover, which shall cease to apply.

3.2 Eligibility Criteria

The Assignor undertakes to transfer and assign Lease Assets to the Guarantor which meet certain eligibility criteria. In order for a Lease Asset to meet the Eligibility Criteria, such Lease Asset must satisfy the following criteria (the **Eligibility Criteria**) on the Cut-Off Date immediately preceding the relevant Transfer Date:

- (a) The Lease Agreement and the Dealer Agreement are in the form of one of Cembra's Standard Contracts.
- (b) The Lease Agreement provides for the payment of fixed equal monthly lease instalments.
- (c) The Lease Agreement and the Dealer Agreement are governed by and originated in compliance with the laws of Switzerland and have been duly entered into and executed by the Lessee and the Dealer respectively (or any authorised representative of that Lessee and Dealer respectively).
- (d) The Lease Agreement and the Dealer Agreement are legally valid, binding and enforceable in accordance with its terms against the Lessee and/or Dealer respectively and the receivables arising thereunder constitute legal, valid, binding, enforceable and irrevocable payment obligations of the relevant Lessee or Dealer respectively.
- (e) The Lease Agreement and the Dealer Agreement are either (i) freely transferrable and assignable without the relevant Lessee's and without the relevant Dealer's consent or (ii) consent for the transfer and assignment of the Lease Agreement and the Dealer Agreement has been obtained from the Lessee and the Dealer.
- (f) The Lease Agreement is a finance lease with no obligation on Cembra under the terms of any Lease Agreement to provide or otherwise arrange any maintenance, other services or insurance in respect of the relevant Leased Vehicle (it being understood that any such obligations may be assumed by Cembra as lessor under a Separate Maintenance and Service Agreement entered into in connection with the relevant Lease Agreement, provided that no obligations under such a Separate Maintenance and Service Agreement are transferred to the Guarantor).
- (g) There is no separate maintenance contract relating to any Lease Asset (in particular, the Leased Vehicle) other than, for the avoidance of doubt, with a Dealer or another third party (it being understood that a Separate Maintenance and Service Agreement may be entered into with Cembra as lessor in connection with the relevant Lease Agreement, provided that no obligations under such a Separate Maintenance and Service Agreement are transferred to the Guarantor).
- (h) The Lease Agreement is not linked to a PPI.
- (i) No rights of rescission, set-off, withholding, deduction, suspension, counterclaim or defence exist or to the best knowledge of Cembra have been asserted or threatened with respect to (i) any receivable arising under a Lease Agreement and (ii) any receivable arising under a Dealer Agreement and there are no claims or actions pending or to the best knowledge of Cembra threatened in respect of such Lease Agreement and Dealer Agreement which could adversely affect the enforceability or collectability of such Lease Agreement, such Dealer Agreement and in each case the receivables arising thereunder.
- (j) The Leased Vehicle was purchased by Cembra from a Dealer under a Dealer Agreement and was validly transferred by such Dealer to Cembra (prior to it being delivered by Cembra to the Lessee) in accordance with its terms and by such transfer, Cembra received valid and due legal ownership (*Eigentum*) from the relevant Dealer.
- (k) Cembra complied in all material respects with its Credit and Collection Policies and Procedures (in force at such time) in relation to the origination and administration of the relevant Lease Agreement and Dealer Agreement.

- (l) The Lease Agreement has not been terminated or has not been rescinded and the Lease Agreement is not subject to any right of withdrawal (*Widerrufsrecht*) under the CCA.
- (m) The Lease Agreement (i) has been entered into in accordance with all applicable legal requirements and in particular in compliance with the procedures applicable under the CCA (in particular, without limitation, in relation to credit checks (*Kreditfähigkeitsprüfung*)), where applicable, (ii) is compliant with the terms of and conditions of the CCA and any other relevant consumer law, where applicable and (iii) does not contravene any applicable law or regulation which would affect the validity and/or enforceability of any material provision of any such Lease Agreement.
- (n) Since its origination, the Lease Agreement or the Dealer Agreement has not been amended or otherwise modified such that (i) the total number of the Lessee's Monthly Invoices under a Lease Agreement is increased, (ii) the amount financed under a Lease Agreement is increased, or (iii) the collectability of funds under a Lease Agreement or Dealer Agreement would be materially affected, unless such amendment or modification is made in accordance with the Credit and Collection Policies and Procedures.
- (o) The Lessee in respect of the Lease Agreement is not to the knowledge of Cembra bankrupt, subject to a suspension of payments or otherwise insolvent or subject to any analogous procedure, and the Lessee is not shown on Cembra's records as dead.
- (p) The terms of the Lease Agreement requires the Lessee thereunder to take out comprehensive motor insurance and to assign to Cembra the proceeds of any claim upon the loss, theft or damage beyond repair of the Leased Vehicle.
- (q) The receivables arising under the Lease Agreement and the Dealer Agreement are denominated in CHF and payable to Cembra.
- (r) The Lease Agreement and the Dealer Agreement have been entered into by Cembra as principal (and not as agent on behalf or for the benefit of any other party or person).
- (s) The Lease Agreement has an original term to maturity of not more than 61 months.
- (t) The Lease Agreement has an APR of greater than or equal to 0.00 per cent.
- (u) No Lease Asset is a Delinquent Lease Asset or a Defaulted Lease Asset.
- (v) The amount financed under a Lease Agreement in respect to each Leased Vehicle is less than or equal to CHF 300,000.
- (w) The Lessee in respect of the Lease Agreement (a) if a Commercial Customer, has its registered office in Switzerland, or, (b) if a Private Customer, has his place of residence in Switzerland.
- (x) The Lessee in respect of the Lease Agreement is not an employee of Cembra.
- (y) The Lease Asset to be transferred has been randomly selected by Cembra in good faith, to satisfy the Lease Asset Representations and Warranties.
- (z) A minimum of 1 Monthly Invoice has been paid in respect of the Lease Agreement.
- (aa) No Deposit is payable by the Lessee under the Lease Agreement.
- (bb) The residual value of the Leased Vehicle as set out in the Lease Agreement is equal to or less than 70% of the Outstanding Balance.
- (cc) The Dealer which is the seller of the Leased Vehicle is not at the same time the Lessee of that Leased Vehicle (no "sale and lease back").

3.3 Security Assignment of Receivables

The assignment for security purposes of the Lease Receivables, Dealer Receivables and Ancillary Rights shall be effected by way of a written transfer deed which will be prepared by the Assignor and shall be duly signed by both Parties (each a **Transfer Deed**). The purpose of the assignment of the Lease Receivables, Dealer Receivables and Ancillary Rights is to provide security for the Secured Obligations.

3.4 Security Transfer of Leased Vehicles

Concurrently with each assignment of Lease Receivables, Dealer Receivables and Ancillary Rights, the Assignor will transfer to the Assignee for security purposes legal title to the related Leased Vehicles.

The transfer for security purposes of the related Leased Vehicles shall be effected by way of (i) a Transfer Deed, which Transfer Deed shall be prepared by the Assignor and shall be duly signed by both Parties (two original copies, one original to be retained by each Party) and (ii) delivery of a Lessee Information Letter (as defined below) by no later than 35 calendar days following the relevant Transfer Date pursuant to which the relevant Lessees are informed of the transfer of legal title to the Transferred Leased Vehicle to the Assignee. The purpose of the transfer of legal title to the related Leased Vehicles is to provide security for the Secured Obligations.

3.5 Transfer of Lease Agreements and Related Dealer Agreements

Concurrently with each assignment of Lease Receivables, Dealer Receivables and Ancillary Rights, the Assignor will transfer to the Assignee by way of transfer of contract (*Vertragsübertragung*) the related Lease Agreements and the related Dealer Agreements and the Assignee will assume by way of assumption of contract (*Vertragsübernahme*) such Lease Agreements and Dealer Agreements, and each such transfer results in a comprehensive substitution of the Assignor by the Assignee as a party to the relevant Lease Agreements and Dealer Agreements (*Parteiwechsel*). The transfer of the Lease Agreements and the Dealer Agreements will be effected by way of a Transfer Deed, which Transfer Deed shall be prepared by the Assignor and shall be duly signed by both Parties (two original copies, one original to be retained by each Party).

3.6 Reassignment of certain Receivables

Immediately following each assignment and transfer of Lease Assets, the Assignee will reassign any receivables arising under any Transferred Lease Asset in the amount of the VAT component of any Monthly Invoice arising under any Transferred Lease Agreement or Transferred Dealer Agreement or from any resale of a Transferred Leased Vehicle to a third party which becomes chargeable after the transfer of the Transferred Lease Assets from the Assignor to the Assignee (the **VAT Receivables**) back to the Assignor. Such reassignment will cease and, as a result, no further VAT Receivables will be reassigned to the Assignor upon and after the occurrence of a Collateral Enforcement Event or a Notification Event or any other event whereby the transfer of the Transferred Lease Assets from the Assignor to the Assignee matures into a true sale transaction for VAT purposes (the **VAT Trigger Event**).

3.7 List of Transferred Lease Assets

Each time that a Transfer Deed or a Retransfer Deed (as defined below) is signed by the Assignor the Assignor will provide to the Assignee with a consolidated list of all Transferred Lease Assets (the **List of Transferred Lease Assets**).

3.8 Transfer of Substitute Assets

The transfer for security purposes of any and all Substitute Assets shall be effected by transfer and deposit of the Substitute Assets by the Assignor, in the case of securities, by way of security transfer to the Cover Pool Custody Account or, in the case of cash, as cash collateral to the Cover Pool Bank Account as designated by the Assignee from time to time in writing. The purpose of the transfer of Substitute Assets is to provide security for the Secured Obligations.

3.9 Retransfer of Cover Pool Assets

Release of the Cover Pool Assets in circumstances prior to the occurrence of a Notification Event

If, prior to the occurrence of a Notification Event:

- (a) a Transferred Lease Agreement lapses on its original maturity date, the Transferred Leased Vehicle leased thereunder shall be automatically released from the security created hereunder and the Assignee agrees to retransfer and hereby retransfers to the Assignor legal title to the relevant Transferred Leased Vehicle, with effect as of the original maturity date of such Transferred Lease Agreement;
- (b) a Transferred Lease Agreement is terminated prior to its original maturity date because the relevant Lessee: (A) has exercised its early termination right under the Transferred Lease Agreement; or (B) has requested that (x) a Transferred Lease Agreement be transferred to a new Lessee or (y) a Transferred Leased Vehicle is replaced by another Leased Vehicle leased by the same Lessee and, in each case, such request has been granted by Cembra, the Transferred Leased Vehicle leased thereunder shall be automatically released from the security created hereunder and the Assignee agrees to retransfer and hereby retransfers to the Assignor legal title to the relevant Transferred Leased Vehicle, in each case with effect as of the termination date of such Transferred Lease Agreement.

Each Transferred Lease Asset relating to a Transferred Leased Vehicle automatically released and retransferred pursuant to the provision described above will be listed as Retransferred Lease Asset in the next

Retransfer Deed signed by the Assignee and the Assignor following such retransfer. The Assignor and the Assignee acknowledge and agree in the Security Transfer Agreement that if and to the extent a release and retransfer of a Transferred Lease Vehicle is effected as set out above, such listing shall serve as evidence only and the relevant Transferred Lease Vehicle shall have been retransferred to the Assignor irrespective of whether they are shown in the relevant Retransfer Deed or not.

Following the occurrence of a Notification Event, there will be no further releases as described above.

Mandatory and discretionary substitution of Lease Assets and retransfer of Excess Cover Pool Assets

Prior to the service of the Guarantee Activation Notice on the Assignee, but following the occurrence of a Substitution Event, within 35 calendar days of (i) receipt of the respective notice from the Assignee or (ii) becoming aware of such Substitution Event, the Assignor shall request that the Assignee returns the Transferred Lease Assets affected by the occurrence of a Substitution Event (the **Affected Lease Assets**) to the Assignor by way of a reassignment and retransfer of the relevant Affected Lease Asset against the unconditional assignment and transfer of randomly selected additional or substitute Eligible Lease Assets of equivalent nominal value. Retransfers of Transferred Lease Assets will be effected by way of a written retransfer deed which will be prepared by the Assignor and shall be duly signed by both Parties (each a **Retransfer Deed**).

Substitution Event means in relation to a Transferred Lease Asset the occurrence of one or several of the following events:

- (a) breach of any of the Lease Asset Representations and Warranties; and/or
- (b) at any time after the Transfer Date
 - (i) a PPI is entered into in relation to a Transferred Lease Agreement;
 - (ii) a Transferred Lease Asset becomes, after the relevant Cut Off Date as of which the Assignor has represented that such Transferred Lease Asset is an Eligible Lease Asset, subject to fraud (e.g., in the event either the relevant Dealer or the relevant Lessee forged Code 178 ("*Halterwechsel verboten*") in the vehicle registration papers (*Fahrzeugausweis*)) (a **Fraud Lease Asset**); and/or
 - (iii) a Lessee in respect of a Transferred Lease Asset has moved from Switzerland to Liechtenstein during the term of the relevant Transferred Lease Agreement (a **Liechtenstein Resident Lease Asset**).

Prior to the service of the Guarantee Activation Notice on the Assignee, the Assignor has the right to request from the Assignee at any time the return of any particular Cover Pool Asset, provided that such Cover Pool Assets shall be substituted as described in the paragraph above or, if the Cover Pool Assets to be returned are Substitute Assets, such Substitute Assets shall be returned by way of retransfer of Substitute Assets against the unconditional transfer of Substitute Assets of equivalent nominal value.

Prior to the service of the Guarantee Activation Notice on the Assignee, the Assignor may request the Assignee to return any Cover Pool Assets in an amount less than or equal to the amount of Cover Pool Assets which, if retransferred to the Assignor would cause the Adjusted Aggregate Lease Balance to equal the Principal Amount Outstanding of all Series and Tranches of Auto Covered Bonds (the **Excess Cover Pool Assets**) including as a result of a redemption in full or in part of a Series of Auto Covered Bonds, either (i) at any time within one Business Day by way of a reassignment and retransfer of the relevant Lease Asset, or (ii) on each Test Date by way of retransfer of Substitute Assets, in each case provided that the Asset Coverage Test and the Interest Coverage Test would have been met on the relevant Cut-off Date without including the Excess Cover Pool Assets to be returned.

The Assignor undertakes to ensure that prior to the occurrence of an Issuer Event of Default, the percentage equal to 100 per cent. minus the ratio between (A) the aggregate Outstanding Balance of Transferred Lease Assets; and (B) the sum of (i) the Minimum Value of Transferred Lease Assets, (ii) the par balance of Substitute Assets and (iii) the total balance of cash and Authorised Investments, does not exceed 15 per cent. (the **Prescribed Cash Limit**) on two consecutive Test Dates.

3.10 Notification of Debtors

Prior to the occurrence of a Notification Event

The Assignor will, by no later than 35 calendar days after the Transfer Date of the relevant Transferred Lease Vehicle, inform each Lessee under a Transferred Lease Agreement of the transfer of legal title to the

Transferred Leased Vehicles to the Assignee by delivery to such Lessee a lessee information letter (the **Lessee Information Letter**).

Prior to the occurrence of the earlier of (i) an Issuer Event of Default or (ii) a Servicing Termination Event (each a **Notification Event**), the Assignee will, except for the information of the Lessees by way of the Lessee Information Letter, only notify (A) a Lessee under a Transferred Lease Agreement, (B) third party debtor of any Assigned Ancillary Rights, (C) the competent road traffic department (*Strassenverkehrsamt*), (D) the holder of a Transferred Leased Vehicle (if different from the Lessee), or (E) the Dealers under the Transferred Dealer Agreements of the assignment and transfer of the Transferred Lease Assets if and to the extent it deems such notification is reasonably necessary for protecting and pursuing the Assignee's rights under this Agreement or any other Transaction Document.

Upon the occurrence of a Notification Event

Upon the occurrence of a Notification Event, the Assignee shall notify the relevant Lessees, Dealers and third parties, the competent road traffic department (*Strassenverkehrsamt*) and any holder of a Transferred Leased Vehicle (if different from the Lessee) and instruct such Lessees and/or third parties to make all further payments in respect of the Transferred Lease Asset to an account held in the name of the Assignee.

Without prejudice to the right of the Assignee to notify the Lessees, Dealers and relevant third parties, upon (i) receipt by the Trustee of notice of the occurrence of (A) a Servicing Termination Event from the Assignee pursuant to the Security Transfer Agreement or (B) an Issuer Event of Default pursuant to Condition 10.1 (*Events of Default relating to the Issuer*) or (ii) the Trustee otherwise becoming aware of the occurrence of such Notification Event, the Trustee shall notify the relevant Lessees, Dealers and relevant third parties, the competent road traffic department (*Strassenverkehrsamt*) and any holder of a Transferred Leased Vehicle (if different from the Lessee) and instruct such Lessees and/or third parties to make all further payments in respect of the Transferred Lease Asset to an account held in the name of the Assignee, by no later than thirty 30 Business Days following receipt of such notice or it becoming aware of such Notification Event (see "*Trust Agreement*").

3.11 Collected Lease Payments prior to the Occurrence of an Issuer Event of Default

Prior to the occurrence of a Notification Event, subject to a liquidation of Lease Assets, the Assignor shall continue to be competent and entitled to receive and collect Lease Payments for the account of the Assignee. Except as described below, the Assignor shall transfer any Lease Payments received by it directly or indirectly, including by way of set-off since the last Cut-Off Date preceding the earlier of (x) the occurrence of a Notification Event, or (y) the service of a Breach of Pre-Event Test Notice (the **Collected Lease Payments**), to the Assignee and any Collected Lease Payments shall be held by the Assignee as cash collateral in the Cover Pool Bank Account and, upon the occurrence of a Collateral Enforcement Event, applied against the Secured Obligations in accordance with the provisions of the Security Transfer Agreement. However, the Assignee waives any right, title and interest to Collected Lease Payments and no transfer of Collected Lease Payments to the Assignee shall be made with respect to Collected Lease Payments received or collected provided that (i) no Notification Event or Issuer Event of Default or Guarantor Event of Default has occurred and (ii) no Breach of Pre-Event Test Notice has been served on the Assignor which is still outstanding on that Lease Payment Transfer Date.

Upon the service of a Breach of Pre-Event Test Notice (which has not been revoked), the occurrence of a Guarantor Event of Default or a Notification Event (other than a Notification Event triggered by the occurrence of an Issuer Event of Default), the Assignor shall transfer to the Assignee any amounts received by it as Collected Lease Payments from the preceding Cut-Off Date. Upon the occurrence of a Collateral Enforcement Event and a transfer of the Collected Lease Payments to the General Bank Account pursuant to the terms of the Intercreditor Agreement, the Cash Manager, acting on the Assignee's behalf, shall be entitled to apply any such Collected Lease Payments in payment of any amounts due by the Assignee in accordance with the applicable Priority of Payments.

Collected Lease Payments received by the Assignee shall, to the extent not used to make payments as set out in the preceding paragraph above, be (i) returned to the Assignor, provided that no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing and no Breach of Pre-Event Test Notice is outstanding, or (ii) for as long as the conditions set out in (i) above are not satisfied, withheld by the Assignee as cash collateral in the Cover Pool Bank Account for any Secured Obligations and, upon the occurrence of a Collateral Enforcement Event, applied against the Secured Obligations in accordance with the Security Transfer Agreement.

Upon the occurrence of a Notification Event but prior to the occurrence of an Issuer Event of Default, the Assignee or the Cash Manager acting on its behalf, shall be entitled to apply any Lease Payments directly received by the Assignee subject to and in accordance with the applicable Priority of Payments set forth in the Intercreditor Agreement in payment of any amounts due by the Assignee.

Lease Payments directly received by the Assignee shall, to the extent not used to make payments in respect of amounts due by the Assignee, be (i) transferred to the Assignor, provided that no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing and no Breach of Pre-Event Test Notice is outstanding, or (ii), for as long as the conditions set out in (i) above are not satisfied, withheld by the Assignee as cash collateral in the Cover Pool Bank Account for any Secured Obligations and, upon the occurrence of an Collateral Enforcement Event, applied against the Secured Obligations in accordance with the Security Transfer Agreement.

3.12 Lease Payments upon the occurrence of an Issuer Event of Default

Upon and after the occurrence of an Issuer Event of Default or an Insolvency Event with regard to the Assignor, the Assignee shall be entitled to withhold any Lease Payments received, directly or indirectly, by it as a cash collateral in the Cover Pool Bank Account for any Secured Obligations and, upon the occurrence of an Collateral Enforcement Event, to apply against the Secured Obligations in accordance with the Security Transfer Agreement.

3.13 Enforcement and/or Liquidation of Cover Pool Assets upon the occurrence of a Collateral Enforcement Event

Upon and after the occurrence of a Collateral Enforcement Event, the Assignee shall, without further notice to the Assignor, be entitled to enforce and/or liquidate a part of the Cover Pool Assets sufficient to discharge the relevant Secured Obligations and the Secured Obligations shall be discharged in the amount of the Enforcement Proceeds.

For this purpose, the Assignee may

- (a) enforce an Assigned Receivable vis-à-vis the respective debtors if and when due. The Assignee may, in its sole discretion, allow such debtor to defer payment, agree on changes to the terms of an Assigned Receivable (including partial cancellation (*teilweiser Schuldertlass*)) and take any other steps that are customary in the Swiss market in connection with the leasing of vehicles in order to maximize the enforcement proceeds;
- (b) liquidate any Transferred Lease Assets by way of private sale (*freihändiger Verkauf*) to a third party (including but not limited by way of a sale and repurchase transaction or a securitization transaction) and, in doing so, pool any of the Transferred Lease Assets in portfolios as it deems appropriate, in its sole discretion, provided that the requirements as set out in the Security Transfer Agreement are complied with (applicable requirements include compliance with certain undertakings entered into by the Assignor with a view to ensure that the Lessee's position is not prejudiced as a result of the assignment and transfer, compliance with the Credit and Collection Policies and Procedures and the passing on of the relevant obligations to any subsequent acquirer);
- (c) liquidate a Transferred Leased Vehicle by way of private sale to a third party, provided that the Transferred Lease Agreement under which such Transferred Leased Vehicle has been leased to a Lessee has been terminated prior to such private sale; and/or
- (d) freely dispose of any other Cover Pool Assets, including but not limited to (i) any Lease Payments received by the Assignee and (ii) any Substitute Assets.

The Assignee is at liberty to enforce the Secured Obligations without having to first enforce and/or liquidate the Cover Pool Assets.

3.14 Cover Pool Test

Asset Coverage Test

The Parties agree to appoint and instruct the Assignor to perform the Asset Coverage Test as of each Test Date prior to the IED Guarantee Activation Date and to appoint the Asset Monitor to periodically verify the calculations. See "*Credit Structure — Asset Coverage Test*".

Interest Coverage Test

The Parties agree to appoint and instruct the Assignor to perform the Interest Coverage Test as of each Test Date prior to the IED Guarantee Activation Date and to appoint the Asset Monitor to periodically verify the calculations. See "*Credit Structure — Interest Coverage Test*".

Amortisation Test

The Parties agree to appoint and instruct the Assignor or the Replacement Servicer (as the case may be), to perform the Amortisation Test as of each Test Date after the IED Guarantee Activation Date and to appoint the Asset Monitor to periodically verify the calculations. See "*Credit Structure — Amortisation Test*".

3.15 Lease Asset Representations and Warranties

The Assignor shall give the following representations and warranties regarding the Lease Assets (the **Lease Asset Representations and Warranties**) as of the Transfer Date (or such other relevant date as indicated below) specified in the Transfer Deed by which the relevant Lease Assets has been transferred as follows:

- (a) it is the sole legal and beneficial owner of each Transferred Lease Asset and the Assignee will acquire from the Assignor legal title to such Transferred Lease Asset, free from any security interest and, subject to the Legal Reservations, right of set-off or other right or claim of any other person;
- (b) as of the Cut-Off Date immediately preceding the relevant Transfer Date, each Transferred Lease Asset is an Eligible Lease Asset;
- (c) legal title to each Transferred Leased Vehicle is freely transferable from the Assignor to the Assignee (as contemplated under the Security Transfer Agreement) without obtaining Lessees' specific consent;
- (d) each assignment and transfer of the Transferred Lease Assets pursuant to the Security Transfer Agreement (A) constitutes, or in case of a Transferred Leased Vehicle, will constitute upon delivery of the Lessee Information Letter to the relevant Lessee, a valid assignment and/or transfer (as applicable), (B) shall be enforceable against creditors of the Assignor, and (C) is neither prohibited nor invalid (in each case subject to the Legal Reservations);
- (e) as of the Cut-Off Date immediately preceding the relevant Transfer Date, the information set out in any Transfer Deed is true and accurate;
- (f) as of the Cut-Off Date immediately preceding the relevant Transfer Date, the Transferred Leased Vehicles are not recorded in the records of the Assignor as having been (a) a total loss for insurance purposes or (b) to the best of its knowledge, stolen and such Transferred Leased Vehicles are duly registered in accordance with the regulations as applied by the department of motor vehicles (*Strassenverkehrsämter*) of the relevant Cantons in Switzerland (including, for the avoidance of doubt, the registration of the transfer restrictions pursuant to Code 178 with respect to the Transferred Leased Vehicles) and the transfer of the Transferred Leased Vehicles by the Assignor to the Assignee does not need to be registered with the competent department of motor vehicles (*Strassenverkehrsämter*) of the relevant Cantons;
- (g) it has maintained the Lease Data relating to each Transferred Lease Asset which are true and accurate in all material respects and such Lease Data is held by or to the order of the Assignor and each Transferred Lease Asset is clearly identified and marked as transferred to the Assignee in the Assignor's internal IT systems;
- (h) except with respect to the Eligibility Criteria, such Lease Assets are randomly selected by the Assignor's IT systems; and
- (i) the disclosure and transfer of information (within Switzerland or abroad) relating to the Lessees and the Dealers (or any other party appearing in the Transferred Lease Agreements and Transferred Dealer Agreements as relevant) in respect of each Transferred Lease Agreement and each Transferred Dealer Agreement as contemplated by, and for the purposes envisaged by, this Agreement is not contrary to the Swiss banking secrecy or the Data Protection Act and any other data protection law as applicable and the Assignor did obtain all relevant approvals and licences (if necessary) and filed all relevant filings with relevant authorities (if necessary).

The Lease Asset Representations and Warranties set out in paragraph (c), (d), (g), (h) and (i) above are deemed to be repeated by the Assignor on each Guarantor Payment Date during the subsistence of the Security Transfer Agreement

3.16 Increased Servicer and Services Provider Expenses Pre-funding Obligation and Increased Servicer and Services Provider Expenses Recourse and Indemnity Obligation

The Assignor is obliged to pre-fund any and all Increased Servicer and Services Provider Expenses arising from time to time by payment to the General Bank Account of the amount specified by the Assignee an Increased Servicer and Services Provider Expenses Pre-funding Notice, with value no later than (i) one Business Day after receipt of the Increased Servicer and Services Provider Expenses Pre-funding Notice or (ii)

at such other date as specified in the Increased Servicer and Services Provider Expenses Pre-funding Notice, provided that the relevant amount shall not become due earlier than 30 Business Days prior to the due date of the relevant payment owed by the Assignee to the respective Third Party Services Provider. Any payment under the Increased Servicer and Services Provider Expenses Pre-funding Obligation shall not prejudice the Assignor's right to ask for full or partial reimbursement of the relevant payment upon presentation of conclusive evidence that the Assignee did not pay, in good faith, the corresponding amount to a Third Party Services Provider.

Each Pre-funding Claim under the Increased Servicer and Services Provider Expenses Pre-funding Obligation constitutes a conditional cash coverage claim for release of liabilities incurred which is subject to the conditions precedent that the relevant amount has come into existence and has been ascertained in accordance with the terms of the relevant agreement with a Third Party Services Provider and shall become due and payable upon service of a relevant Increased Servicer and Services Provider Expenses Pre-funding Notice or upon the Assignor being effectively wound up as a result of Insolvency Proceedings.

Save to the extent the Assignee has already been compensated under the Increased Servicer and Services Provider Expenses Pre-funding Obligation, the Assignor shall reimburse and indemnify the Assignee for any and all Increased Servicer and Services Provider Expenses.

Each Recourse Claim under the Increased Servicer and Services Provider Expenses Recourse and Indemnity Obligation constitutes a conditional recourse claim which is subject to the conditions precedent that payment of the relevant amount to a Third Party Services Provider has been made by or on behalf of the Assignee and shall become due and payable upon service of a relevant notice.

3.17 Servicing of Serviced Lease Assets

The Assignor shall, as part of the transfer of Lease Assets for security purposes, at its own cost and expense (including Taxes) continue, subject to revocation of the authorisation upon a Servicing Termination Event, to service and administer, in its reasonable discretion and with the goal of maximising recoveries and minimising losses, subject to and in accordance with (i) its standard operation procedures and servicing and enforcement policies for its lease agreements and dealer agreements from time to time, (ii) the provisions of the Security Transfer Agreement and (iii) the credit and collection policies and procedures attached as schedule to the Security Transfer Agreement (the **Credit and Collection Policies and Procedures**) the Serviced Lease Assets.

The servicing and administration of the Serviced Lease Assets shall include, but not be limited to (i) identifying, collecting and posting all amounts due from, and payable by, a Lessee, Dealer or third party debtor of Assigned Ancillary Rights in respect of any Serviced Lease Assets, (ii) process payments received in relation to the Transferred Lease Assets and apply such payments to the relevant Transferred Lease Asset, (iii) conduct, on behalf of the Assignee, monitoring activities in relation to the Transferred Lease Assets and (iv) perform those other functions and obligations as are further set out in this Agreement and the other Transaction Documents, in each case subject to and in accordance with the conditions of the Security Transfer Agreement (and in particular subject to the restrictions set out therein and the Credit and Collection Policies and Procedures).

The Assignor shall have the right to amend the Credit and Collection Policies and Procedures from time to time in order to align the Credit and Collection Policies and Procedures with its standard procedures and servicing and enforcement policies for its own Lease Assets from time to time by giving notice of the intended amendment of the Credit and Collection Policies and Procedures, provided that the amended Credit and Collection Policies and Procedures (i) shall conform to standards a reasonable prudent lessor would apply and (ii) do not contradict the terms and conditions of the Security Transfer Agreement.

The Assignor may appoint any other person as its delegate (each a **Delegate**) to carry out all or part of the servicing and the administration of the Serviced Lease Assets (including the preparation of the reports to be produced by the Assignor), provided that (i) the Assignor shall exercise all due care in the selection of any Delegate, (ii) notwithstanding any provisions to the contrary (including, in the contractual arrangements entered into between the Assignor and any Delegate), the appointment of such Delegate shall not in any way release or discharge the Assignor from its obligations under the Security Transfer Agreement, (iii) the Assignor shall procure that the terms on which the Delegate is appointed shall expressly provide that the Assignee shall have no liability whatsoever towards such Delegate in relation to liabilities suffered or incurred by such Delegate, (iv) the appointment of any Delegate shall be subject to such Delegate undertaking towards the Assignor to perform all its duties in connection with the servicing and administration of the Serviced Lease Assets in accordance with the conditions of the Security Transfer Agreement (v) the Assignor shall be liable for any fees, costs, charges or expenses (including Taxes) payable to or incurred by any Delegate and (vi) the Assignor shall remain responsible for any acts or omissions of any Delegate and the appointment of the Delegate shall provide that the Guarantor may hold the Delegate directly liable for any damage caused by the Delegate by breaching its obligations in rendering the services hereunder.

3.18 Authorisation

Prior to the occurrence of a Notification Event, the Assignor shall be authorised (*ermächtigt*), in order to preserve the value of the Serviced Lease Assets in its own interest as provider and/or beneficial owner of such assets, to exercise all rights under or in connection with the Serviced Lease Assets vis-à-vis the Lessees, the Dealers, the debtors of related Assigned Ancillary Rights and any third party, in each case unless provided otherwise herein, in its own name, with or without disclosing the agency relationship (*Vertretungsverhältnis*) or the fact that it is acting for the account of or with effect for the Assignee, respectively, in accordance with the Credit and Collection Policies and Procedures and subject to the limitations set forth in the Security Transfer Agreement, the relevant Lease Agreement and the relevant Dealer Agreement, as applicable. Accordingly, the Assignee shall not take any steps to assert any such rights or authorise a third party to do so prior to the occurrence of a Notification Event unless otherwise provided for in the Security Transfer Agreement.

Without limitation of the foregoing, the Assignor shall have the right, in order to preserve the value of the Serviced Lease Assets in its own interest, to perform the following legal actions with respect to the Serviced Lease Assets in its own name but on behalf of the Assignee until the occurrence of a Notification Event:

- (a) carry out on behalf of the Assignee, in each case subject to the restrictions set out in the following paragraph below, all reasonable activities in order to provide for the collection and recovery of the Transferred Lease Assets (including the Defaulted Lease Assets) and exercise all available remedies provided for by applicable law, the Transferred Lease Agreements and the Transferred Dealer Agreements, including the enforcement of any Assigned Ancillary Right, all in accordance with the Credit and Collection Policies and Procedures, and to, if required, act in the name of the Assignee, provided that the Assignor shall disclose that it is acting in the name of and for the Assignee (*offene Stellvertretung*) only if and to the extent necessary;
- (b) process payments received in relation to the Transferred Lease Assets and apply such payments to the relevant Transferred Lease Asset;
- (c) if a Transferred Lease Asset becomes a Defaulted Lease Asset or a Delinquent Lease Asset, initiate, prosecute and manage, on behalf of the Assignee, in each case accordance with the Credit and Collection Policies and Procedures and subject to sub-paragraph (d) below, all proceedings on behalf of and, only if and to the extent necessary, in the name of the Assignee;
- (d) ensure that any loss certificate (*Verlustschein*) relating to any claim under or in respect of a Transferred Lease Asset that has been issued by any competent enforcement office (*Betreibungsund/oder Konkursamt*) to the Assignor or the Assignee is transferred to the Assignee upon reasonable request by the Assignee and in any event upon notice being given to Lessees and Dealers;
- (e) give on behalf of the Assignee, any notices to, make any filings with, and supply any information to, the Information Centre on Consumer Credit (*Informationsstelle für Konsumkredit*) as required under the CCA and further prepare and deliver, on behalf of the Assignee, all notices, communications and documents to be sent by the Assignee, in its capacity as legal owner of the Transferred Lease Assets to any Lessee and Dealer;
- (f) provide such information and data to the Assignee as required for the Assignee to comply with its obligations under agreements binding upon it;
- (g) conduct, on behalf of the Assignee, monitoring activities in relation to the Transferred Lease Assets;
- (h) in the event that the Assignee becomes subject to any action, counterclaim, set-off or other analogous claim or other proceedings in respect of claims made by Lessees by reason of the CCA or the CO or otherwise in connection with or relating to the supply of a Leased Vehicle to a Lessee, take all reasonable steps on behalf of the Assignee, as it would itself seek from the relevant supplier to recover any liability or loss that the Assignee may suffer and generally to mitigate any such liability or loss and provide all reasonable assistance in connection therewith;
- (i) after the occurrence of a VAT Trigger Event, make reference to the Swiss VAT number of the Guarantor when issuing invoices to Lessees, Dealers and third parties (as applicable) in the name and on behalf of the Guarantor; and
- (j) except in the cases set out in the section "Release of the Cover Pool Assets in circumstances prior to the occurrence of a Notification Event" above and subject to the restrictions set out in the following paragraph below, agree to amendments or modifications of any Transferred Lease Agreement and/or any Transferred Dealer Agreement, provided that (i) (x) any amendment or modification is necessary to comply with a non-discretionary regulatory or other legal requirement or (y) such amendment or

modification could not reasonably be expected to have a material adverse effect on the validity, the collectability and/or value of the related Transferred Lease Asset, and (ii) the related Transferred Lease Assets would continue to satisfy the relevant Eligibility Criteria following such amendment or modification.

Notwithstanding anything in this Agreement or any other Transaction Document, the Assignor shall not, without the prior written consent of the Assignee:

- (a) terminate a Transferred Lease Agreement prior to the original maturity date of such Transferred Lease Agreement (including based on a default of the relevant Lessee);
- (b) give instructions to any Lessee with respect to a Transferred Leased Vehicle other than to return the Transferred Leased Vehicle to the Dealer;
- (c) dispose of any of the Transferred Leased Vehicles;
- (d) carry out any activities in order to repossess a Transferred Leased Vehicle (including in the circumstances where such repossession would be permitted in accordance with the terms of the relevant Transferred Lease Agreement and Transferred Dealer Agreement); and/or
- (e) solicit with a Lessee (A) a change of the Lessee under a Transferred Lease Agreement (including but not limited by way of termination of a Transferred Lease Agreement with an existing Lessee and entering into a new Lease Agreement with a new Lessee), (B) a replacement of Leased Vehicle by another Leased Vehicle leased by the same Lessee or (C) an early termination of the Lease Agreement (including by way of novation).

Following the occurrence of an Issuer Event of Default, the Assignor shall be authorised (*ermächtigt*), in order to preserve the value of the Serviced Lease Assets in its own interest as provider of such assets and/or beneficial owner, to perform the legal actions set forth in the paragraph above with respect to the Serviced Lease Assets, in each case in accordance with the Credit and Collection Policies and Procedures and subject to the limitations set forth in the Security Transfer Agreement, always provided that the Assignor shall use its reasonable endeavours to cause any Lease Payments so collected to be paid directly to the account of the Assignee notified to the relevant Lessee, Dealer or third party debtor of an Assigned Ancillary Right. Notwithstanding anything in the Security Transfer Agreement or any other Transaction Document, following the occurrence of an Issuer Event of Default or a Guarantor Event of Default (whichever is earlier), the Assignor shall not, without the prior authorisation or consent of the Assignee, take any action that would result in the (full or partial) lapse of an Assigned Receivable, including, without limitation, cancellation (*Schulderlass*) or set-off of Assigned Receivables.

3.19 Records and Information

The Assignor shall keep all records and books of account for the Assignee in respect of the Assignee's interest in the Serviced Lease Assets. The Assignor undertakes to ensure that at all times all records, books and documents containing data relating to the Serviced Lease Assets can be identified and segregated within reasonable time. In addition, the Assignor shall keep and maintain all documents, books, computer records and other information reasonably necessary or advisable for the collection of the Transferred Lease Assets and necessary to enable any Replacement Servicer to perform its duties under the relevant Replacement Servicer Agreement.

The Assignor shall submit a Cover Pool Report to the Assignee on each Test Date and the Administration Services Provider on each Transfer Date and to the Asset Monitor on the relevant Test Date in accordance with the Asset Monitor Agreement and submit the overview of the Cover Pool Report to the Trustee prior to the next Cut-off Date.

The Assignor shall provide the Assignee with a monthly report containing all information pursuant to the form of Investors Report attached as an annex to the Security Transfer Agreement (each an **Investor Report**). The Issuer will publish or procure the publication of the Investor Report on its website (<https://www.cembra.ch/en/investor/investor-relation/bond-information/>).

In addition, the Assignor shall provide to the Asset Monitor as soon as reasonably practicable any information on the Cover Pool the Asset Monitor may reasonably request in order to be in a position to duly test the Cover Pool and the arithmetic accuracy of the relevant tests in accordance with the Asset Monitor Agreement.

3.20 Termination of the authorisation of the Servicer

Upon the occurrence of a Servicing Termination Event, the Assignee may at once or at any time thereafter while such Servicing Termination Event is continuing by a termination notice in writing to the Assignor (with

a copy to the Trustee) terminate the authorisation of the Assignor pursuant to the Security Transfer Agreement with effect from a date (not earlier than the date of the termination notice) specified in the termination notice.

For purposes of the Security Transfer Agreement, **Servicing Termination Event** means the occurrence of any of the following events:

- (a) a breach of the representation and warranty made by the Assignor that no event has occurred which would constitute a Servicing Termination Event or which, with the giving of notice or lapse of time or other condition, would constitute a Servicing Termination Event;
- (b) default is made by the Assignor in the transfer, deposit or payment of any amount due by the Assignor under the Security Transfer Agreement and such default continues unremedied for a period of twenty calendar days after the earlier of the Assignor becoming aware of such default and receipt by the Assignor of written notice from the Assignee or the Trustee requiring the same to be remedied;
- (c) default is made by the Assignor in the performance or observance of its obligations as Servicer and such default continues unremedied for a period of twenty calendar days after the earlier of the Assignor becoming aware of such default and receipt by the Assignor of written notice from the Assignee or the Trustee requiring the same to be remedied;
- (d) an Insolvency Event occurs in respect of the Assignor; or
- (e) default is made by the Assignor in the obtaining or continued maintenance of any licence, approval, registration, authorization or consent which is necessary in connection with the performance or observance of any obligation under this Agreement,

Following the termination of the authorisation of the Assignor, any rights and powers of the Assignor in connection with the servicing and administration of the Serviced Lease Assets shall, unless otherwise instructed by the Assignee, be terminated and be of no further effect. Following the termination of the authorisation of the Assignor, the Assignor has certain obligations, *inter alia*, with respect to the delivery of Lease Data and books and records, cooperation, consultation and assistance to facilitate the appointment of a Replacement Servicer

3.21 Appointment of Replacement Servicer

Upon termination of the authorisation of the Assignor (see "*Duration and Termination*"), the Assignee may appoint a Replacement Servicer that satisfies the conditions set forth in the Security Transfer Agreement (but shall have no liability to any person in the event that, having used reasonable endeavours, it is unable to appoint a Replacement Servicer at terms acceptable to the Assignee). In addition, upon the occurrence of Servicer Termination Event, the Servicing Facilitator shall, on behalf of the Assignee, use commercially reasonable efforts to, promptly and in any event within 90 calendar days from the occurrence of a Servicing Termination Event, identify a person that will be prepared to assume the duties of a Replacement Servicer (see "*Servicing Facilitator Agreement*").

After the occurrence of a VAT Trigger Event, the Replacement Servicer shall issue invoices to Lessees, Dealers and other third parties (as applicable) in the name and on behalf of the Assignee and make reference to the Swiss VAT number of the Assignee.

Upon the appointment of a Replacement Servicer by the Assignee, the Assignor undertakes, *inter alia*, to grant the Replacement Servicer access to information and cooperate with and assist such Replacement Servicer in such a way that it is able to comply with its obligations pursuant to the Replacement Servicer Agreement once the appointment of the Assignor is terminated following a Servicing Termination Event in accordance with the terms of the Security Transfer Agreement.

3.22 Duration and Termination

The Security Transfer Agreement shall remain in full force and effect until expiry of a period ending 366 calendar days after the date on which all Secured Obligations have been discharged in full and no further Secured Obligations are capable of arising and may not be terminated by any of the Parties prior to that date. Subject to applicable law, the Security Transfer Agreement may not be terminated for any default, reason or circumstance prior to that date. See "*Risk Factors—Risks relating to reliance on certain transaction parties—Termination of Cembra's agency relationships at will may affect payments on the Auto Covered Bonds.*"

3.23 Governing Law and Jurisdiction

The Security Transfer Agreement shall be governed by and construed in accordance with the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation,

performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich 1), Switzerland.

4. Servicing Facilitator Agreement

Pursuant to the servicing facilitator agreement, upon the occurrence of a Notification Event, TMF Management Services SA (the **Servicing Facilitator**) has agreed to provide certain services to assist the Assignee with the appointment of a Replacement Servicer in accordance with the relevant Transaction Documents and subject to the conditions set forth in the Servicing Facilitator Agreement.

4.1 Identification of a Replacement Servicer

Upon the earlier of (i) receipt by the Servicing Facilitator of notice of the occurrence of a Servicing Termination Event from the Assignee pursuant to the Security Transfer Agreement or (ii) the Servicing Facilitator otherwise becoming aware of the occurrence of such Servicing Termination Event:

- (a) the Servicing Facilitator shall, on behalf of the Assignee, use commercially reasonable efforts to, promptly and in any event within 90 calendar days from the occurrence of either event set out in (i) or (ii) above, identify a person that will be prepared to assume the duties of a Replacement Servicer that satisfies the following conditions at terms acceptable to the Assignee:
 - (i) the Replacement Servicer enters into a Replacement Servicer Agreement under which it will, subject to any changes required due to the appointment of a Replacement Servicer and negotiations with such Replacement Servicer, adhere to the Credit and Collection Policies and Procedures;
 - (ii) the Replacement Servicer has available to it adequate personnel with relevant experience and facilities (including computer facilities and software) which, in the Servicing Facilitator's reasonable opinion, are sufficient to permit it to perform the obligations as Replacement Servicer under the Replacement Servicer Agreement;
 - (iii) the Replacement Servicer has and maintains all appropriate registrations, licences and authorities required (including those required under the Data Protection Act and the CCA), as applicable, to enable it to perform its obligations under the Replacement Servicing Agreement; and
 - (iv) otherwise meets any reasonable requirements that the Assignee may require to be met.
- (b) Subject to any potential Replacement Servicer entering into appropriate confidentiality arrangements, the Servicing Facilitator shall be allowed, for and on behalf of the Assignee, to grant such Replacement Servicer, upon request by the Assignee, access to all relevant information pursuant to the Security Transfer Agreement.
- (c) The Servicing Facilitator shall submit to the Assignee the name or a list of names of any person identified by it in accordance with paragraph (a) above as being a potential Replacement Servicer together with all further information on such person as the Assignee may reasonably request.

4.2 Fees

The Servicing Facilitator will be entitled to receive from the Guarantor an annual fee in accordance with a separate fee letter, which fee shall be paid in accordance with the provisions of the Intercreditor Agreement.

4.3 Termination

The Guarantor may terminate the appointment of the Servicing Facilitator in certain circumstances, such as, *inter alia*, a breach of a material obligation which is not remedied and insolvency of the Servicing Facilitator.

The Servicing Facilitator may terminate the Servicing Facilitator Agreement by not less than six months' prior written notice to the Guarantor with a copy to the Trustee. Such termination shall take effect on the date of expiry of the notice or such longer period as the parties may agree.

4.4 Governing Law and Jurisdiction

The Servicing Facilitator Agreement will be governed by and construed in accordance with the substantive laws of Switzerland, and any dispute, controversy or claim arising under, out of or in connection with the Servicing Facilitator Agreement, including, without limitation, disputes, claims or controversies regarding its

existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich 1), Switzerland.

5. Subordinated Loan Agreement

The Guarantor will be required to maintain a Liquidity Reserve Fund from time in an amount equal to the Liquidity Reserve Fund Required Amount. Prior to the occurrence of an Issuer Event of Default, the Liquidity Reserve Fund will be funded by the Subordinated Loan made available by Cembra as Subordinated Loan Provider to the Guarantor as borrower under the Subordinated Loan Agreement.

5.1 The Subordinated Loan

Subject to the terms and conditions of this Agreement, Cembra as Subordinated Loan Provider makes available to the Guarantor a subordinated loan (the **Subordinated Loan**) in an amount equal to the Liquidity Reserve Fund Required Amount applicable prior to the occurrence of an Issuer Event of Default (the **Required Amount**). The Guarantor may request to borrow and the Subordinated Loan Provider may make available to the Guarantor under the Subordinated Loan Agreement amounts exceeding the Required Amount. Any such amounts shall be considered as outstanding under the Subordinated Loan.

During the period from and including the Programme Closing Date until the earlier of (i) the date of the occurrence of an Issuer Event of Default which is continuing and (ii) the Subordinated Loan Repayment Date (as defined below) (the **Availability Period**), the Guarantor (or the Cash Manager acting on behalf of the Guarantor) may utilize the Subordinated Loan on each Guarantor Payment Date by submitting to the Subordinated Loan Provider a utilization request on such Guarantor Payment Date. The Subordinated Loan Provider shall pay out to the Guarantor the amount requested in a utilization request within two Business Days after receipt, provided that the utilization would not result in the amount outstanding under the Subordinated Loan being higher than the Required Amount then applicable, unless the Subordinated Loan Provider has agreed to make available to the Guarantor amounts exceeding the Required Amount. For the avoidance of doubt, no further utilizations shall be made after the Availability Period has lapsed.

The Subordinated Loan Provider has irrevocably agreed that all amounts payable to it under the Subordinated Loan Agreement by the Guarantor or any other person entitled or purporting to be entitled to claim thereunder (including any successor, assign, trustee, receiver, administrator, liquidator or any other person claiming) shall at all times be postponed and fully subordinated towards all present or future outstanding debt and other liabilities of the Guarantor pursuant to the Transaction Documents, in particular pursuant to the applicable Priority of Payments.

5.2 Repayment of the Subordinated Loan

Subject to the applicable Priority of Payments and the repayment of any Liquidity Reserve Fund Excess Amount (as defined below), the Subordinated Loan shall be repaid in full on the date on which all of the Issuer's obligations guaranteed by the Guarantee have been discharged or satisfied in full (the **Subordinated Loan Repayment Date**). Following the Subordinated Loan Repayment Date, the Subordinated Loan shall no longer be available and shall be deemed to be cancelled.

Prior to the Subordinated Loan Repayment Date, the Guarantor shall, on each Guarantor Payment Date repay an amount equal to the amount (if positive) by which the outstanding amount under the Subordinated Loan exceeds the Required Amount at the relevant point in time (the **Liquidity Reserve Fund Excess Amount**). However, the Parties acknowledge and agree that the Subordinated Loan Provider may waive the obligation of the Guarantor to repay any Liquidity Reserve Fund Excess Amount on any Guarantor Payment Date. If the repayment of any Liquidity Reserve Fund Excess Amount is waived by the Subordinated Loan Provider on any Guarantor Payment Date, the relevant amounts shall be considered as outstanding under the Subordinated Loan. During the Availability Period, any amount so repaid by the Guarantor may be re-borrowed.

5.3 Governing Law and Jurisdiction

The Subordinated Loan Agreement will be governed by and construed in accordance with the substantive laws of Switzerland, and any dispute, controversy or claim arising under, out of or in connection with Subordinated Loan Agreement, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich 1), Switzerland.

6. Intercreditor Agreement

Pursuant to the Intercreditor Agreement among the Guarantor, Cembra, the Principal Paying Agent, the Account Bank, the Trustee, the Cash Manager, the Corporate Services Provider, the Administration Services Provider, the Servicing Facilitator and the Asset Monitor, the Guarantor has appointed the Cash Manager to

perform certain cash allocation services on its behalf. The Intercreditor Agreement also sets out the priority in which payments will be made to the Covered Bondholders and the other Relevant Creditors.

6.1 Payments into and from Bank Accounts

The Guarantor has two main bank accounts: (1) the General Bank Account, broadly where it receives the Guarantee Fee and the proceeds of enforcement of the Cover Pool Assets, and from which it generally makes payments to its creditors and (2) the Cover Pool Bank Account, where it receives collections from the Cover Pool Assets. The Guarantor also maintains custody accounts (the **General Custody Account** and the **Cover Pool Custody Account**) where it holds or may hold securities and other investments, the proceeds of which will be paid into (as applicable) the General Bank Account or the Cover Pool Bank Account.

More specifically, the Guarantor or the Cash Manager on its behalf will procure that the following amounts are credited to the General Bank Account:

- (a) the amount of any Signing Fee and Guarantee Fees received by the Guarantor from time to time from the Issuer;
- (b) the proceeds received by the Guarantor under the Subordinated Loan;
- (c) the proceeds received by the Guarantor under any Pre-funding Obligation and any Recourse and Indemnity Obligation;
- (d) Authorised Investments made from amounts standing to the credit of the General Bank Account and any proceeds thereof (including proceeds received from the disposal of such Authorised Investments), except that such Authorised Investments which are in the form of securities shall be credited to the General Custody Account;
- (e) any other amount directly or indirectly received by the Guarantor, but excluding amounts to be paid into the Cover Pool Bank Account in accordance with the Intercreditor Agreement; and
- (f) any amounts transferred from the Cover Pool Bank Account to the General Bank Account in accordance with the Intercreditor Agreement.

The Guarantor, or the Cash Manager on its behalf, will procure that the following amounts are credited to the Cover Pool Bank Account:

- (a) subject to the terms of the Security Transfer Agreement, Collected Lease Payments and any other amounts received in relation to collection or enforcement of the Cover Pool Assets; and
- (b) Authorised Investments made from amounts standing to the credit of the Cover Pool Bank Account and any proceeds thereof (including proceeds received from the disposal of such Authorised Investments); except that such Authorised Investments which are in the form of securities shall be credited to the Cover Pool Custody Account.

The Guarantor, or the Cash Manager on its behalf, will procure the return of any money standing to the credit of the Cover Pool Bank Account to the extent that these represent Excess Cover Pool Assets or other amounts due to the Assignor in accordance with the terms of the Security Transfer Agreement. Following a VAT Trigger Event, the Guarantor, or the Cash Manager on its behalf, shall procure an amount equal to the portion of the VAT (if any) due and payable to the relevant Tax Authority as of such VAT Payment Date is debited from the Cover Pool Bank Account and transferred to the relevant Tax Authority on each date any VAT amount is due and payable by the Guarantor to the relevant Tax Authority (the **VAT Payment Date**).

The Guarantor, or the Cash Manager on its behalf, will procure that following the occurrence of an Enforcement Event, any amounts standing to the credit of the Cover Pool Bank Account, except for any amounts standing to the credit of the VAT Ledger on the Cover Pool Bank Account, up to the amount of the Secured Obligations then to be discharged are promptly credited to the General Bank Account.

Moreover, prior to the Guarantee Activation Date (notwithstanding that a Notification Event may have already occurred), after applying money standing to the credit of the Cover Pool Bank Account to provide for higher ranking amounts in accordance with the Pre-Guarantee Priority of Payments, all remaining money standing to the credit of the Cover Pool Bank Account, except for any amount standing to the credit of the VAT Ledger on the Cover Pool Bank Account, will be paid back to the Assignor on each Test Date, provided that no Breach of Pre-Event Test Notice has been served which is outstanding.

6.2 Priorities of Payment

The allocation and distribution of Available Funds of the Guarantor is described in the section "*Cash Flows*" below.

6.3 Limited recourse against the Guarantor

Pursuant to the terms of the Intercreditor Agreement, the Conditions and the Guarantee (see also Condition 18 (*Limited recourse against the Guarantor*) and Condition 19 (*No enforcement against the Guarantor*)) and the terms of each other Transaction Document, each Relevant Creditor (as applicable) agrees that its claims against the Guarantor are limited in amount and that its recourse against the Guarantor is limited solely to seeking declaratory relief without requesting the adjudication of damages or specific performance of the Guarantor's obligations to serve Pre-funding Notices and/or Recourse Notices. There is no guarantee that a court would grant any such relief (the award of specific performance in particular being subject to the court's discretion and generally only given if it determines that other remedies are not available) or that receipt of a declaratory judgment would procure enforcement of the relevant obligation by the Guarantor.

6.4 Authorised Investments

The Cash Manager's duties under the Transaction Documents are solely mechanical in nature, except if relevant and applicable, with respect to the Cash Manager's obligation to invest in Authorised Investments.

6.5 Remuneration of Cash Manager

The Guarantor will pay to the Cash Manager for its cash allocation services provided under the Intercreditor Agreement and the Cash Management Agreement a fee pursuant to the Cash Management Agreement.

6.6 Liability of Cash Manager

Save as otherwise provided in the Intercreditor Agreement the Cash Manager will have no liability for the obligations of the Guarantor, the Issuer and/or any other person under any of the other Transaction Documents or otherwise and nothing in the Intercreditor Agreement will constitute a guarantee, indemnity or similar obligation by or of the Cash Manager of or in relation to the obligations of either the Guarantor or the Issuer and/or any other person under the other Transaction Documents.

The Cash Manager will not be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by any person as a result of the proper performance of the services described in the Intercreditor Agreement by the Cash Manager (including, without limitation, the exercise or non-exercise of any discretions conferred upon it under the Intercreditor Agreement) save to the extent that such loss, liability, claim, expense or damage is suffered or incurred as a result of any gross negligence, bad faith or wilful default of the Cash Manager or as a result of a breach by the Cash Manager of the terms and provisions of the Intercreditor Agreement or any of the other Transaction Documents to which the Cash Manager is a party (in its capacity as such) in relation to the performance of such function.

6.7 Governing Law and Jurisdiction

The Intercreditor Agreement will be governed by and construed in accordance with the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich 1), Switzerland.

7. Cash Management Agreement

Pursuant to the terms of the Cash Management Agreement, the Cash Manager will provide certain cash management services (**Cash Management Services**) to the Guarantor.

7.1 Services

The Cash Manager's services include, but are not limited to:

- (a) maintenance of all approvals, authorisations, consents and licences required in connection with the business of the Guarantor, if any;
- (b) establishing and operating the Guarantor Bank Accounts pursuant to the Master Bank Account Agreement;
- (c) procuring the maintenance of the ledgers on behalf of the Guarantor;
- (d) calculating the funds available for distribution in accordance with the relevant Priority of Payments set out in the Intercreditor Agreement;

- (e) preparation of the Account Bank Report, Investment Manager Report and Payment Report for the Guarantor, the Trustee, the Assignor or the Replacement Servicer (as the case may be) and the Rating Agency;
- (f) investing funds standing to the credit of the Guarantor Bank Accounts in Authorised Investments, provided that such funds are not required for application in accordance with the terms of the Intercreditor Agreement;
- (g) upon becoming aware thereof, delivering notice of the occurrence of any Cash Manager Termination Event, Issuer Event of Default or Guarantor Event of Default; and
- (h) assisting the Corporate Services Provider to procure compliance by the Guarantor with its obligations under the Transaction Documents (although it shall have no liability to make any payments on behalf of the Guarantor).

If the Cash Manager elects to make Authorised Investments as described above, it shall not be responsible (save where any loss results from the Cash Manager's own fraud, wilful default or gross negligence or that of its employees) for any loss occasioned by reason of any such Authorised Investments whether by depreciation in value, fluctuations in exchange rates or otherwise.

As to the manner in which any of the Cash Management Services are to be performed, the Cash Manager will comply with any directions which the Guarantor or, following the earlier of the IED Guarantee Activation Date or an Enforcement Event, but prior to the commencement of Insolvency Proceedings against the Guarantor, the Trustee, may from time to time give to the Cash Manager as to the manner in which any of the Cash Management Services are to be performed. In particular, in relation to the operation of the Guarantor Bank Accounts, the Cash Manager shall comply with the instructions of the Guarantor or, following the earlier of the IED Guarantee Activation Date or an Enforcement Event, but prior to the commencement of Insolvency Proceedings against the Guarantor, the Trustee. In the case of a conflict between the directions of the Guarantor and the Trustee, the directions of the Guarantor shall prevail, provided that the Guarantor is obliged not to give any direction to the Cash Manager that would reasonably likely be adverse to the interests of the Covered Bondholders.

7.2 Delegation and Subcontracting of Cash Management Services

The Cash Manager may sub-contract or delegate the performance of all or any of the Cash Management Services to any of its subsidiaries or affiliates in Switzerland. However, any delegation by the Cash Manager of its obligations (or any of them) under the Cash Management Agreement shall not release or discharge the Cash Manager from any of its obligations under the Cash Management Agreement. Neither the Guarantor nor the Trustee shall have any liability for any costs, charges or expenses payable or incurred by such sub-contractor or delegate or arising from the entering into, the continuance or the termination of any such arrangement.

7.3 Costs and Expenses

The Guarantor shall reimburse the Cash Manager for all costs, expenses (pre-agreed for costs and expenses exceeding CHF 500) and charges properly incurred in the course of its performance of the cash management services under the Cash Management Agreement.

7.4 Termination of Appointment

The Guarantor may terminate the appointment of the Cash Manager in certain circumstances, such as, *inter alia*, a breach of a material obligation which is not remedied and insolvency of the Cash Manager (each a **Cash Manager Termination Event**), the Guarantor has the right to terminate the appointment of the Cash Manager. The Guarantor shall use its reasonable endeavours to promptly appoint a Replacement Cash Manager (but shall have no liability in the event that it is unable to do so). The termination of the appointment of the Cash Manager will not take effect until a Replacement Cash Manager has been appointed by the Guarantor. Any Replacement Cash Manager shall have substantially the same rights and obligations as the Cash Manager, provided that the Replacement Cash Manager shall in addition prepare Recourse Notices and Pre-funding Notices (other than Guarantee Pre-funding Notices) or shall instruct the Administration Services Provider to prepare such notices in accordance with the Guarantee Mandate Agreement when it becomes aware of any respective obligations of the Issuer.

7.5 Governing Law and Jurisdiction

The Cash Management Agreement will be governed by and construed in accordance with the substantive laws of Switzerland, and any dispute, controversy or claim arising under, out of or in connection with the Cash Management Agreement, including, without limitation, disputes, claims or controversies regarding its

existence, validity, interpretation, performance, breach or termination, shall be submitted to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich 1), Switzerland.

8. Corporate Services Agreement

Pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider has agreed to provide certain corporate administration services to the Guarantor.

8.1 The Corporate Services

The Corporate Services Provider will provide, *inter alia*, the following corporate administration services to the Guarantor (the **Corporate Services**):

- (a) make available in its offices in Zurich a domicile address and a business address for the operations of the Guarantor and take all necessary steps to register the domicile address in the commercial register and to provide each person which is a party to a Transaction Document and all other relevant contracting parties of the Guarantor with such domicile address and business address;
- (b) provide administrative services for the management of the operations and day-to-day business of the Guarantor as instructed by the Board of Directors;
- (c) accept services of process and any other documents or notices served on the Guarantor and prompt notification of the Board of Directors of any legal proceedings initiated against or involving the Guarantor of which the Corporate Services Provider becomes aware;
- (d) respond to the correspondence of the Guarantor upon communication thereof with the members of the Board of Directors and shareholders of the Guarantor as necessary;
- (e) upon the occurrence of an Issuer Event of Default, independently of any of the other corporate services to be provided:
 - (i) establish and update an overview of all outstanding Auto Covered Bonds and the respective due dates for any and all interest payments and payments of principal;
 - (ii) establish and update an overview of (x) all agreements to which the Guarantor is party, (y) all material undertakings of the Guarantor or owed by third parties to the Guarantor arising from such agreements, and (z) all payment obligations of the Guarantor or owed by third parties to the Guarantor (including, but not limited to, the due dates of such payment obligations);
 - (iii) monitor the fulfilment of the obligations of any third parties obliged to deliver notices pursuant to the Transaction Documents;
 - (iv) monitor the fulfilment of the obligations of any third parties obliged to render services to the Guarantor pursuant to the Transaction Documents;
 - (v) coordinate the interaction between the Guarantor and third parties and the instructions to be given by the Guarantor to third parties according to the Transaction Documents; and
 - (vi) furnish all relevant information in order to enable the Board of Directors to diligently render its decisions on a timely basis;
- (f) at the request of the Guarantor's Board of Directors, prepare and forward to the shareholders of the Guarantor all reports, statements and notices which the Guarantor's Board of Directors is required to issue;
- (g) prepare and maintain in accordance with the applicable accounting standard all reasonable and necessary books, ledgers and records as may be required;
- (h) upon instruction of the Cash Manager, open and maintain in the books of the Guarantor the ledgers provided in the Cash Management Agreement;
- (i) take all reasonable steps to ensure that it receives a monthly bank statement from the Account Bank in relation to each of the Guarantor Bank Accounts (to the extent opened) and the Guarantor Share Capital Bank Account;
- (j) ensure the preparation of the audited annual financial statements of the Guarantor within 120 days after the end of the relevant fiscal year it being understood that the Guarantor's first financial year will be a long financial year and end on 31 December 2025;

- (k) inform and report to the Guarantor's Board of Directors quarterly on the financial situation of the Guarantor and prepare (i) any financial statement as of the end of the preceding month as any member of the Guarantor's Board of Directors may reasonably require or (ii) in urgent cases and exceptional circumstances an intra-month financial statement;
- (l) provide the Guarantor's Board of Directors with such information and regular report reasonably requested by a member of the Board of Directors of the Guarantor;
- (m) nominate a person willing to serve in the capacity of secretary of the Guarantor's Board of Directors without fee or remuneration from the Guarantor;
- (n) prepare and file tax declarations for and on behalf of the Guarantor and maintain all tax records;
- (o) keep the register of the shareholders and beneficial owners of the Guarantor and issue share certificates each time as instructed by the Board of Directors;
- (p) assist the Board of Directors in organising and convening the meetings of the shareholders of the Guarantor and the meetings of the Board of Directors and preparing any requisite documents and providing facilities for holding such meetings and keeping minutes of such meetings;
- (q) provide to the auditors of the Guarantor such information in connection with the Guarantor as may be in the possession of the Corporate Services Provider which is necessary for the performance of the auditors' duties;
- (r) if and to the extent required under the terms of any Transaction Document, deliver to any person entitled to it such information or documents which are provided for in the Transaction Documents and are in the possession of the Corporate Services Provider or reasonably obtainable by it;
- (s) upon request by the Board of Directors, give any directions to any providers of services or other agents appointed by the Guarantor; and
- (t) provide such other administrative services as may be required by the Guarantor from time to time and agreed by the Corporate Services Provider and the Guarantor.

The Corporate Services Provider will not carry out any duties which have been delegated specifically to other persons pursuant to the Transaction Documents. Unless otherwise provided in the Corporate Services Agreement the Corporate Services Provider may not, without the prior written consent of the Guarantor, delegate any of its obligations to any third party.

8.2 Fees

The Corporate Services Provider shall be entitled to receive from the Guarantor an annual fee as set out in a separate fee letter, which fee shall be paid in accordance with the provisions of the Intercreditor Agreement.

8.3 Termination

The Corporate Services Provider will upon the earlier of (i) if and for as long as Cembra is acting as Corporate Services Provider, a downgrade in its long term "Issuer Default Rating" below "BBB-" from Fitch or (ii) a termination of the Corporate Services Agreement pursuant to the paragraphs below, use its reasonable endeavours to procure the services of another person willing to provide the corporate services to the Guarantor.

The Guarantor may terminate the appointment of the Corporate Services Provider in certain circumstances, such as, *inter alia*, a breach of a material obligation which is not remedied, insolvency of the Corporate Services Provider or, if and for as long as Cembra is acting as Corporate Services Provider, a downgrade in the Corporate Services Provider's long term "Issuer Default Rating" below "BBB-" from Fitch.

The Corporate Services Provider may terminate the Corporate Services Agreement by not less than six months' prior written notice to the Guarantor with a copy to the Trustee. Such termination shall take effect on the date of expiry of the notice or such longer period as the parties may agree.

8.4 Governing Law and Jurisdiction

The Corporate Services Agreement will be governed by and construed in accordance with the substantive laws of Switzerland, and any dispute, controversy or claim arising under, out of or in connection with the Corporate Services Agreement, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich 1), Switzerland.

9. Administration Services Agreement

Pursuant to the terms of the Administration Services Agreement, the Administration Services Provider has agreed to provide certain administration services to the Guarantor.

9.1 The Directorship Services

The Administration Services Provider shall make available two of its senior employees as Independent Board Members who shall also act as Independent Shareholders (the **Independent Shareholders**). In the event the initial Independent Board Members should resign as Directors, the Administration Services Provider shall propose a replacement of such Independent Board Members (which replacement Independent Board Members will also act as Independent Shareholders).

9.2 The Administration Services

The Administration Services Provider and/or up to seven employees of the Administration Services Provider which are designated and appointed by virtue of a written list in accordance with the Administration Services Agreement (each an **Authorised Employee**) will provide, *inter alia*, the following administration services to the Guarantor:

- (a) execution of Transfer Deeds and Retransfer Deeds together with Lists of Transferred Lease Assets if certain conditions will be met on the date of such execution;
- (b) execution of Retransfer Deeds and delivery of the List of Transferred Lease Assets upon instruction of the Chairperson or the Vice-Chairperson of the Guarantor;
- (c) service and execution of Guarantee Pre-funding Notices following the receipt of a Notice to Pay by or on behalf of the Trustee;
- (d) service and execution of other Pre-funding Notices upon instruction of the Chairperson or Vice-Chairperson of the Guarantor;
- (e) service and execution of written confirmations, upon request by the Assignor, to any Lessee, that a particular Transferred Lease Agreement and legal title to the related Transferred Leased Vehicle has been retransferred to the Assignor; and
- (f) deliver to the Board of Directors and the relevant Director any information as reasonably requested.

9.3 Fees

The Administration Services Provider shall be entitled to receive from the Guarantor a fee as stated in a separate fee letter between the Parties, which fee shall be paid in accordance with the provisions of the Intercreditor Agreement (including the limited recourse provisions set out therein).

9.4 Termination

The Administration Services Agreement may only be terminated in one of the following circumstances:

- (a) termination by all Parties;
- (b) termination by any of the Parties by not less than six months' prior written notice to the other Parties with a copy to the Assignor, the Issuer and the Trustee;
- (c) termination by the Guarantor, by delivering a notice to the Administration Services Provider with a copy to the Authorised Employees, the Assignor, the Issuer and the Trustee, if (i) the Administration Services Provider shall have breached or failed to perform any undertaking or material obligation applicable to it hereunder or (ii) any representation or warranty made by the Administration Services Provider in this Agreement, proves to be incorrect in any material respect,

provided that, in case of a termination by the Administration Services Provider, such termination only becomes effective if a replacement administration services provider has been appointed on or prior to the effective date of such termination.

9.5 Governing Law and Jurisdiction

The Administration Services Agreement will be governed by and construed in accordance with the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation,

performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich 1), Switzerland.

10. Asset Monitor Agreement

Pursuant to the terms of the Asset Monitor Agreement, the Asset Monitor will carry out various testing and notification duties in relation to the calculations performed by the Assignor or the Replacement Servicer, as applicable, in relation to the Asset Coverage Test, the Interest Coverage Test and the Amortisation Test. For the avoidance of doubt, the Asset Monitor's obligations under the Asset Monitor Agreement are entirely separate from the role, as of the date of this Base Prospectus, it holds as auditor of the Assignor. Nothing in the Asset Monitor Agreement or said or done in connection with the services carried out by the Asset Monitor pursuant to the Asset Monitor Agreement shall be taken to extend or vary any duty of care or any responsibility that the Asset Monitor may have in its capacity as auditor of any financial statements.

10.1 Services

The Asset Monitor has agreed, subject to receipt by it of the information to be provided by the Assignor or the Replacement Servicer, as applicable, to conduct tests in respect of the arithmetical accuracy of the calculations performed by the Assignor or the Replacement Servicer, as applicable, prior to the occurrence of an Issuer Event of Default, on the first Issue Date and the Test Date immediately preceding each anniversary of the Programme Closing Date with a view to reporting on the arithmetic accuracy or otherwise of such calculations in an Asset Monitor Report. Following the service of a Breach of Pre-Event Test Notice (which has not been revoked), the Asset Monitor will, subject to receipt of the relevant information from the Assignor or the Replacement Servicer, as applicable, be required to conduct such tests on each Test Date. Following the occurrence of an Issuer Event of Default which is continuing and service of an Issuer Default Notice on the Issuer (but prior to a Guarantor Event of Default and service of a Guarantor Acceleration Notice on the Guarantor), the Asset Monitor will also be required to test the arithmetical accuracy of the calculations performed by the Assignor or the Replacement Servicer, as applicable, on its behalf, in respect of the Amortisation Test.

Following a determination by the Asset Monitor of any errors in the arithmetical accuracy of the calculations performed by the Assignor or the Replacement Servicer, as applicable, such that the Asset Coverage Test, Interest Coverage Test or the Amortisation Test has been failed on the applicable Test Date (where the Assignor or the Replacement Servicer, as applicable, had recorded it as being satisfied) or the Adjusted Aggregate Lease Balance or the Amortisation Adjusted Aggregate Lease Balance is misstated by an amount exceeding one per cent. of the Adjusted Aggregate Lease Balance or the Amortisation Adjusted Aggregate Lease Balance, as applicable (as at the date of the relevant Asset Coverage Test or the relevant Amortisation Test), the Asset Monitor will be required to conduct such tests on each subsequent Test Date for a period of six months thereafter.

The Asset Monitor is entitled, provided that it has received all required information and in the absence of manifest error, to assume that all information provided to it by the Assignor or the Replacement Servicer, as applicable, for the purpose of conducting such tests is true and correct and is complete and not misleading, and is not required to conduct an audit or other similar examination in respect of, or otherwise take steps to verify the accuracy or completeness of, any such information.

Each report prepared by the Asset Monitor in accordance with the Asset Monitor Agreement (the **Asset Monitor Report**) and any advice that the Asset Monitor provides to the Assignor or the Replacement Servicer, as applicable, the Issuer, the Guarantor and the Trustee (in each case, in their respective capacities and collectively referred to as the **Asset Monitor Report Recipients**) in connection with the Asset Monitor Agreement is for the exclusive use of the Asset Monitor Report Recipients (in each case, in their respective capacities) in the context of the Programme and should not be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any person other than the Asset Monitor Report Recipients, without the Asset Monitor's prior written express consent. Save as expressly provided by the Asset Monitor Agreement, no person other than the Asset Monitor Report Recipients may rely on the Asset Monitor Report, or any advice and/or information derived therefrom. The Asset Monitor has no responsibility or liability to any other party who is shown or gains access to any Asset Monitor Report or advice.

10.2 Fees

The Issuer or, failing the Issuer, the Guarantor shall pay to the Asset Monitor for its services a fee (the **Asset Monitor Fee**) as separately agreed from time to time between the Issuer and the Asset Monitor or the Guarantor and the Asset Monitor, as the case may be, for each time that the Asset Monitor is required to perform the tests set out in the Asset Monitor Agreement (such amount to be reviewed by the Issuer or Guarantor (as applicable) annually). The Asset Monitor Fee shall be paid in accordance with the provisions of the Intercreditor Agreement (including the limited recourse provisions set out therein).

10.3 Termination and Resignation

The Guarantor and the Issuer may jointly, at any time, but subject to the prior written consent of the Trustee, terminate the appointment of the Asset Monitor under the Asset Monitor Agreement upon providing the Asset Monitor with 30 calendar days' prior written notice, provided that such termination may not be effected unless and until a replacement has been found by the Guarantor and the Issuer (such replacement to be approved by the Trustee, such approval to be given if the replacement is an accountancy firm of national standing) which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Agreement.

The Asset Monitor may, at any time, resign by giving at least 90 calendar days' prior written notice to the Guarantor, the Issuer and the Trustee (and notified by the Guarantor to the Rating Agency).

Upon the Asset Monitor giving notice of resignation, the Guarantor and the Issuer shall immediately use all reasonable endeavours to appoint a substitute asset monitor to provide the services set out in the Asset Monitor Agreement (such replacement to be approved by the Trustee, such approval to be given if the replacement is an accountancy firm of national standing). If a substitute asset monitor is not appointed by the date which is 30 calendar days prior to the date when tests are to be carried out in accordance with the terms of the Asset Monitor Agreement, then the Guarantor and the Issuer shall use all reasonable endeavours to appoint an accountancy firm of national standing to carry out the relevant tests on a one-off basis, provided that such appointment is approved by the Trustee.

The Trustee will not be obliged to act as Asset Monitor in any circumstances.

10.4 Governing Law and Jurisdiction

The Asset Monitor Agreement will be governed by and construed in accordance with the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich 1), Switzerland.

11. Paying Agency Agreement

Pursuant to the Paying Agency Agreement between the Issuer, the Guarantor, the Principal Paying Agent and the Trustee, each of the Issuer and the Guarantor has appointed the Principal Paying Agent as its agent for the purpose, *inter alia*, of making payments at its specified office in respect of the Auto Covered Bonds and the Guarantee (if applicable), and for performing such other duties as are reasonably incidental thereto as may be requested by the Issuer or the Trustee. The Paying Agency Agreement outlines the duties of each of the above.

11.1 Payments under the Guarantee

Pursuant to the terms of the Guarantee, the Bondholders' Representative, acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders, has instructed the Guarantor to pay (or to procure the payment of), and the Guarantor has expressly and irrevocably agreed to pay (or to procure the payment of), all sums payable under the Guarantee, subject always to the applicable Priority of Payments, solely and exclusively to the Principal Paying Agent for distribution to the relevant Covered Bondholders in accordance with the Conditions and the Agency Agreement (*Anweisung*) and pursuant to the Agency Agreement, the Principal Paying Agent agrees to so receive and distribute any such payments.

11.2 Payments by Principal Paying Agent

The Issuer (or the Guarantor pursuant to the Guarantee if applicable) will, by no later than 10.00 a.m. CET on each date on which any payment in respect of any of the Auto Covered Bonds becomes due and payable under the Conditions, transfer to an account specified by the Principal Paying Agent such amount in the relevant currency, in immediately available, freely transferrable cleared funds, as shall be sufficient for the purposes of the payment in funds settled through SIX SIS or such payment system as the Principal Paying Agent and the Issuer or, failing the Issuer, the Guarantor may agree. In turn, the Principal Paying Agent shall pay or cause to be paid on behalf of the Issuer and/or the Guarantor all amounts due in respect of the Auto Covered Bonds under the Conditions or the Guarantee, as applicable. Unless and until the full amount of any such payments has been made to the Principal Paying Agent, the Principal Paying Agent shall not be bound to make such payments.

11.3 Termination of Appointment

The Principal Paying Agent may (subject to applicable law and the paragraphs below) at any time resign by giving at least 90 (ninety) calendar days' written notice to the Issuer, the Guarantor, the Trustee and the

Bondholders' Representative, provided that a replacement Principal Paying Agent (a **Replacement Principal Paying Agent**) is appointed and that such appointment is effective not later than the date of such termination.

The Issuer and the Guarantor may, with the prior written approval of the Trustee, terminate the appointment of the Principal Paying Agent at any time by giving to the Principal Paying Agent at least 90 (ninety) calendar days' written notice, provided that a Replacement Principal Paying Agent is appointed and that such appointment is effective not later than the date of such termination.

Upon termination of the appointment of the Principal Paying Agent, the Issuer and the Guarantor agree to use their reasonable endeavours to promptly appoint a Replacement Principal Paying Agent (but shall have no liability to any person in the event that, having used reasonable endeavours, it is unable to appoint a Replacement Principal Paying Agent), provided that such termination will not take effect until a Replacement Principal Paying Agent has been appointed by the Issuer and the Guarantor, with such appointment to be effective no later than the date of such termination. Any Replacement Principal Paying Agent (i) must agree to enter into (A) an agreement substantially on the same terms as the relevant provisions of this Agreement or on such other terms as are satisfactory to the Issuer, the Guarantor and the Trustee and (B) an Accession Agreement, (ii) must be a party whose appointment has been notified to the Rating Agency; (iii) be approved by the Issuer, the Guarantor and the Trustee (such approval not to be unreasonably withheld).

11.4 Governing Law and Jurisdiction

The Paying Agency Agreement will be governed by and construed in accordance with the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich 1), Switzerland.

12. Master Bank Account Agreement

All Guarantor Bank Accounts and the Guarantor Share Capital Bank Account shall be governed by the Master Bank Account Agreement.

12.1 Account Agreements

The Account Bank confirms that all Guarantor Bank Accounts and the Guarantor Share Capital Bank Account have been established. The Master Bank Account Agreement shall override any conflicting provisions of any account agreement including any terms and conditions relating to a Guarantor Bank Account or the Guarantor Share Capital Bank Account and the parties agree that certain clauses of the related terms and conditions shall not apply.

12.2 Instructions from Cash Manager

The Account Bank shall comply with any payment instruction given in relation to a Guarantor Bank Account provided that such instruction (i) is given by the Guarantor or any authorised signatory, (ii) is given on a Business Day to effect a payment by debiting the relevant Guarantor Bank Account (iii) is in writing, or is given via the Account Bank's online banking system and (iv) is made in compliance with the relevant account agreement. However, amounts may only be withdrawn from any Guarantor Bank Account or the Guarantor Share Capital Bank Account to the extent that such withdrawal does not cause the relevant account to have a negative balance.

The Account Bank is not under any obligation to enquire as to the purpose of any direction given by any authorised signatory.

12.3 Account Statements

As soon as reasonably practicable after receipt of a request from the Guarantor or from the Cash Manager or any other person designated by the Guarantor to make such requests, the Account Bank shall provide each of the Cash Manager, the Guarantor, the Trustee or any other person designated by the Guarantor with a written statement in respect of each Guarantor Bank Account and the Guarantor Share Capital Bank Account.

12.4 Interest

Any Guarantor Bank Account and the Guarantor Share Capital Bank Account will bear interest, or interest shall become payable, as the case may be, at the same rates as are generally applicable to similar accounts maintained by the Account Bank for business customers.

12.5 Security Interest and Set-off

The Account Bank unconditionally and irrevocably waives any and all Security Interest in relation to all Guarantor Bank Accounts, the Guarantor Share Capital Bank Account and any other account and custody accounts held in the name of the Guarantor and any asset held therein. The Account Bank agrees that it will not set-off or purport to set-off any amount which the Guarantor is or will become required to pay to it against any amount which it is or will become required to pay to the Guarantor. The Guarantor shall at all times be entitled to set off any of its claims against the Account Bank against any and all claims that the Account Bank may have against the Guarantor.

12.6 Account Bank Downgrade Event

Upon the loss of the Account Bank of the applicable Minimum Account Bank Rating (the **Account Bank Downgrade Event**), the Guarantor (or the Cash Manager on its behalf) shall use its best endeavors that, within 60 calendar days, either: (i) another reputable and experienced financial institution which (A) is rated at least the Minimum Account Bank Rating or, if not so rated, its appointment to the relevant role would comply with the Rating Agency Condition, (B) effectively conducts banking activities with its own infrastructure and staff as its principal purpose and (C) has a banking license in full force and effect issued in accordance with the banking laws in force in its jurisdiction of incorporation, or if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch (a **Qualifying Bank**) guarantees the obligations of the Account Bank in connection with the Guarantor Bank Accounts, or (ii) the Guarantor Bank Accounts are transferred to another Qualifying Bank (the **Replacement Account Bank**) under a master bank account agreement with terms substantially similar to the terms of the Master Bank Account Agreement and acceptable to the Guarantor and the Cash Manager, or (iii) subject to the Rating Agency Condition, any alternative remedial or other action is taken.

12.7 Termination and Resignation

The Master Bank Account Agreement shall remain in full force and effect until expiry of a period ending 366 calendar days after the date on which all Secured Obligations have been discharged in full and no further Secured Obligations are capable of arising and may, subject to certain exceptions, not be terminated by any of the parties to the Master Bank Account Agreement prior to that date.

Subject to compliance with certain conditions, including but not limited to the appointment of a replacement account bank which meets certain criteria, the Account Bank may terminate the Master Bank Account Agreement upon the expiry of not less than six months' notice of termination given to the Cash Manager and the Guarantor with a copy to the Trustee.

12.8 Governing Law and Jurisdiction

The Master Bank Account Agreement will be governed by and construed in accordance with the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the city of Zurich (Zurich I), Switzerland.

CREDIT STRUCTURE

The Auto Covered Bonds will be direct, unsubordinated, unsecured, unconditional obligations of the Issuer which shall have the benefit of the Guarantee. The obligations of the Guarantor under the Guarantee will be direct, unsecured, unsubordinated and (following the Guarantee Activation Date and subject to the service of a Notice to Pay for the relevant amount on the Guarantor) unconditional. The Guarantor has no obligation to pay any Guaranteed Amounts under the Guarantee until the Guarantee Activation Date and the service of the relevant Notice to Pay for the relevant amount on the Guarantor.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to Covered Bondholders, as follows:

- (a) the Guarantee provides credit support for the Issuer's payment obligations under the Auto Covered Bonds;
- (b) in certain circumstances (as set forth below) prior to the occurrence of a Notification Event, Collected Lease Payments shall be transferred by the Assignor to the Guarantor and credited to the Cover Pool Bank Account in accordance with the provisions of the Intercreditor Agreement and the Security Transfer Agreement;
- (c) the maintenance of a Liquidity Reserve Fund provides liquidity for some expenses and interests;
- (d) the Asset Coverage Test is intended to test the asset coverage of the Cover Pool Assets in respect of outstanding Auto Covered Bonds prior to an Issuer Event of Default;
- (e) the Interest Coverage Test is intended to test the interest coverage of the Cover Pool Assets in respect of outstanding Auto Covered Bonds prior to an Issuer Event of Default; and
- (f) the Amortisation Test is intended to test the asset coverage of the Cover Pool Assets in respect of outstanding Auto Covered Bonds following an Issuer Event of Default.

These factors are considered more fully in the remainder of this section.

1. Guarantee

Under the terms of the Guarantee Mandate Agreement, the Issuer will instruct the Guarantor to issue in the Guarantor's own name but on the account of the Issuer, the Guarantee to the Bondholders' Representative acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders. Subject to the security assignment and transfer of sufficient Cover Pool Assets by the Originator allowing the Guarantor to meet each Pre-Event Test after the issuance of each new Series or Tranche of Auto Covered Bonds and the fulfilment of certain other conditions, the Guarantee is intended to cover Guaranteed Amounts falling due on each Series of Auto Covered Bonds from time to time.

The Guarantee Mandate Agreement further provides for a Guarantee Pre-funding Obligation and a General Recourse and Indemnity Pre-funding Obligation of the Issuer, as well as corresponding Recourse Claims of the Guarantor. Furthermore, the Security Transfer Agreement provides for an Increased Servicer and Services Provider Expenses Pre-funding Obligation of the Issuer as well as corresponding Recourse Claims of the Guarantor. See "*Overview of the Principal Transaction Documents—Guarantee Mandate Agreement*" and "*Overview of the Principal Transaction Documents—Security Transfer Agreement*".

Under the terms of the Guarantee, the Guarantor has provided a guarantee pursuant to article 111 CO as to payments of Guaranteed Amounts corresponding to principal and interest under the Auto Covered Bonds. Subject to the limited recourse provisions as against the Guarantor as described in this Base Prospectus and further subject to a Guarantee Extension, the Guarantor has agreed to pay amounts equal to the Guaranteed Amounts payable on the Auto Covered Bonds as and when the same shall become Due for Payment but which would otherwise be unpaid by the Issuer, following the service of a Notice to Pay on the Guarantor after the occurrence of a IED Guarantee Activation Date. See "*The Guarantee*" and "*Cash Flows—Guarantee Priority of Payments*".

2. Liquidity Reserve Fund

The Guarantor will be required to maintain a Liquidity Reserve Fund in an amount equal to, from time to time (the **Liquidity Reserve Fund Required Amount**):

- (a) prior to the occurrence of an Issuer Event of Default, the higher of (a) the sum of (i) items (b)(i) to (iv) of the Pre-Guarantee Priority of Payments which will become due on or before each of the next three following Guarantor Payment Dates, and (ii) the aggregate amount of all interest payments due under the relevant Series of Auto Covered Bonds on or before each of the next 3 following Guarantor

Payment Dates, and (b) the aggregate amount accrued expenses (as contemplated by items (b)(i) to (iv) of the Pre-Guarantee Priority of Payments but remaining unpaid) and of the accrued interest for all Series of Auto Covered Bonds since the last Interest Payment Date of each respective Series of Auto Covered Bonds (or in case of the first Interest Period for a Series of Auto Covered Bonds, the Issue Date); and

- (b) following the occurrence of an Issuer Event of Default, the higher of (a) the sum of (i) items (b)(i) to (iv) of the Guarantee Priority of Payments which will become due on or before each of the next three following Guarantor Payment Dates, and (ii) the aggregate amount of all interest payments due under the relevant Series of Auto Covered Bonds on or before each of the next three following Guarantor Payment Dates, and (b) the aggregate amount of accrued expenses (as contemplated by items (b)(i) to (iv) of the Guarantee Priority of Payments but remaining unpaid) and the accrued interest for all Series of Auto Covered Bonds since the last Interest Payment Date of each respective Series of Auto Covered Bonds (or in case of the first Interest Period for a Series of Auto Covered Bonds, the Issue Date).

Prior to the occurrence of an Issuer Event of Default, the Liquidity Reserve Fund will be funded by the Subordinated Loan made available by Cembra as Subordinated Loan Provider to the Guarantor (see "*Overview of the Principal Transaction Documents—Subordinated Loan Agreement*" and "*—Security Transfer Agreement*"). Following the occurrence of an Issuer Event of Default and service by the Trustee of a Guarantee Activation Notice on the Guarantor, the Liquidity Reserve Fund will be funded by Enforcement Proceeds applied in accordance with the Guarantee Priority of Payments.

3. Collected Lease Payments

Prior to the occurrence of a Notification Event, the Assignor will generally be entitled to keep Collected Lease Payments rather than paying over the same to the Guarantor. However, for liquidity purposes, the Assignor will be obliged to pay over the Collected Lease Payments to the Guarantor (which will be credited to the Cover Pool Bank Account) for so long as a Breach of Pre-Event Test Notice is outstanding and has not been revoked, which will be credited to the Cover Pool Bank Account (see "*Overview of the Principal Transaction Documents— Security Transfer Agreement*").

4. Asset Coverage Test

The Asset Coverage Test is intended to mitigate against the risk that the Guarantor cannot meet its obligations under the Guarantee whilst the Auto Covered Bonds are outstanding and implements the ongoing minimum overcollateralization requirements of the Programme.

The Assignor shall calculate the Asset Coverage Test as of each Test Date prior to the IED Guarantee Activation Date and such calculations shall be periodically verified by the Asset Monitor.

If the Asset Coverage Test is not met on two consecutive Test Dates, the Asset Coverage Test will be breached and the Assignee will serve a Breach of Pre-Event Test Notice on the Assignor. A Breach of Pre-Event Test Notice in respect of the Asset Coverage Test will be deemed revoked if, on the Test Date immediately following the service of the Breach of Pre-Event Test Notice, the Asset Coverage Test is satisfied.

For so long as a Breach of Pre-Event Test Notice is outstanding (i) no Collateral Differential shall become due and (ii) the Assignor will transfer to the Assignee any amounts received by it as Collected Lease Payments.

If a Breach of Pre-Event Test Notice has not been revoked on or before the date which is two Business Days after the Test Date immediately following the date of service of such notice, then an Issuer Event of Default will occur.

The **Asset Coverage Test** is met on a specific Test Date with reference to the immediately preceding Cut-Off Date if the Adjusted Aggregate Lease Balance is greater than or equal to the aggregate Principal Amount Outstanding of all Series and Tranches of Auto Covered Bonds.

- (a) The **Adjusted Aggregate Lease Balance** means the amount calculated on each Test Date as of the immediately preceding Cut-Off Date which is equal to

$$A + B + C - (X+Z)$$

where,

A = the sum of, for all Transferred Lease Assets (excluding, where relevant, any Lease Assets due to be retransferred to the Assignor and including any Lease Assets due to be transferred to the Guarantor), the product of the Outstanding Balance of the Transferred Lease Asset, M, and the Asset Percentage, where:

- (i) With reference to a Transferred Lease Asset, **M** is equal to the product of:
 - (A) A delinquency factor which is equal to (a) 40 per cent. if the Transferred Lease Asset is a Defaulted Lease Asset, or (b) 100 per cent. otherwise;
 - (B) An eligibility factor which is equal to 0 per cent. if a breach of any Lease Asset Representation and Warranty relating to the Transferred Lease Asset is continuing and has not been remedied or such Transferred Lease Asset is a Fraud Lease Asset or 100 per cent. otherwise; and
 - (C) a substitution factor which is equal to 0 per cent. if a Substitution Event is continuing and the Transferred Lease Asset has not yet been retransferred to the Assignor or 100 per cent. otherwise.
- (ii) The **Asset Percentage** means 85 per cent. or whichever other amount chosen by the Guarantor in its sole discretion. The Issuer may request the Guarantor to increase or decrease the Asset Percentage at any time. The Guarantor will accept any request for a decrease of the Asset Percentage and the Asset Percentage will be adjusted accordingly. The Guarantor will only accept any request for an increase of the Asset Percentage if the Rating Agency Condition is met.

B = the total balance of cash and Authorised Investments standing to the credit of the Guarantor Bank Accounts.

C = the par balance of any Substitute Assets standing to the credit of the Guarantor Bank Accounts.

X = the maximum amount under Separate Maintenance and Service Agreements that in the reasonable opinion of the Issuer could be subject to set-off by the Lessees.

Z = the **Auto Covered Bond Weighted Average Remaining Maturity** multiplied by the Aggregate Principal Amount Outstanding of the Auto Covered Bonds multiplied by the **Negative Carry Factor**, provided that if the weighted average Remaining Maturity of all Auto Covered Bonds then outstanding is less than one year, the Auto Covered Bond Weighted Average Remaining Maturity shall be deemed, for the purposes of this calculation, to be one.

- (b) **Cut-Off Date** means the last day of each calendar month.
- (c) **Outstanding Balance** means in relation to a Lease Asset as of any date of determination, the sum of the following: (i) the aggregate of all principal elements (but not, for the avoidance of doubt, interest, VAT and fee elements) of future (unbilled) Monthly Invoices accruing under the related Lease Agreement after the relevant date, (ii) the principal element, the interest element, the VAT element and the fee element of any open Monthly Invoices (i.e., a Monthly Invoices billed but not paid as of the relevant date), (iii) the amount of the relevant Dealer Repurchase Price relating to the related Leased Vehicle (iv) any other fees and late interest (other than those referred to in sub-paragraph (ii) above) accrued and billed (including VAT thereon, if any) under the related Lease Agreement, but unpaid as of the relevant date, (v) less any unearned interest for any Monthly Invoice billed, if applicable and (vi) less any prepaid principal elements of future (unbilled) Monthly Invoices accruing under the related Lease Agreement after the relevant date, if applicable.
- (d) **Negative Carry Factor** is equal to 0.5 per cent. or such other figure selected at the option of the Guarantor from time to time subject to the Rating Agency Condition being met.
- (e) **Remaining Maturity** means, with respect to an Auto Covered Bond and as of a Cut-Off Date, the difference in years, between the Cut-Off Date and the Maturity Date of the Auto Covered Bond. If such Covered Bond is a Pass-Through Auto Covered Bond, the Remaining Maturity shall be zero.
- (f) **Auto Covered Bond Weighted Average Remaining Maturity** means the average Remaining Maturity for all Auto Covered Bonds weighted by the Principal Amount Outstanding of the Auto Covered Bonds.

5. Interest Coverage Test

The Interest Coverage Test is intended to ensure that the Guarantor can meet its obligations under the Guarantee in respect of interest payments and its obligations in respect of senior ranking expenses which will include costs relating to the maintenance, administration and enforcement or liquidation of the Cover Pool Assets whilst the Auto Covered Bonds are outstanding.

The Assignor shall calculate the Interest Coverage Test as of each Test Date prior to the IED Guarantee Activation Date and such calculation shall be periodically verified by the Asset Monitor.

If the Interest Coverage Test is not met on two consecutive Test Dates, the Interest Coverage Test will be breached and the Assignee will serve a Breach of Pre-Event Test Notice on the Assignor.

A Breach of Pre-Event Test Notice in respect of the Interest Coverage Test will be deemed revoked if, on the Test Date immediately following the service of the Breach of Pre-Event Test Notice, the Interest Coverage Test is satisfied.

For so long as a Breach of Pre-Event Test Notice is outstanding (i) no Collateral Differential shall become due and (ii) the Assignor will transfer to the Assignee any amounts received by it as Collected Lease Payments.

If a Breach of Pre-Event Test Notice has not been revoked on or before the date which is two Business Days after the Test Date immediately following the date of service of such notice, then an Issuer Event of Default will occur.

The **Interest Coverage Test** will be met on a specific Test Date with reference to the immediately preceding Cut-Off Date if:

$$A \geq B$$

where

A = an amount equal to $R \times (L - (L - V)/2T)$ where, in respect of the Transferred Lease Assets (excluding, where relevant, any Lease Assets or Substitute Assets due to be retransferred to the Assignor and including any Lease Assets or Substitute Assets due to be transferred to the Guarantor):

R = the weighted average APR of the Transferred Lease Assets;

L = the Outstanding Balance of the Transferred Lease Assets;

V = the aggregate Residual Value Proceeds related to the Transferred Lease Assets scheduled to mature after 12 months from the relevant Cut-Off Date; and

T = the higher of (i) one, and (ii) the weighted average remaining term of the Transferred Lease Assets, expressed in years,

net of the costs and expenses to be paid by the Guarantor during that same period assuming 0 per cent. prepayments, 0 per cent. defaults; and

B = the interest amount due by the Issuer under the Auto Covered Bonds then outstanding for the 12-month period.

6. **Amortisation Test**

The Amortisation Test is intended to ensure that if, following an Issuer Event of Default (but prior to a Guarantor Event of Default and service on the Guarantor of a Guarantor Acceleration Notice), the Cover Pool Assets available to the Guarantor to meet its obligations under the Guarantee fall to a level where Covered Bondholders may not be repaid in full, the Auto Covered Bonds of all Series will become Pass-Through Auto Covered Bonds.

The Assignor or the Replacement Servicer, as applicable, shall calculate the Amortisation Test as of each Test Date following the IED Guarantee Activation Date and such calculation shall be periodically verified by the Asset Monitor.

Upon a breach of the Amortisation Test and service of a Breach of Amortisation Test Notice on the Guarantor, the Auto Covered Bonds of all Series will become Pass-Through Auto Covered Bonds. For the avoidance of doubt, a breach of the Amortisation Test by the Guarantor will not constitute a Guarantor Event of Default which will (subject to the Conditions) lead to the service of a Guarantor Acceleration Notice on the Guarantor and the acceleration of the obligations under the Guarantee in relation to all Auto Covered Bonds then outstanding.

The **Amortisation Test** will be met on a specific Test Date with reference to the immediately preceding Cut-Off Date if the Amortisation Adjusted Aggregate Lease Balance is greater than or equal to the aggregate Principal Amount Outstanding of all Auto Covered Bonds.

The **Amortisation Adjusted Aggregate Lease Balance** means the amount calculated on each Test Date as of the immediately preceding Cut-Off Date which is equal to:

$$A + B + C - Z$$

where,

A = the sum, for all Transferred Lease Assets, of the product of the Outstanding Balance of the Transferred Lease Asset, and N, where:

(i) With reference to a Transferred Lease Asset, N is equal to the product of:

(A) A delinquency factor which is equal to (a) 80 per cent. if the Transferred Lease Asset is a Defaulted Lease Asset, or (b) 100 per cent. otherwise;

(B) An eligibility factor which is equal to 0 per cent. if a breach of any Lease Asset Representation and Warranty relating to the Transferred Lease Asset is continuing and has not been remedied or such Transferred Lease Asset is a Fraud Lease Asset or 100 per cent. Otherwise.

B = the total balance of cash and Authorised Investments standing to the credit of the Guarantor Bank Accounts.

C = the par balance of any Substitute Assets standing to the credit of the Guarantor Bank Accounts.

Z = the **Auto Covered Bond Weighted Average Remaining Maturity** multiplied by the Aggregate Principal Amount Outstanding of the Auto Covered Bonds multiplied by the **Negative Carry Factor**, provided that if the weighted average Remaining Maturity of all Auto Covered Bonds then outstanding is less than one year, the Auto Covered Bond Weighted Average Remaining Maturity shall be deemed, for the purposes of this calculation, to be one.

CASH FLOWS

As described above under "*Credit Structure*", the Auto Covered Bonds will be direct, unsubordinated, unsecured and unconditional obligations of the Issuer which shall have the benefit of the Guarantee. The obligations of the Guarantor under the Guarantee will constitute direct, unsecured, unsubordinated and, following the Guarantee Activation Date and subject to the service of a Notice to Pay for the relevant amount on the Guarantor, unconditional obligations of the Guarantor. For the avoidance of doubt, following the Guarantee Activation Date, any amounts owing to Covered Bondholders which remain unpaid under the Guarantee will continue to be direct, unsubordinated, unsecured, unconditional obligations of the Issuer.

Following the IED Guarantee Activation Date (but prior to the GED Guarantee Activation Date) and subject to the service of a Notice to Pay for the relevant amount on the Guarantor, the Guarantor will be obliged under the Guarantee to pay the relevant Guaranteed Amount due and payable under all outstanding Series of Auto Covered Bonds subject to and in accordance with the Guarantee Priority of Payments on the Original Due for Payment Date.

Following a GED Guarantee Activation Date, all Guaranteed Amounts will become immediately due and payable and following the service of a Notice to Pay for due relevant amount(s) the Bondholders' Representative acting as direct representative (*direkter Stellvertreter*) in the name and for the account of the Covered Bondholders will have a claim against the Guarantor under the Guarantee for an amount equal to the Early Redemption Amount in respect of each Auto Covered Bond together with accrued interest and any other amounts due under the Auto Covered Bonds other than additional amounts payable under Condition 7 (*Taxation*). The Available Funds (as defined below) will be distributed according to the Post-Insolvency Priority of Payments.

This section summarises the priorities of payments of the Guarantor, as to the allocation and distribution of the Available Funds and their order of priority:

- (a) before the IED Guarantee Activation Date (see "*Allocation and distribution of amounts prior to the Guarantee Activation Date*");
- (b) following the IED Guarantee Activation Date but prior to the GED Guarantee Activation Date (see "*Allocation and distribution of amounts following the IED Guarantee Activation Date*"); and
- (c) following the GED Guarantee Activation Date (see "*Allocation and distribution of amounts following the GED Guarantee Activation Date*").

For the purposes hereof, **Available Funds** means on any Guarantor Payment Date or other Relevant Payment Date (as applicable) (i) prior to the occurrence of a Guarantor Liquidation Event, all cash standing to the credit of the General Bank Account (including funds recorded on the Guarantor Profit Amount Ledger) and (ii) after the occurrence of a Guarantor Liquidation Event, the aggregate of (A) all cash standing to the credit of the General Bank Account (including funds recorded on the Guarantor Profit Amount Ledger and (B) all cash standing to the credit of the Cover Pool Bank Account up to the amount of all Secured Obligations not covered pursuant to sub-paragraph (ii)(A).

1. Allocation and distribution of amounts prior to the Guarantee Activation Date

- (a) The priority of payments set out in paragraph (b) and (c) below (the **Pre-Guarantee Priority of Payments**) shall apply prior to the occurrence of the Guarantee Activation Date.
- (b) On each Guarantor Payment Date, the Parties hereby direct the Cash Manager to apply (and the other Relevant Creditors have acknowledged and agreed pursuant to the relevant Transaction Document that the Cash Manager shall apply), the Available Funds, as calculated on the immediately preceding Calculation Date, to make the following payments and provisions in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):
 - (i) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any amounts then properly due and payable, or to become due and payable, in the Guarantor Payment Period commencing on such Guarantor Payment Date, by the Guarantor to Tax Authorities and other creditors not party to the Intercreditor Agreement or bound by the Priorities of Payments, together with applicable VAT (or other similar taxes), if any;
 - (ii) *second*, in or towards satisfaction of any amounts then properly due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, by the Guarantor or the Issuer to the Trustee or any Appointee of the Trustee pursuant to the terms of the Trust Agreement (excluding amounts due on the Auto Covered Bonds), together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

- (iii) *third*, in or towards satisfaction of any amounts (other than pursuant to sub-paragraph (ii) above and excluding amounts due on the Auto Covered Bonds) then due and payable, or to become due and payable on the Guarantor Payment Period commencing on such Guarantor Payment Date, by the Guarantor or the Issuer to the Principal Paying Agent under the provisions of the Paying Agency Agreement together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
 - (iv) *fourth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any amounts due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, to (A) the Cash Manager pursuant to the terms of the Cash Management Agreement, (B) the Account Bank (including costs and deposit charges or negative interest on the Guarantor Bank Accounts, if any) pursuant to the terms of the Master Bank Account Agreement, (C) the Corporate Services Provider pursuant to the terms of the Corporate Services Agreement, (D) a Replacement Servicer pursuant to the terms of a Replacement Servicer Agreement, (E) the Asset Monitor pursuant to the terms of the Asset Monitor Agreement (F) the Administration Services Provider pursuant to the terms of the Administration Services Agreement and (G) the Servicing Facilitator pursuant to the Servicing Facilitator Agreement, each together with applicable VAT (or other similar taxes) thereon to the extent provided in the relevant agreement;
 - (v) *fifth*, to credit to the liquidity reserve fund ledger on the General Bank Account (the **Liquidity Reserve Fund Ledger**) the amount required to cause the balance standing to the Liquidity Reserve Fund Ledger to equal the Liquidity Reserve Fund Required Amount at the relevant point in time;
 - (vi) *sixth*, provided that no Breach of Pre-Event Test Notice has been served on the Assignor under the Security Transfer Agreement which is outstanding, in or towards payment of the Collateral Differential to the Originator;
 - (vii) *seventh*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any amounts due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, to any party for any amounts due and payable thereto under any Transaction Document (other than pursuant to the Subordinated Loan Agreement) to the extent such amount is not satisfied by an item ranking higher in priority hereto;
 - (viii) *eight*, but only on the Guarantor Payment Date following the date of the Guarantor's annual general shareholders meeting, subject to and in accordance with Swiss law, to (x) credit an amount equal to the Guarantor's distributable profit for the last fiscal year according to the Swiss Code of Obligations, net of any amounts carried forward from previous years, to the Guarantor Profit Amount Ledger or (y) pay a dividend in an amount up to the Guarantor Profit Ledger Balance on that date, provided that (A) a relevant resolution of the shareholders meeting of the Guarantor has been passed to enable payment of any such dividend and (B) no Breach of Pre-Event Test Notice has been served on the Assignor under the Security Transfer Agreement which is outstanding;
 - (ix) *ninth*, to maintain an amount equal to the Guarantor Profit Ledger Balance in the General Bank Account;
 - (x) *tenth*, in or towards the repayment of the Subordinated Loan in an amount equal to the Liquidity Reserve Fund Excess Amount at the relevant point in time (unless waived by the Subordinated Loan Provider); and
 - (xi) *eleventh*, the remainder for the Guarantor to retain in the General Bank Account.
- (c) For the avoidance of doubt, it is understood and agreed that in case amounts are paid to:
- (i) the Trustee pursuant to sub-clause (b)(ii) above which have been, pursuant to the terms of the Trust Agreement, the obligations of the Issuer only, payment of such amounts shall not be deemed the assumption of, or payment under, a corresponding obligation of the Guarantor and accordingly, such payment shall not increase the overall payment obligations of the Guarantor, but shall constitute a redistribution among Relevant Creditors, and the amounts payable to the Relevant Creditors pursuant to sub-clauses (b)(iii) to (b)(xi) above shall be reduced by the amount of such payment in discharge of such obligation(s) of the Issuer *pro tanto* in reverse order, so that payments or provisions of a lower priority are reduced first; and

- (ii) the Principal Paying Agent pursuant to sub-clause (b)(iii) above which have been, pursuant to the terms of the Paying Agency Agreement, the obligations of the Issuer only, payment of such amounts shall not be deemed the assumption of, or payment under, a corresponding obligation of the Guarantor and accordingly, such payment shall not increase the overall payment obligations of the Guarantor, but shall constitute a redistribution among Relevant Creditors, and the amounts payable to the Relevant Creditors pursuant to sub-clauses (b)(iv) to (b)(xi) above shall be reduced by the amount of such payment in discharge of such obligation(s) of the Issuer *pro tanto* in reverse order, so that payments or provisions of a lower priority are reduced first.

2. Allocation and distribution of amounts following the IED Guarantee Activation Date

- (a) The priority of payments set out in paragraphs (b) and (c) below (the **Guarantee Priority of Payments**) shall apply following the IED Guarantee Activation Date, but prior to the GED Guarantee Activation Date.
- (b) On each Guarantor Payment Date, the Parties hereby direct the Cash Manager to apply (and the other Relevant Creditors have acknowledged and agreed pursuant to the relevant Transaction Document that the Cash Manager shall apply) the Available Funds, as calculated on the immediately preceding Calculation Date on such Guarantor Payment Date, to make the following payments and provisions in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):
 - (i) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any amounts then properly due and payable, or to become due and payable, in the Guarantor Payment Period commencing on such Guarantor Payment Date, by the Guarantor to Tax Authorities and other creditors not party to the Intercreditor Agreement or bound by the Priorities of Payments, together with applicable VAT (or other similar taxes), if any;
 - (ii) *second*, in or towards satisfaction of any amounts then properly due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, by the Guarantor or the Issuer to the Trustee or any Appointee of the Trustee pursuant to the terms of the Trust Agreement (excluding amounts due on the Auto Covered Bonds), together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
 - (iii) *third*, in or towards satisfaction of any amounts (other than pursuant to sub-paragraph (ii) above and excluding amounts due on the Auto Covered Bonds) then due and payable, or to become due and payable on the Guarantor Payment Period commencing on such Guarantor Payment Date, by the Guarantor or the Issuer to the Principal Paying Agent under the provisions of the Paying Agency Agreement together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
 - (iv) *fourth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any amounts due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, to (A) the Cash Manager pursuant to the terms of the Cash Management Agreement, (B) the Account Bank (including costs and deposit charges or negative interest on the Guarantor Bank Accounts and the Guarantor Share Capital Bank Account, if any) pursuant to the terms of the Master Bank Account Agreement, (C) the Corporate Services Provider pursuant to the terms of the Corporate Services Agreement, (D) a Replacement Servicer pursuant to the terms of a Replacement Servicer Agreement, (E) the Asset Monitor pursuant to the terms of the Asset Monitor Agreement (F) the Administration Services Provider pursuant to the terms of the Administration Services Agreement and (G) the Servicing Facilitator pursuant to the terms of the Servicing Facilitator Agreement, each together with applicable VAT (or other similar taxes) thereon to the extent provided in the relevant agreement;
 - (v) *fifth*, *pro rata* and *pari passu* according to the respective amounts thereof, in or towards payment of all Guaranteed Amounts corresponding to Scheduled Interest due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, in respect of the Auto Covered Bonds of each Series in accordance with the terms of the Guarantee to the Principal Paying Agent on behalf of the Covered Bondholders, provided in each case that if the amount available for distribution under this sub-paragraph (v) would be insufficient to pay or provide for the Guaranteed Amounts corresponding to Scheduled Interest amounts in respect of each Series of Auto Covered Bonds, the shortfall shall be divided amongst all such Series of Auto Covered Bonds on a *pro rata* basis and the Principal Paying Agent shall use any amounts received to pay and/or

provide for the relevant amounts in an amount calculated pursuant to this sub-clause (v) on the Guarantor Payment Date and during the Guarantor Payment Period as needed;

- (vi) *sixth*, to credit to the Liquidity Reserve Fund Ledger the amount required to cause the balance standing to the Liquidity Reserve Fund Ledger to be equal the Liquidity Reserve Fund Required Amount at the relevant point in time;
 - (vii) *seventh*, in or towards payment, *pro rata* and *pari passu* according to the respective amounts thereof, of all Guaranteed Amounts corresponding to Scheduled Principal amounts due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, in respect of the Auto Covered Bonds of each Series in accordance with the terms of the Guarantee, to the Principal Paying Agent on behalf of the Covered Bondholders, provided that if the amount available for distribution under this subparagraph (vii) would be insufficient to pay the principal amounts due and payable in respect of each such Series of Auto Covered Bonds, the shortfall shall be divided amongst all such Series of Auto Covered Bonds on a *pro rata* basis and the Principal Paying Agent shall use any amounts received to pay and/or provide for the relevant amounts in an amount calculated pursuant to this sub-clause (vii) on the Guarantor Payment Date and during the Guarantor Payment Period as needed;
 - (viii) *eighth*, to deposit the remaining money in the General Bank Account for application on the following Guarantor Payment Dates until the Final Maturity Date or the Extended Due for Payment Date, if applicable, in accordance with the priority of payments described in paragraphs (i) to (vii) (inclusive) above, until all Series of Auto Covered Bonds have been fully repaid or provided for;
 - (ix) *ninth*, after all Series of Auto Covered Bonds have been fully repaid or provided for, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any amounts due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, to any party for any amounts due and payable thereto under any Transaction Document (other than pursuant to the Subordinated Loan Agreement) to the extent such amount is not satisfied by an item ranking higher in priority hereto;
 - (x) *tenth*, after all Series of Auto Covered Bonds have been fully repaid or provided for, but only on the Guarantor Payment Date following the date of the Guarantor's annual general shareholders meeting, subject to and in accordance with Swiss law, to (x) credit an amount equal to the Guarantor's distributable profit for the last fiscal year according to the Swiss Code of Obligations, net of any amounts carried forward from previous years, to the Guarantor Profit Ledger or (y) pay a dividend in an amount up to the Guarantor Profit Ledger Balance on that date, provided that a relevant resolution of the shareholders meeting of the Guarantor has been passed to enable payment of any such dividend;
 - (xi) *eleventh*, after all Series of Auto Covered Bonds have been fully repaid or provided for, in or towards payment *pro rata* and *pari passu* of any Collateral Differential payable to the Originator and any amounts owed by the Guarantor to the Assignor and any other Relevant Creditor (to the extent not otherwise provided for in this Guarantee Priority of Payments);
 - (xii) *twelfth*, after all Series of Auto Covered Bonds have been fully repaid or provided for, in or towards the repayment of the Subordinated Loan; and
 - (xiii) *thirteenth*, after all Series of Auto Covered Bonds have been fully repaid or provided for, the remainder for the Guarantor to retain in the General Bank Account.
- (c) For the avoidance of doubt, it is understood and agreed that in case amounts are paid to
- (i) the Trustee pursuant to sub-clause (b)(ii) above which have been, pursuant to the terms of the Trust Agreement, the obligations of the Issuer only, payment of such amounts shall not be deemed the assumption of, or payment under, a corresponding obligation of the Guarantor and accordingly, such payment shall not increase the overall payment obligations of the Guarantor, but shall constitute a redistribution among Relevant Creditors, and the amounts payable to the Relevant Creditors pursuant to sub-clauses (b)(iii) to (b)(xiii) above shall be reduced by the amount of such payment in discharge of such obligation(s) of the Issuer *pro tanto* in reverse order, so that payments or provisions of a lower priority are reduced first; and
 - (ii) the Principal Paying Agent pursuant to sub-clause (b)(iii) above which have been, pursuant to the terms of the Paying Agency Agreement, the obligations of the Issuer only, payment

of such amounts shall not be deemed the assumption of, or payment under, a corresponding obligation of the Guarantor and accordingly, such payment shall not increase the overall payment obligations of the Guarantor, but shall constitute a redistribution among Relevant Creditors, and the amounts payable to the Relevant Creditors pursuant to sub-clauses (b)(iv) to (b)(xiii) above shall be reduced by the amount of such payment in discharge of such obligation(s) of the Issuer *pro tanto* in reverse order, so that payments or provisions of a lower priority are reduced first.

3. Allocation and distribution of amounts following the GED Guarantee Activation Date

- (a) The priority of payments set out in paragraph (b) and (c) below (the **Post-Insolvency Priority of Payments** and together with the Pre-Guarantee Priority of Payments, the **Priorities of Payments**) applies following the GED Guarantee Activation Date.
- (b) All Available Funds shall be applied in the following order of priority (and, in each case, only if and to the extent that payments or provisions of a higher order of priority have been made in full) on any Relevant Payment Date (such date being determined by the Cash Manager in consultation with the Trustee for so long as any Auto Covered Bonds are outstanding):
- (i) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any amounts then properly due and payable, or to become due and payable, in the Guarantor Payment Period commencing on such Guarantor Payment Date, by the Guarantor to Tax Authorities and other creditors not party to the Intercreditor Agreement or bound by the Priorities of Payments, together with applicable VAT (or other similar taxes), if any;
 - (ii) *second*, in or towards satisfaction of any amounts then properly due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, by the Guarantor or the Issuer to the Trustee or any Appointee of the Trustee pursuant to the terms of the Trust Agreement (excluding amounts due on the Auto Covered Bonds), together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
 - (iii) *third*, in or towards satisfaction of any amounts (excluding amounts due on the Auto Covered Bonds) then due and payable by the Guarantor or the Issuer to the Principal Paying Agent under the provisions of the Paying Agency Agreement together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
 - (iv) *fourth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any amounts then due and payable to (A) the Cash Manager pursuant to the terms of the Cash Management Agreement, (B) the Account Bank (including costs and negative interest on the Guarantor Bank Accounts) pursuant to the terms of the Master Bank Account Agreement, (C) the Corporate Services Provider pursuant to the terms of the Corporate Services Agreement, (D) a Replacement Servicer pursuant to the terms of a Replacement Servicer Agreement, (E) the Asset Monitor pursuant to the terms of the Asset Monitor Agreement (F) the Administration Services Provider pursuant to the terms of the Administration Services Agreement and (G) the Servicing Facilitator pursuant to the terms of the Servicing Facilitator Agreement, each together with applicable VAT (or other similar taxes) thereon to the extent provided in the relevant agreement;
 - (v) *fifth*, *pro rata* and *pari passu* according to the respective amounts thereof, in or towards payment of all Guaranteed Amounts corresponding to interest due and payable in respect of the Auto Covered Bonds of each Series in accordance with the Guarantee, provided that if the amount available for distribution under this sub-paragraph (v) would be insufficient to pay the amounts due and payable in respect of each Series of Auto Covered Bonds, the shortfall shall be divided amongst all such Series of Auto Covered Bonds on a *pro rata* basis and the amount payable by the Guarantor;
 - (vi) *sixth*, *pro rata* and *pari passu* according to the respective amounts thereof, in or towards payment of all Guaranteed Amounts corresponding to principal due and payable in respect of the Auto Covered Bonds of each Series in accordance with the Guarantee, provided that if the amount available for distribution under this sub-paragraph (vi) would be insufficient to pay the amounts due and payable in respect of each Series of Auto Covered Bonds, the shortfall shall be divided amongst all such Series of Auto Covered Bonds on a *pro rata* basis and the amount payable by the Guarantor;
 - (vii) *seventh*, after all Series of Auto Covered Bonds have been fully repaid or provided for, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any amounts due and payable, or to become due and payable in the Guarantor Payment

Period commencing on such Guarantor Payment Date, to any party for any amounts due and payable thereto under any Transaction Document (other than pursuant to the Subordinated Loan Agreement) to the extent such amount is not satisfied by an item ranking higher in priority hereto;

- (viii) *eight*, after all Series of Auto Covered Bonds have been fully repaid or provided for, in or towards payment *pro rata* and *pari passu* of any Collateral Differential due to the Originator and any other amounts owed by the Guarantor to the Assignor and any other Relevant Creditor (to the extent not otherwise provided for in this Post-Insolvency Priority of Payments);
 - (ix) *ninth*, after all Series of Auto Covered Bonds have been fully repaid or provided for, in or towards repayment of the Subordinated Loan; and
 - (x) *tenth*, after all Series of Auto Covered Bonds have been fully repaid or provided for, the remainder, if any, for the Guarantor.
- (c) For the avoidance of doubt, it is understood and agreed that in case amounts are paid to:
- (i) the Trustee pursuant to sub-clause (b)(ii) above which have been, pursuant to the terms of the Trust Agreement, the obligations of the Issuer only, payment of such amounts shall not be deemed the assumption of, or payment under, a corresponding obligation of the Guarantor and accordingly, such payment shall not increase the overall payment obligations of the Guarantor, but shall constitute a redistribution among Relevant Creditors, and the amounts payable to the Relevant Creditors pursuant to sub-clauses (b)(iii) to (b)(x) above shall be reduced by the amount of such payment in discharge of such obligation(s) of the Issuer *pro tanto* in reverse order, so that payments or provisions of a lower priority are reduced first; and
 - (ii) the Principal Paying Agent pursuant to sub-clause (b)(iii) above which have been, pursuant to the terms of the Paying Agency Agreement, the obligations of the Issuer only, payment of such amounts shall not be deemed the assumption of, or payment under, a corresponding obligation of the Guarantor and accordingly, such payment shall not increase the overall payment obligations of the Guarantor, but shall constitute a redistribution among Relevant Creditors, and the amounts payable to the Relevant Creditors pursuant to sub-clauses (b)(iv) to (b)(x) above shall be reduced by the amount of such payment in discharge of such obligation(s) of the Issuer *pro tanto* in reverse order, so that payments or provisions of a lower priority are reduced first.

SWISS LAW BONDHOLDER PROVISIONS

The following summary of the Swiss Law Bondholder Provisions is based on the law as in effect in Switzerland as of the date of this Base Prospectus and is subject to change.

1. Community of Bondholders and Bondholders' Representative

Holders of bonds issued by a Swiss Issuer in a public offering in Switzerland form a community of bondholders (*Gläubigergemeinschaft*) (**Bondholder Community**) by operation of law pursuant to articles 1157 to 1186 CO (the **Bondholder Provisions**). The community of bondholders may also transfer certain powers to a Bondholders' Representative (*Anleihensvertreter*) (the **Bondholders' Representative**).

In accordance with article 1186 CO, the Bondholder Provisions have been modified as set out in Condition 14 (*Meetings of Covered Bondholders*).

Pursuant to the Bondholder Provisions, each Series of Auto Covered Bonds forms a separate Bondholder Community. Pursuant to Condition 13 (*Appointment of Bondholders' Representative*), each Covered Bondholder has appointed TMF Services SA as Bondholders' Representative for the matters explicitly stated in the Conditions.

To the extent of such appointment of the Bondholders' Representative, individual Covered Bondholders may not independently exercise any rights. Individual Bondholders may also not independently exercise their rights to the extent a Bondholder Meeting (as defined below) has validly resolved on a matter.

2. Bondholder Meetings

Resolutions of a Bondholder Community (including each Series of Auto Covered Bonds) are passed at a bondholders' meeting (*Gläubigerversammlung*) (**Bondholder Meeting**). The details of the manner of convening the meeting and the proceedings (including publication of notice, agenda, admission, chairman, minutes, recording of resolutions etc.) are regulated in the Federal Ordinance on the Community of Bondholders of 1949 (*Verordnung über die Gläubigergemeinschaft bei Anleihensobligationen*).

Pursuant to Condition 14 (*Meetings of Covered Bondholders*), the Issuer may convene Meetings at any time and will be obliged to do so within 20 days upon a request in writing from the Bondholders' Representative or by Covered Bondholders representing not less than 5 per cent. of the Principal Amount Outstanding of the relevant Series of Auto Covered Bonds, subject to the Bondholder Provisions and applicable regulations referred to therein.

The invitation to a Bondholder Meeting must be published in accordance with the Conditions of the relevant Series and, pursuant to the Bondholder Provisions, twice in the Swiss Official Gazette of Commerce with the second publication to be made at least ten days prior to such meeting. The agenda for a Bondholder Meeting must be announced at least ten days prior to such meeting in the same manner as the invitation.

Only Covered Bondholders or their proxies will be entitled to attend or vote at a Bondholder Meeting. Covered Bondholders or their representatives that wish to participate in a Bondholder Meeting must provide a certificate from their depository bank or a central clearing agency confirming that the relevant Auto Covered Bonds are blocked for the account of the Covered Bondholder until after the completion of the Bondholder Meeting in a form satisfactory to the Issuer and (if applicable) the notary public responsible for the notarisation of the Bondholder Meeting.

In connection with any Bondholder Meeting, in certain circumstances, defined majorities of Covered Bondholders of a Series (that form a Bondholder Community by operation of law) are able to bind all Covered Bondholders of the same Series, including Covered Bondholders that did not attend and vote at such Bondholder Meeting and Covered Bondholders that voted in a manner contrary to the majority. Provided that, the Covered Bondholders of a relevant Series must all be equally affected by any resolution that limits Covered Bondholders' rights under the Auto Covered Bonds, unless every disadvantaged Covered Bondholder expressly agrees to such resolution. Any resolution approved by a Bondholder Meeting that affects the rights of the Issuer also requires Issuer's consent.

In case the Issuer becomes bankrupt, the competent bankruptcy administrator will call a Bondholder Meeting for all Series of Auto Covered Bonds. The Bondholder Meetings so convened will resolve with a simple majority whether to transfer full powers to represent the Covered Bondholders of that Series in the bankruptcy of the Issuer to TMF Services SA as Bondholders' Representative (or such other Bondholders' Representative(s) then appointed to replace TMF Services SA) or another representative to ensure that the rights of the Covered Bondholders are enforced in an equal manner. If no decision on the transfer of full powers is reached, each Covered Bondholder will enforce its rights under the Auto Covered Bonds separately.

3. Majority Requirements

The required majority of Covered Bondholders at a Bondholder Meeting required to pass a resolution will depend on whether or not the rights of Covered Bondholders are affected by such resolution and, if so, the type of rights affected.

The majority for the resolutions described below will be based on the aggregate principal amount of the relevant Series of Auto Covered Bonds then outstanding determined on the basis of Covered Bonds that confer voting rights (i.e. all Auto Covered Bonds with respect to which the Covered Bondholder is not the Issuer or any of its subsidiaries).

Pursuant to article 1170 CO, the Bondholder Meeting of each Series can resolve on the following measures (or any combination thereof) with respect to such Series with a majority of at least two thirds of the aggregate principal amount of the Auto Covered Bonds of such Series then outstanding:

- (a) moratorium on interest on the Auto Covered Bonds for up to five years, with the option of extending the moratorium twice for up to five years each time;
- (b) forfeiture of up to five years' worth of interest on the Auto Covered Bonds within a seven year period;
- (c) (i) decrease of the interest rate on the Auto Covered Bonds by up to one-half of the interest rate pursuant to the Conditions and the Applicable Final Terms, (ii) conversion of a fixed interest rate on the Auto Covered Bonds into a rate dependent on the business results, in the case of sub-clause (i) and (ii), for a period of up to ten years, with the option of an extension for up to an additional five years;
- (d) a stay with respect to, or an extension of the Final Maturity Date of, the Auto Covered Bonds (or portions thereof) if the Auto Covered Bonds are due or maturing within five years for up to ten years, with the option of an extension for up to an additional five years;
- (e) early redemption of the Auto Covered Bonds (either in whole or in part);
- (f) granting of a priority lien for new capital raised by the Issuer; and/or
- (g) consent to a total or partial conversion of bonds into shares.

The list of measures of article 1170 CO is exhaustive. The Issuer may propose one or more of the foregoing resolutions to a Bondholder Meeting of a particular Series of Auto Covered Bonds and make the approval of each such resolution conditional upon the approval of all such resolutions. In addition, the Issuer may propose one or more of the foregoing resolutions to the Bondholder Meeting of a particular Series of Auto Covered Bonds, but make approval of such resolutions conditional upon the approval of the same resolutions by other Series of Auto Covered Bonds (or other Bondholder Communities of the Issuer (if any)). In such case, approval of such resolutions will require:

- (a) approval by each relevant Series (and other relevant Bondholder Communities of the Issuer) with simple majority (i.e. rather than two-thirds) of the respective outstanding principal amount; and
- (b) approval by the majority of the relevant Series of Auto Covered Bonds (and such other relevant Bondholder Communities of the Issuer (if any)) that approved with a majority of at least two-thirds of the respective outstanding principal amount; and
- (c) approval by at least two third of the outstanding aggregate outstanding principal amount of all relevant Series of Auto Covered Bonds (and all other relevant Bondholder Communities of the Issuer (if any)).

Where a majority cannot be attained at a Bondholder Meeting, the Issuer may collect additional votes within the two months following the date of the Bondholder Meeting.

Unless an unanimous decision is reached, a resolution of the Bondholder Meeting regarding any of the measures set out above must be approved by the superior cantonal composition authority, which in case of the Issuer will be the High Court of the Canton of Zurich (*Obergericht Zürich*), in order to become effective and binding on non-consenting Covered Bondholders (and holders of other Bondholder Communities of the Issuer (if any)). The Issuer must submit such resolutions to the court for approval within one month of their adoption by a Bondholders' Meeting.

Any other resolutions that limit the rights of Covered Bondholders by amending, or forfeiting rights under, the Covered Bonds may only be passed by unanimous resolution.

In the case of resolutions that do not limit Covered Bondholders' rights under the Covered Bonds, the approval of more than half of the outstanding aggregate principal amount of the Covered Bonds actually represented at

a meeting of Covered Bondholders of the relevant Series is sufficient to approve such resolution, and no approval by the superior cantonal composition authority will be required.

The revocation of TMF Services SA as Bondholders' Representative (which is different from its role as Trustee) with respect to a Series of Auto Covered Bonds requires a majority of the votes of the Covered Bondholders of such Series at a Bondholders Meeting and Issuer's consent.

Following revocation of TMF Services SA as Bondholders' Representative, each Series of Auto Covered Bond may appoint a new Bondholders' Representative with a majority of the votes of the Covered Bondholders of such Series at a Bondholders Meeting.

TAXATION IN SWITZERLAND

The following is a summary of certain Swiss tax consequences of the purchase, beneficial ownership and disposition of the Auto Covered Bonds. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Auto Covered Bonds. The summary relates only to the position of persons who are the beneficial owners of the Auto Covered Bonds and may not apply to certain other classes of persons. The summary is based upon Swiss tax laws and tax practice as in effect on the date of this Base Prospectus, which are subject to prospective or retroactive change. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Auto Covered Bonds should consult their own advisors as to the Swiss or other tax consequences of the purchase, beneficial ownership and disposition of the Auto Covered Bonds.

1. Taxation of the Auto Covered Bonds

1.1 Swiss Federal Withholding Tax

Payments of interest in respect of the Auto Covered Bonds and payment of corresponding Guaranteed Amounts pursuant to the Guarantee are subject to Swiss withholding tax of 35 per cent. A holder of an Auto Covered Bond, residing in Switzerland who, at the time the payment of interest is due, is the beneficial owner of the payment of interest and, in the case of a holder who is an individual, duly reports the gross payment of interest in his or her tax return and, in the case of a holder who is a legal entity or an individual required to keep accounting books, includes such payment as earnings in its income statement, is entitled to a full refund of or a full tax credit for the Swiss federal withholding tax.

A holder of an Auto Covered Bond, who is not resident in Switzerland may be able to claim a full or partial refund of the Swiss federal withholding tax by virtue of the provisions of an applicable double taxation treaty, if any, between Switzerland and the country of residence of such holder.

1.2 Swiss Federal Stamp Taxes on the Turnover of Securities

The issuance of the Auto Covered Bonds by the Issuer, and the issuance of a Guarantee by the Guarantor, on the relevant issuance date, are not subject to Swiss stamp duty on the turnover in securities (primary market). Secondary market dealings in Auto Covered Bonds with a maturity in excess of 12 months may be subject to Swiss stamp duty on the turnover in securities at a rate of up to 0.15 per cent. of the purchase price of the Auto Covered Bonds, if a securities dealer in Switzerland or Liechtenstein, as defined in the Swiss Federal Act on Stamp Duties (*Bundesgesetz über die Stempelabgaben*), is a party to or acts as an intermediary for the transaction and no exemption applies. An exemption applies, *inter alia*, for each party to a transaction of Auto Covered Bonds that is not resident in Switzerland or the Principality of Liechtenstein.

1.3 Swiss Income Taxation

Auto Covered Bonds Held by non-Swiss Holders

Payments of interest (including discount, if any) and repayment of principal by the Issuer, to, and gain realized on the sale or redemption of Auto Covered Bonds by, a holder of an Auto Covered Bond who is not a resident of Switzerland and who during the current taxation year has not engaged in a trade or business through a permanent establishment in Switzerland to which such Note is attributable will not be subject to any Swiss federal, cantonal or communal income tax in respect of such Notes.

Auto Covered Bonds Held as Private Assets by a Swiss Resident Holder

Auto Covered Bonds "without a predominant one-time interest payment": Individuals who are resident in Switzerland and who hold as private assets Auto Covered Bonds, the yield-to-maturity of which exclusively or predominantly derives from periodic interest payments and not from a one-time-interest-payment such as an original issue discount or a repayment premium, are required to include in their income tax return for the relevant tax period any periodic interest payment and any payment upon redemption by the Issuer relating to any (i) accrued interest, (ii) one-time interest in relation to original issue discount and/or (iii) redemption premium on such Auto Covered Bond, and payment of corresponding Guaranteed Amounts pursuant to the Guarantee under the Guarantee by the Guarantor, converted, as the case may be, into Swiss francs at the exchange rate prevailing at the time of payment, and will be taxable on any net taxable income (including the payments of interest on such Auto Covered Bond) for such tax period. A gain (including a gain in respect of interest accrued, foreign currency exchange rate appreciation or change of market interest rate) on the sale of such an Auto Covered Bond is a tax free private capital gain. Conversely, a loss (including in respect of foreign currency exchange rate depreciation or change of market interest rate) realised on a sale of such an Auto Covered Bond is a non-tax-deductible private capital loss.

Auto Covered Bonds with a "predominant one-time interest payment": Individuals who are resident in Switzerland and who hold as private assets Auto Covered Bonds, the yield-to-maturity of which predominantly

or exclusively derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments, are required to include in their personal income tax return for the relevant tax period, (i) any periodic interest payments by the Issuer or payment of corresponding Guaranteed Amounts pursuant to the Guarantee under the Guarantee by the Guarantor, and (ii) any payment upon redemption by the Issuer or payment of corresponding Guaranteed Amounts pursuant to the Guarantee under the Guarantee by the Guarantor, or upon sale, as applicable, equal to the positive difference between (x) the value of the Auto Covered Bonds at redemption or sale, as applicable, and (y), if purchased at issuance, the value of such Auto Covered Bonds at issuance, or, if purchased after issuance, at secondary market purchase, such values to be determined in accordance with the modified differential taxation method (*Modifizierte Differenzbesteuerung*), converted, as the case may be, in each case into Swiss francs at the exchange rate prevailing at the time of payment, sale or redemption, or issuance or purchase, and will be taxable on any net taxable income, (including such amounts, i.e., including, if any, a gain in respect of interest accrued, foreign currency exchange rate appreciation or change of market interest rate, and less any documentable bank fees incurred upon issuance or purchase of such Auto Covered Bonds), for the relevant tax period. Any decrease in value realised on such an Auto Covered Bond on sale or redemption may be offset by such a holder against any gains (including periodic interest payments) realised within the same taxation period from any other instruments with a predominant one-time interest payment.

See "*Auto Covered Bonds Held as Swiss Business Assets*" below for a summary on the tax treatment of individuals classified as "professional securities dealers".

Auto Covered Bonds Held as Swiss Business Assets

Individuals who hold Auto Covered Bonds as part of a business in Switzerland and Swiss resident corporate taxpayers and corporate taxpayers resident abroad holding Auto Covered Bonds as part of a permanent establishment in Switzerland, are required to recognise payments of interest (including discount or premium, if any) and any gain or loss realised on the sale or redemption of Auto Covered Bonds (including a gain, if any, *inter alia*, relating to discount or premium, interest accrued, foreign currency exchange rate appreciation or change of market interest rate, or a loss relating to foreign currency exchange rate depreciation or change of market interest rate) in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period.

The same taxation treatment also applies to Swiss resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, *inter alia*, frequent dealings and leveraged investments in securities.

1.4 International Automatic Exchange of Information in Tax Matters

Switzerland has concluded a multilateral agreement with the EU on the international automatic exchange of information (**AEOI**) in tax matters (the **AEOI Agreement**), which applies to all EU member states and some other jurisdictions. Further, Switzerland has signed the multilateral competent authority agreement on the automatic exchange of financial account information (**MCAA**), and a number of bilateral AEOI agreements with other countries, most of them on the basis of the MCAA. Based on the AEOI agreement and the bilateral AEOI agreements and the implementing laws of Switzerland, Switzerland collects and exchanges data in respect of financial assets, including, as the case may be, Auto Covered Bonds, held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of residents in a EU member state or another treaty state. An up-to-date list of the AEOI agreements to which Switzerland is a party that are in effect or signed but not yet effective can be found on the website of the State Secretariat for International Financial Matters SIF.

1.5 Swiss Facilitation of the Implementation of FATCA

The United States and Switzerland entered into an intergovernmental agreement to facilitate the implementation of FATCA (the **U.S.-Switzerland IGA**). Under the U.S.-Switzerland IGA, financial institutions acting out of Switzerland generally are directed to become participating foreign financial institutions (**FFIs**). The U.S.-Switzerland IGA ensures that accounts held by U.S. persons with Swiss financial institutions (including accounts in which Auto Covered Bonds are held) are disclosed to the U.S. tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance on the basis of the double taxation agreement between the United States and Switzerland (the **Treaty**). The Treaty, as amended in 2019, includes a mechanism for the exchange of information upon request in tax matters between Switzerland and the United States, which is in line with international standards, and allows the United States to make group requests under FATCA concerning non-consenting U.S. accounts and non-consenting non-participating foreign financial institutions for periods from 30 June 2014. On 27 June 2024, Switzerland and the United States signed a new FATCA agreement with regard to a change of the current direct notification-based regime to a regime where the relevant information is sent to the Swiss Federal Tax Administration, which in turn provides the information to the U.S. tax authorities. Implementation of the new FATCA agreement requires national law to be amended. In Switzerland, the Federal Assembly will decide on

this. According to the current schedule, Switzerland's change of model should come into force on 1 January 2027. For further information on FATCA, see above under "*Risks relating to the Programme Legal and Regulatory Matters - Payments under the Auto Covered Bonds may be subject to U.S. Foreign Account Tax Compliance Withholding*".

SUBSCRIPTION AND SALE

Subject to all legal and regulatory requirements, Auto Covered Bonds may be issued from time to time by the Issuer to any one or more of the Managers or to any other person. The arrangements under which Auto Covered Bonds may from time to time be agreed to be issued by the Issuer to, and subscribed by, Managers are set out in the programme agreement (as the same may be supplemented, amended and/or restated from time to time, the **Programme Agreement**) dated as of the date hereof. Any such agreement for the issue and subscription of Auto Covered Bonds will, *inter alia*, cover the price of the Auto Covered Bonds, any commissions or other deductibles in respect of the Auto Covered Bonds, the Form of the Auto Covered Bonds, any other commercial terms of the issue and subscription of the Auto Covered Bonds themselves, and any syndication or underwriting of the issue. The Programme Agreement makes provision for the resignation or renewal of existing Managers and the appointment of additional or other Managers, either generally in respect of the Programme or in relation to a particular Series or Tranche of Auto Covered Bonds. The Managers are entitled to be released and discharged from their obligations in relation to any agreement to subscribe for and purchase Auto Covered Bonds under the Programme Agreement in certain circumstances prior to payment to the Issuer.

One or more Managers may purchase Auto Covered Bonds, as principal, from the Issuer from time to time for resale to Investors and other purchasers at a fixed offering price or, if so specified in the Applicable Final Terms, at varying prices relating to prevailing market prices at the time of resale as determined by any Manager.

A Manager may sell Auto Covered Bonds it has purchased from the Issuer as principal to certain other Managers less a concession equal to all or any portion of the discount received in connection with such purchase. The Manager may allow, and such Managers may re-allow, a discount to certain other Managers. After the initial offering of Auto Covered Bonds, the offering price (in the case of Auto Covered Bonds to be resold at a fixed offering price), the concession and the reallowance may be changed.

The Issuer may withdraw, cancel or modify the offering contemplated hereby without notice and may reject offers to purchase Auto Covered Bonds in whole or in part.

Under the Programme Agreement, the Issuer has agreed to indemnify the Managers against certain liabilities or to pay on demand all costs the Managers may be required to make in respect thereof in connection with the establishment and any future updates of the Programme and the issue of Auto Covered Bonds under the Programme. The Issuer has also agreed to reimburse the Managers for certain other expenses in connection with the establishment and any future updates of the Programme and the issue of Auto Covered Bonds under the Programme.

The Managers may, from time to time, purchase and sell Auto Covered Bonds in the secondary market, but they are not obliged to do so, and there can be no assurance that there will be a secondary market for the Auto Covered Bonds or liquidity in the secondary market if one develops. From time to time, the Managers may make a market in the Auto Covered Bonds

The several Managers and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer and the Managers have not provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby and the Issuer has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate. Certain of the Managers and their respective affiliates have, directly or indirectly, performed investment and commercial banking or financial advisory services for the Issuer for which they have received customary fees and commissions, and they expect to provide these services to the Issuer and its affiliates in the future, for which they also expected to receive customary fees and commissions.

SELLING RESTRICTIONS

1. General

Persons who receive this Base Prospectus or any Applicable Final Terms are required by the Issuer, the Guarantor, the Sole Arranger and the Managers to comply with all applicable laws, rules and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Auto Covered Bonds or have in their possession or distribute this Base Prospectus, any Applicable Final Terms or any offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of any Auto Covered Bonds under the law, rules and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and neither the Issuer, the Guarantor, the Trustee, the Sole Arranger nor any Manager shall have responsibility therefor. In accordance with the above, any Auto Covered Bonds purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer or the Guarantor being obliged to register this Base Prospectus, any Applicable Final Terms or any further prospectus or corresponding document relating to the Auto Covered Bonds in such jurisdiction.

In particular, but without limiting the generality of the preceding paragraph, and subject to any amendment or supplement which may be agreed with the Issuer and the Guarantor in respect of any particular Series or Tranche, each purchaser of Auto Covered Bonds must comply with the restrictions described above, except to the extent that, as a result of changes in, or in the official interpretation of, any applicable legal or regulatory requirements, non-compliance would not result in any breach of the requirements set forth in the preceding paragraph.

2. United States

The Auto Covered Bonds have not been and will not be registered under the U.S. Securities Act (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States 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, or not subject to, the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Each Manager has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Auto Covered Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Manager or, in the case of an issue of Auto Covered Bonds on a syndicated basis, the relevant lead manager, of all Auto Covered Bonds of the Tranche of which such Auto Covered Bonds are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the U.S. Securities Act. Each Manager has further agreed, and each further Manager appointed under the Programme will be required to agree, that it will send to each Manager to which it sells any Auto Covered Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Auto Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Until 40 days after the commencement of the offering of any Tranche of Auto Covered Bonds, an offer or sale of such Auto Covered Bonds within the United States by any Manager (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the U.S. Securities Act.

3. Notice to Potential Investors in the European Economic Area

If the Applicable Final Terms specify "Prohibition of sales to EEA retail investors" as "Not Applicable", in relation to each Member State of the European Economic Area (the **EEA**) (each, a **Member State**), each Manager represents and agrees that it has not made and will not make an offer of Auto Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed, supplemented or amended by the Applicable Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Auto Covered Bonds to the public in that Member State:

- (a) at any time to any legal entity that is a qualified investor as defined in the Regulation (EU) 2017/1129 (the **EU Prospectus Regulation**);
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Manager or Manager s nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within article 1(4) of the EU Prospectus Regulation, provided that no such offer of Auto Covered Bonds referred to in clauses (a) to (c) above shall require

the Issuer or any Manager to publish a prospectus pursuant to article 3 of the EU Prospectus Regulation.

For purposes of this provision, the expression an **offer of Auto Covered Bonds to the public** in relation to any Auto Covered Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Auto Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Auto Covered Bonds.

4. **Prohibition of Sales to EEA Retail Investors**

If the Applicable Final Terms specify the "Prohibition of sales to EEA retail investors" as "Applicable", each Manager has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Auto Covered Bonds that are the subject of the offering contemplated by this Base Prospectus as completed by the Applicable Final Terms in relation thereto to any retail investor in the EEA.

For purposes of this provision:

- (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 Directive 2014/65/EU (as amended, **MiFID II**);
 - (ii) a customer within the meaning of of Directive (EU) 2016/97, as amended or superseded, 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 EU Prospectus Regulation; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Auto Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Auto Covered Bonds.

5. **Notice to Potential Investors in the United Kingdom**

If the applicable Final Terms in respect of any Auto Covered Bonds specify "Prohibition of sales to UK retail investors" as "Not Applicable", in relation to the United Kingdom (the **UK**), each Manager represents and agrees that it has not made and will not make an offer of Auto Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed, supplemented or amended by the Applicable Final Terms in relation thereto to the public in the UK except that it may make an offer of such Auto Covered Bonds to the public in the UK:

- (a) at any time to any legal entity that is a qualified investor as defined in article 2 of Regulation EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**);
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in article 2 of UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000, as amended (the **FSMA**), provided that no such offer of Auto Covered Bonds referred to in clauses (a) to (c) above shall require the Issuer or any Manager to publish a prospectus pursuant to section 85 of the FSMA.

For purposes of this provision, the expression **an offer of Auto Covered Bonds to the public** in relation to any Auto Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Auto Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Auto Covered Bonds.

6. **Prohibition of Sales to UK Retail Investors**

If the Applicable Final Terms in respect of any Auto Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Applicable", each Manager represents and agrees, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Auto Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed, supplemented or amended by the Applicable Final Terms in relation thereto to any retail investor in the UK.

For purposes of this provision:

- (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) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**);
 - (ii) a customer within the meaning of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in article 2 of UK Prospectus Regulation; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Auto Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Auto Covered Bonds.

7. **Other regulatory restrictions**

In relation to each Tranche of Auto Covered Bonds, each Manager has represented, warranted and agreed, and each further Manager appointed under the Programme will be required to represent, warrant and agree, that:

- (a) in relation to any Auto Covered Bonds which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Auto Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Auto Covered Bonds would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (b) Financial Promotion: 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 Auto Covered Bonds in circumstances in which section 21(1) of the FSMA does not or, in the case of the Issuer, would not if it was not an authorised person, apply to the Issuer or the Guarantor; and
- (c) Global Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Auto Covered Bonds in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

1. Authorisation

The establishment of the Programme by the Issuer was authorised by resolutions of the Board of Directors of Cembra on 28 August 2024. The giving of the Guarantee was duly authorised by resolutions of the Board of Directors of the Guarantor and resolutions of the General Meeting of Shareholders of the Guarantor, each passed on or about the Programme Closing Date. Each of the Issuer and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Auto Covered Bonds.

2. Listing, Admission to Trading and Redemption

Each Tranche of Auto Covered Bonds may be admitted to trading and listing on SIX Swiss Exchange or may be unlisted. A Tranche of Auto Covered Bonds may also be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Manager. The specific terms of any admission to trading and listing of any Tranche of Auto Covered Bonds will be set out in the Applicable Final Terms.

In connection with each Tranche of Auto Covered Bonds to be admitted to trading and listed on SIX Swiss Exchange, the Issuer has appointed Zürcher Kantonalbank, Zurich, as its representative to file the application with SIX Exchange Regulation AG in its capacity as competent authority for the admission to trading (including the provisional admission to trading) and listing of such Auto Covered Bonds on SIX Swiss Exchange in accordance with article 58a of the SIX Listing Rules.

3. Clearing System

The Auto Covered Bonds have been accepted for clearance through SIX SIS AG or any successor organisation or system. The address of SIX SIS is SIX SIS AG, Baslerstrasse 100, 4600 Olten, Switzerland.

4. Managers transacting with the Issuer and the Guarantor

Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking, commercial banking and /or other related transactions with, and may perform services to the Issuer, the Guarantor and their affiliates and may perform services for them, in each case in the ordinary course of business.

5. Post-Issuance Transaction Information

The Issuer does not intend to provide any post-issuance transaction information, except as required by any applicable laws and regulations or the Transaction Documents.

GLOSSARY OF DEFINED TERMS

Except where the context otherwise requires, the following defined terms used in the Transaction Documents and herein will have the meanings set out below:

Account Bank	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Account Bank Downgrade Event	has the meaning given to it on page 181 of this Base Prospectus.
Accrual Period	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Accrued Obligations	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Actual/Actual (ICMA)	has the meaning given to it on page 71 of this Base Prospectus.
Adjusted Aggregate Lease Balance	has the meaning given to it on page 180 of this Base Prospectus.
Adjusted Required Sale Amount	has the meaning given to it on page 150 of this Base Prospectus.
Administration Services Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Administration Services Provider	has the meaning given to it in Condition 22 (<i>Definitions</i>).
AEOI	has the meaning given to it on page 194 of this Base Prospectus.
AEOI Agreement	has the meaning given to it on page 194 of this Base Prospectus.
Affected Lease Assets	has the meaning given to it on page 159 of this Base Prospectus.
Affiliates	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Aggregate Principal Amount Outstanding	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Amortisation Adjusted Aggregate Lease Balance	has the meaning given to it on page 183 of this Base Prospectus.
Amortisation Test	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Ancillary Rights	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Applicable Final Terms	has the meaning given to it on page 1 of this Base Prospectus.
Appointee	has the meaning given to it in Condition 22 (<i>Definitions</i>).
APR	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Articles of Incorporation	has the meaning given to it on page 140 of this Base Prospectus.
Asset Coverage Test	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Asset Monitor	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Asset Monitor Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Asset Monitor Report	has the meaning given to it on page 175 of this Base Prospectus.
Asset Monitor Report Recipients	has the meaning given to it on page 178 of this Base Prospectus.
Asset Percentage	has the meaning given to it on page 185 of this Base Prospectus.
Assigned Ancillary Rights	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Assigned Dealer Receivables	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Assigned Lease Receivables	has the meaning given to it in Condition 22 (<i>Definitions</i>).

Assigned Receivables	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Assignee	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Assignor	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Authorised Investments	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Auto Covered Bond Weighted Average Remaining Maturity	has the meaning given to it on page 181 of this Base Prospectus.
Auto Covered Bonds	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Availability Period	has the meaning given to it on page 168 of this Base Prospectus.
Available Funds	has the meaning given to it on page 84 of this Base Prospectus.
Base Prospectus	has the meaning given to it on page 1 of this Base Prospectus and Condition 22 (<i>Definitions</i>).
Board of Directors	has the meaning given to it on page 140 of this Base Prospectus.
Bondholder Community	has the meaning given to it on page 190 of this Base Prospectus.
Bondholder Meeting	has the meaning given to it on page 190 of this Base Prospectus.
Bondholder Provisions	has the meaning given to it on page 152 of this Base Prospectus and Condition 22 (<i>Definitions</i>).
Bondholders' Representative	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Breach of Amortisation Test Notice	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Breach of Pre-Event Test Notice	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Broken Amount	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Business Day	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Calculation Amount	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Cash Management Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Cash Management Services	has the meaning given to it on page 170 of this Base Prospectus.
Cash Manager	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Cash Manager Termination Event	has the meaning given to it on page 171 of this Base Prospectus.
CCA	has the meaning given to it on page 26 of this Base Prospectus.
Cembra	has the meaning given to it on page 1 of this Base Prospectus.
Cembra's Standard Contracts	has the meaning given to it in Condition 22 (<i>Definitions</i>).
CHF or Swiss Francs	has the meaning given to it in Condition 22 (<i>Definitions</i>).
CO	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Code	has the meaning given to it on page 72 of this Base Prospectus.
Collateral Differential	has the meaning given to it on page 155 of this Base Prospectus.
Collateral Enforcement Event	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Collected Lease Payments	has the meaning given to it on page 160 of this Base Prospectus.

Conditions	has the meaning given to it on page 1 of this Base Prospectus
Conversion Event Date	has the meaning given to it on page 74 of this Base Prospectus.
Corporate Services Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Corporate Services Provider	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Cover Pool	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Cover Pool Assets	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Cover Pool Bank Account	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Cover Pool Custody Account	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Covered Bondholders	has the meaning given to it on page 68 of this Base Prospectus.
Credit and Collection Policies and Procedures	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Cut-Off Date	has the meaning given to it on page 181 of this Base Prospectus.
Day Count Fraction	has the meaning given to it on page 71 of this Base Prospectus.
Dealer	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Dealer Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Dealer Receivables	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Dealer Repurchase Obligation	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Dealer Repurchase Price	has the meaning given to it in Condition 22 (<i>Definitions</i>).
DEBA	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Delegate	has the meaning given to it on page 163 of this Base Prospectus.
Defaulted Lease Asset	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Delinquent Lease Asset	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Determination Date(s)	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Determination Period	has the meaning given to it on page 71 of this Base Prospectus.
Director	has the meaning given to it on page 140 of this Base Prospectus.
Due for Payment	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Due for Payment Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Early Redemption Amount	has the meaning given to it in Condition 22 (<i>Definitions</i>).
EEA	has the meaning given to it on page 4 of this Base Prospectus.
Eligibility Criteria	has the meaning given to it on page 156 of this Base Prospectus.
Eligible Lease Assets	has the meaning given to it on page 155 of this Base Prospectus.
EU Prospectus Regulation	has the meaning given to it on page 5 of this Base Prospectus.
EUWA	has the meaning given to it on page 199 of this Base Prospectus.

Excess Cover Pool Assets	has the meaning given to it on page 159 of this Base Prospectus.
Excluded Scheduled Interest Amounts	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Excluded Scheduled Principal Amounts	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Extended Due for Payment Date	has the meaning given to it on page 74 of this Base Prospectus.
Extraordinary Resolution	has the meaning given to it in Condition 22 (<i>Definitions</i>).
FATCA	has the meaning given to it on page 59 of this Base Prospectus.
FBA	has the meaning given to it in Condition 22 (<i>Definitions</i>).
FBO	has the meaning given to it in Condition 22 (<i>Definitions</i>).
FFIs	has the meaning given to it on page 59 of this Base Prospectus.
Final Maturity Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Final Redemption Amount	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Final Terms	has the meaning given to it in Condition 22 (<i>Definitions</i>).
FINMA	has the meaning given to it in Condition 22 (<i>Definitions</i>).
FinSA	has the meaning given to it on page 1 of this Base Prospectus.
First person	has the meaning given to it in Condition 22 (<i>Definitions</i>).
First Sale Date	has the meaning given to it on page 34 of this Base Prospectus.
FISA	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Fitch	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Fraud Lease Asset	has the meaning given to it on page 159 of this Base Prospectus.
GED Guarantee Activation Date	has the meaning given to it on page 11 of this Base Prospectus and Condition 22 (<i>Definitions</i>).
General Bank Account	has the meaning given to it in Condition 22 (<i>Definitions</i>).
General Custody Account	has the meaning given to it in Condition 22 (<i>Definitions</i>).
General Indemnity Pre-funding Notice	has the meaning given to it in Condition 22 (<i>Definitions</i>).
General Indemnity Recourse Notice	has the meaning given to it in Condition 22 (<i>Definitions</i>).
General Meeting of Shareholders	has the meaning given to it on page 140 of this Base Prospectus.
General Recourse and Indemnity Obligation	has the meaning given to it in Condition 22 (<i>Definitions</i>).
General Recourse and Indemnity Pre-funding Obligation	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Governmental Authority	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Group	has the meaning given to it on page 131 of this Base Prospectus
Guarantee	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantee Activation Notice	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantee Expenses	has the meaning given to it in Condition 22 (<i>Definitions</i>).

Guarantee Fee	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantee Mandate Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantee Mandate Pre-funding Obligation	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantee Pre-Funding Notice	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantee Pre-Funding Obligation	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantee Priority of Payments	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantee Recourse and Indemnity Obligation	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantee Recourse Notice	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guaranteed Amounts	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantor	has the meaning given to it on page 1 of this Base Prospectus.
Guarantor Acceleration Notice	has the meaning given to it in Condition 22 (<i>Definitions</i>) and on page 79 of this Base Prospectus.
Guarantor Bank Account	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantor Event of Default	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantor Liquidation Event	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantor Payment Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantor Profit Amount Ledger	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Guarantor Share Capital Bank Account	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Higher Ranking Creditors	has the meaning given to it on page 84 of this Base Prospectus.
Holdings	has the meaning given to it on page 68 of this Base Prospectus.
IED Guarantee Activation Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Increased Servicer and Services Provider Expenses	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Increased Servicer and Services Provider Expenses Pre-funding Notice	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Increased Servicer and Services Provider Expenses Pre-funding Obligation	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Independent Directors	has the meaning given to it on page 150 of this Base Prospectus.
Independent Shareholders	has the meaning given to it on page 174 of this Base Prospectus.
Initial Manager	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Initial Third Party Services Provider	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Insolvency Event	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Insolvency Proceedings	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Instruction of the Extension of the Guarantee	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Intercreditor Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Interest Commencement Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).

Interest Coverage Test	has the meaning given to in Condition 22 (<i>Definitions</i>).
Interest Payment Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Intermediary	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Intermediated Securities	has the meaning given to it on page 69 of this Base Prospectus.
Investor	has the meaning given to it on page 3 of this Base Prospectus.
Investor Report	has the meaning given to it on page 165 of this Base Prospectus.
Issue Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Issue Price	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Issuer	has the meaning given to it on page 1 of this Base Prospectus.
Issuer Default Notice	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Issuer Event of Default	has the meaning given to it in Condition 10 (<i>Events of Default</i>).
Lease Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Lease Asset Representations and Warranties	has the meaning given to it on page 162 of this Base Prospectus.
Lease Assets	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Lease Data	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Lease Payments	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Lease Receivables	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Lease Security	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Leased Vehicle	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Lessee	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Lessee Information Letter	has the meaning given to it on page 160 of this Base Prospectus.
Liabilities	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Liquidity Reserve Fund	has the meaning given to it on pages 22 and 179 of this Base Prospectus.
Liquidity Reserve Fund Excess Amount	has the meaning given to it on page 168 of this Base Prospectus.
Liquidity Reserve Fund Ledger	has the meaning given to it on page 185 of this Base Prospectus.
Liquidity Reserve Fund Required Amount	has the meaning given to it on page 179 of this Base Prospectus.
List of Transferred Lease Assets	has the meaning given to it on page 158 of this Base Prospectus.
LPL	has the meaning given to it on page 43 of this Base Prospectus.
LPS	has the meaning given to it on page 43 of this Base Prospectus.
Managers	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Master Bank Account Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Master Definitions Schedule	has the meaning given to it in Condition 22 (<i>Definitions</i>).

Material Adverse Effect	has the meaning given to it in Condition 22 (<i>Definitions</i>).
MCAA	has the meaning given to it on page 194 of this Base Prospectus.
Meeting	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Meetings	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Member State	has the meaning given to it on page 4 of this Base Prospectus.
Minimum Account Bank Rating	has the meaning given to it on page 24 of this Base Prospectus.
Monthly Invoices	has the meaning given to it in Condition 22 (<i>Definitions</i>).
MSRP	has the meaning given to it on page 127 of this Base Prospectus.
NA	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Negative Carry Factor	has the meaning given to it on page 181 of this Base Prospectus.
New Manager	has the meaning given to it in Condition 22 (<i>Definitions</i>).
New Relevant Creditor	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Nominal Amount	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Notice to Pay	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Offeror	has the meaning given to it on page 3 of this Base Prospectus.
Organisational Regulations	has the meaning given to it on page 140 of this Base Prospectus.
Originator	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Pass-Through Auto Covered Bonds	has the meaning given to it on page 75 of this Base Prospectus.
Paying Agency Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Person	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Post-Insolvency Priority of Payments	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Pre-Event Tests	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Pre-funding Claim	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Pre-funding Notice	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Pre-funding Obligations	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Pre-Guarantee Priority of Payments	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Prescribed Cash Limit	has the meaning given to it on page 159 of this Base Prospectus.
Principal Amount Outstanding	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Principal Paying Agent	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Priorities of Payments	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Priority of Payments	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Pro Rata Share Other Creditors	has the meaning given to it on page 84 of this Base Prospectus.

Programme	has the meaning given to it on page 1 of this Base Prospectus.
Programme Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Programme Closing Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Rate of Interest	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Rating Agency	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Rating Agency Condition	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Rating Agency Modification	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Ratings Modification	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Recourse and Indemnity Obligations	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Recourse Claim	Has the meaning given to it in Condition 22 (<i>Definitions</i>).
Recourse Notice	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Relevant Creditor	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Relevant Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Relevant Manager	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Relevant Payment Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Remaining Maturity	has the meaning given to it on page 181 of this Base Prospectus.
Replacement Account Bank	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Replacement Asset Monitor	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Replacement Cash Manager	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Replacement Corporate Services Provider	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Replacement Principal Paying Agent	has the meaning given to it on page 177 of this Base Prospectus.
Replacement Servicer	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Replacement Third Party Services Provider	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Required Sale Amount	has the meaning given to it on page 150 of this Base Prospectus.
Residual Value Proceeds	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Retransferred Dealer Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Retransferred Lease Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Retransferred Lease Asset	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Retransferred Lease Assets	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Retransferred Leased Vehicle	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Sale Date	has the meaning given to it on page 34 of this Base Prospectus.
Scheduled Interest	has the meaning given to it in Condition 22 (<i>Definitions</i>).

Scheduled Payment Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Scheduled Principal	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Second person	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Secured Obligations	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Securities Act	has the meaning given to it on page 5 of this Base Prospectus.
Security Interest	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Security Transfer Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Separate Maintenance and Service Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Series	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Servicer	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Servicing Facilitator	has the meaning given to it on page 167 of this Base Prospectus.
Servicing Termination Event	has the meaning given to it on page 166 of this Base Prospectus.
SHAB	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Shareholders Agreement	has the meaning given to it on page 143 of this Base Prospectus.
SIX Listing Rules	has the meaning given to it on page 3 of this Base Prospectus.
SIX SIS	has the meaning given to it in Condition 22 (<i>Definitions</i>).
SIX Swiss Exchange	has the meaning given to it on page 1 of this Base Prospectus.
Sole Arranger	has the meaning given to it on pages 2 and 15 of this Base Prospectus.
SPE	has the meaning given to it on page 57 of this Base Prospectus.
SPE Covenants	has the meaning given to it on page 57 of this Base Prospectus.
Specified Denomination(s)	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Subordinated Loan	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Subordinated Loan Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Subordinated Loan Repayment Date	has the meaning given to it on page 168 of this Base Prospectus.
Subordinated Loan Provider	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Subscription Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Subsequent Sale Date	has the meaning given to it on page 34 of this Base Prospectus.
Subsidiary	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Substitute Assets	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Sub-unit	has the meaning given to it on page 81 of this Base Prospectus.
Successor Trustee	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Swiss Review Body	has the meaning given to it on page 1 of this Base Prospectus.

Swiss Withholding Tax	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Tax	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Tax Authority	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Tax Jurisdiction	has the meaning given to it on page 76 of this Base Prospectus.
Taxation	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Test	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Test Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Third Party Services Provider	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Total Liabilities to Relevant Creditor and Pari Passu Creditors	has the meaning given to it on page 84 of this Base Prospectus.
Tranche	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Transaction Documents	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Transfer Date	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Transfer Deed	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Transferred Dealer Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Transferred Lease Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Transferred Lease Assets	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Transferred Leased Vehicles	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Treaty	has the meaning given to it on page 194 of this Base Prospectus.
Trust Agreement	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Trustee	has the meaning given to it in Condition 22 (<i>Definitions</i>).
U.S.-Switzerland IGA	has the meaning given to it on page 194 of this Base Prospectus.
UK	has the meaning given to it on page 5 of this Base Prospectus.
UK Prospectus Regulation	has the meaning given to it on page 5 of this Base Prospectus.
Uncertificated Auto Covered Bonds	has the meaning given to it in Condition 22 (<i>Definitions</i>).
Undertaking to Provide Additional Cover	has the meaning given to it on page 156 of this Base Prospectus.
Unfair Competition Act	has the meaning given to it on page 44 of this Base Prospectus.
VAT and Value Added Tax	has the meaning given to it in Condition 22 (<i>Definitions</i>).
VAT Payment Date	has the meaning given to it on page 169 of this Base Prospectus.
VAT Receivables	has the meaning given to it on page 158 of this Base Prospectus.
VAT Trigger Event	has the meaning given to it on page 158 of this Base Prospectus.
ZEK	has the meaning given to it on page 124 of this Base Prospectus.

Issuer

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Guarantor

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