

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

**IMPORTANT: You must read the following before continuing.** The following applies to the prospectus (the "**Prospectus**") attached to this electronic transmission, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES OF THE ISSUER FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES 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 OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

By accessing the Prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the Prospectus by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (d) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act (Financial Promotion) Order 2005.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, nor the Co-Arrangers, nor the Joint Lead Managers, nor the transaction parties or any person who controls any such person or any director, officer, employee or agent of any such person (or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer or the Joint Lead Managers.

# New Day

## NEWDAY FUNDING 2015-1 PLC

(incorporated under the laws of England and Wales with limited liability under registered number 9385611)

Notes	Initial Principal Amount	Issue Price	Interest Reference Rate	Initial Margin	Scheduled Redemption Date (subject to extension)	Final Redemption Date	Expected Ratings (Fitch/DBRS)
Class A	£147,300,000	100%	1-month LIBOR	1.00%	July 2018	July 2023	AAAs/AAA(sf)
Class B	£21,600,000	100%	1-month LIBOR	1.55%	July 2018	July 2023	AAs/AA(high)(sf)
Class C	£31,800,000	100%	1-month LIBOR	1.95%	July 2018	July 2023	As/A(high)(sf)
Class D	£44,100,000	100%	1-month LIBOR	2.50%	July 2018	July 2023	BBBs/BBB(high)(sf)
Class E	£22,800,000	100%	1-month LIBOR	3.50%	July 2018	July 2023	BBs/BB(high)(sf)
Class F	£15,300,000	100%	1-month LIBOR	4.50%	July 2018	July 2023	Bs/B(high)(sf)

(ultimately backed by trust property in the Receivables Trust)

<b>Issue Date</b>	NewDay Funding 2015-1 Plc (the "Issuer") expects to issue the Notes in the classes set out above on or about 24 June 2015 (the "Series 2015-1 Closing Date").
<b>Underlying Assets</b>	The Issuer's primary source of funds to make payments on the Notes will be derived from payments made by the Loan Note Issuer to the issuer under the Series 2015-1 Loan Notes. The Series 2015-1 Loan Notes are governed by English law and subject to the jurisdiction of the English courts in the event of proceedings relating to the Series 2015-1 Loan Notes. The ultimate source of payment on the Notes will be Collections on a portfolio of designated credit card accounts (and any other such accounts (together with any charge card accounts) that may be so designated in future) acquired by NewDay Funding Transferor Ltd (the "Transferor") and initially originated or acquired by NewDay Ltd (the "Originator") in England and Wales, Scotland and Northern Ireland and certain other permitted jurisdictions. The Receivables arising on these credit card accounts have been and will be purchased by the Receivables Trustee, subject to certain criteria being satisfied (please see "The Receivables" for further details of these criteria), and held on trust for certain beneficiaries (including the Loan Note Issuer).
<b>Credit Enhancement</b>	<ul style="list-style-type: none"> <li>• subordination of more junior ranking Notes (please see "Credit Structure and Cashflows" for further details);</li> <li>• subordination of the Series Originator VFN Subordination allocable to Series 2015-1 (please see "Other Series Issued" for further details); and</li> <li>• excess spread including excess spread not required for certain other Series grouped with Series 2015-1 (please see "Series 2015-1" for further details).</li> </ul>
<b>Liquidity Support</b>	<ul style="list-style-type: none"> <li>• use of Principal Collections to fund shortfalls for more senior Investor Interests (please see "Series 2015-1" for further details);</li> <li>• use of Principal Collections and Finance Charge Collections allocated to the Series Originator VFN Subordination allocable to Series 2015-1;</li> <li>• sharing of Finance Charge Collections with other Series grouped with Series 2015-1 (please see "Series 2015-1" for further details); and</li> <li>• use of the Series 2015-1 Liquidity Reserve for Class A Notes, Class B Notes, Class C Notes and Class D Notes (please see "Series 2015-1" for further details).</li> </ul>
<b>Redemption Provisions</b>	Information on the redemption of the Notes is summarised on page 51 and set out in full in Note Condition 7 (Redemption). The Series 2015-1 Scheduled Redemption Date of the Notes may be extended in accordance with Note Condition 7 (Redemption).
<b>Rating Agencies</b>	In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "CRA Regulation"). Each of Fitch Ratings Limited ("Fitch") and DBRS Ratings Limited ("DBRS") (together, the "Rating Agencies") is a credit rating agency established and operating in the European Union and registered under the CRA Regulation.
<b>Ratings</b>	Each credit rating assigned to the Notes reflects the relevant Rating Agency's assessment only of the likelihood of payment of interest and principal to Noteholders and may not reflect the potential impact of all risks related to the transaction structure, the other risk factors listed in this Prospectus, or any other factors that may affect the value of the Notes. These ratings are based on the Rating Agencies' determination of, <i>inter alia</i> , the value of the Receivables, the reliability of the payments on the Receivables and the availability of credit enhancement and liquidity.

The ratings do not address the following:

- (i) the likelihood that the principal on the Notes will be redeemed or paid, as expected, on the Series 2015-1 Scheduled Redemption Date;
- (ii) the possibility of the imposition of United Kingdom or any other withholding tax;
- (iii) the marketability of the Notes, or any market price for the Notes; or
- (iv) whether an investment in the Notes is a suitable investment.

The ratings assigned by DBRS address the risk of default, being the risk that the Issuer will fail to satisfy its financial obligations relating to the Notes in accordance with the terms under which the Notes have been issued.

Ratings will be assigned to the Notes which are to be rated as set out above on or before the Series 2015-1 Closing Date. **The assignment of ratings to the Notes is not a recommendation to invest in the Notes. Any credit rating assigned to the Notes may be revised or withdrawn at any time.**

**Listing**

This document comprises a prospectus (the "**Prospectus**"), for the purpose of Directive 2003/71/EC (the "**Prospectus Directive**"). An application has been made to the Financial Conduct Authority (the "**FCA**") as competent authority under the Prospectus Directive in order for the Prospectus to be approved.

Applications have been made for the Notes to be admitted to listing on the official list of the UK Listing Authority (the "**Official List**") and to trading on the regulated market of the London Stock Exchange plc (the "**Regulated Market**"). The Regulated Market is a regulated market for the purposes of Directive 2004/39/EC.

**Obligations**

The Notes will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. The Notes will not be obligations of NewDay Funding Transferor Ltd, NewDay Cards Ltd ("**NCL**"), the Co-Arrangers (as named below), the Joint Lead Managers (as named below) or any affiliate of any of them or any other party named in this Prospectus.

**Retention Undertaking**

NewDay Funding Transferor Ltd as Transferor will be the originator of the securitisation detailed in this Prospectus for the purposes of EU Regulation 575/2013 (the "**CRR**") and EU Regulation 231/2013 (the "**AIFMR**") and confirms that it will (i) retain a material net economic interest of not less than 5 per cent. of the nominal value of the securitisation in accordance with Article 405 of the CRR and Article 51 of the AIFMR until the Series 2015-1 Final Redemption Date by way of a retention in accordance with paragraph 1(b) of Article 405 of the CRR and paragraph 1(b) of Article 51 of the AIFMR (as in force at the Series 2015-1 Closing Date) of an originator's interest of not less than 5 per cent. of the nominal value of the securitised exposures (such retention being in the form of the Originator VFN Loan Note) and (ii) provide on a timely basis all information required to be made available by the originator pursuant to Article 409 of the CRR as implemented by the UK Prudential Regulation Authority ("**UK PRA**"), subject always to any requirement of law and **provided that** the Transferor will not be in breach of such undertaking if it fails to so comply due to events, actions or circumstances beyond the control of the Transferor.

**THE "RISK FACTORS" SECTION STARTING ON PAGE 3 CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.**

*Co-Arrangers*

**Citigroup**

**NewDay Cards Ltd**

*Joint Lead Managers*

**Citigroup**

**Deutsche Bank AG**

**Lloyds Bank**

**The Royal Bank of  
Scotland**

Prospectus dated 12 June 2015

## IMPORTANT NOTICES

**THE NOTES WILL BE OBLIGATIONS OF THE ISSUER ONLY. THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER) OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER) OR THE CO-ARRANGERS OR THE JOINT LEAD MANAGERS. NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES SHALL BE ACCEPTED BY THE CO-ARRANGERS, THE JOINT LEAD MANAGERS OR ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER), OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS THE CO-ARRANGERS, THE JOINT LEAD MANAGERS OR ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER).**

YOU SHOULD REVIEW AND CONSIDER THE DISCUSSION UNDER "*RISK FACTORS*" BEGINNING ON PAGE 3 IN THIS PROSPECTUS BEFORE YOU PURCHASE ANY NOTES.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. NO REPRESENTATION IS MADE BY THE CO-ARRANGERS, THE JOINT LEAD MANAGERS OR ANY OF THE TRANSACTION PARTIES THAT THIS PROSPECTUS MAY BE LAWFULLY DISTRIBUTED, OR THAT THE NOTES MAY BE LAWFULLY OFFERED, IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN ANY SUCH JURISDICTION, OR PURSUANT TO AN EXEMPTION AVAILABLE THEREUNDER, AND NONE OF THEM ASSUMES ANY RESPONSIBILITY FOR FACILITATING ANY SUCH DISTRIBUTION OR OFFERING. IN PARTICULAR, SAVE FOR OBTAINING THE APPROVAL OF THIS PROSPECTUS AS A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE BY THE FCA, NO ACTION HAS BEEN OR WILL BE TAKEN BY ANY OF THE TRANSACTION PARTIES WHICH WOULD PERMIT A PUBLIC OFFERING OF THE NOTES OR DISTRIBUTION OF THIS PROSPECTUS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL 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 PROSPECTUS COMES ARE REQUIRED BY THE ISSUER, THE CO-ARRANGERS AND THE JOINT LEAD MANAGERS TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER RELEVANT JURISDICTION. THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. THE NOTES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN UNDER "*DESCRIPTION OF THE NOTES IN GLOBAL FORM*" AND "*TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*".

THE NOTES WILL BE SUBJECT TO RESTRICTIONS ON TRANSFER AS DESCRIBED HEREIN. EACH INITIAL PURCHASER AND SUBSEQUENT TRANSFEREE OF THE NOTES WILL BE DEEMED, BY ITS ACQUISITION OR HOLDING OF SUCH NOTES, TO HAVE MADE THE REPRESENTATIONS SET FORTH IN THIS PROSPECTUS (IN THE SECTION ENTITLED "*TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*"). ANY RESALE OR OTHER TRANSFER, OR ATTEMPTED RESALE OR OTHER ATTEMPTED TRANSFER, OF NOTES WHICH IS NOT MADE IN COMPLIANCE WITH THE APPLICABLE TRANSFER RESTRICTIONS WILL BE VOID. THE NOTES WILL ALSO BEAR RESTRICTIVE LEGENDS.

NONE OF THE ISSUER, THE CO-ARRANGERS OR THE JOINT LEAD MANAGERS MAKES ANY REPRESENTATION TO ANY PROSPECTIVE INVESTOR OR PURCHASER OF THE NOTES REGARDING THE LEGALITY OF INVESTMENT THEREIN BY SUCH PROSPECTIVE

INVESTOR OR PURCHASER UNDER APPLICABLE INVESTMENT OR SIMILAR LAWS OR REGULATIONS.

THE ISSUER ACCEPTS RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS AND DECLARES THAT, HAVING TAKEN ALL REASONABLE CARE TO ENSURE SUCH IS THE CASE, THE INFORMATION IN THIS PROSPECTUS, TO THE BEST OF ITS KNOWLEDGE, IS IN ACCORDANCE WITH THE FACTS AND CONTAINS NO OMISSION LIKELY TO AFFECT ITS IMPORT. ANY INFORMATION SOURCED FROM THIRD PARTIES CONTAINED IN THIS PROSPECTUS HAS BEEN ACCURATELY REPRODUCED (AND IS CLEARLY SOURCED WHERE IT APPEARS IN THIS PROSPECTUS) AND, AS FAR AS THE ISSUER IS AWARE AND IS ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

NEWDAY FUNDING TRANSFEROR LTD ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE TRANSFEROR*". TO THE BEST OF THE KNOWLEDGE AND BELIEF OF NEWDAY FUNDING TRANSFEROR LTD (HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY NEWDAY FUNDING TRANSFEROR LTD AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTIONS REFERRED TO ABOVE) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

NEWDAY CARDS LTD ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE ORIGINATOR, THE SERVICER AND THE NEWDAY GROUP*". TO THE BEST OF THE KNOWLEDGE AND BELIEF OF NEWDAY CARDS LTD (HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY NEWDAY CARDS LTD AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION REFERRED TO ABOVE) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

NEWDAY FUNDING LOAN NOTE ISSUER LTD ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE LOAN NOTE ISSUER*". TO THE BEST OF THE KNOWLEDGE AND BELIEF OF NEWDAY FUNDING LOAN NOTE ISSUER LTD (HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY NEWDAY FUNDING LOAN NOTE ISSUER LTD AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION REFERRED TO ABOVE) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

NO PERSON IS AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE OFFERING OR SALE OF THE NOTES OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY ANY OF THE TRANSACTION PARTIES OR ANY OF THEIR RESPECTIVE AFFILIATES OR ADVISERS. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE OR ALLOTMENT MADE IN CONNECTION WITH THE OFFERING OF THE NOTES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION OR CONSTITUTE A

REPRESENTATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER OR THE ORIGINATOR OR IN THE OTHER INFORMATION CONTAINED HEREIN SINCE THE DATE HEREOF. THE INFORMATION CONTAINED IN THIS PROSPECTUS WAS OBTAINED FROM THE ISSUER AND THE OTHER SOURCES IDENTIFIED HEREIN, BUT NO ASSURANCE CAN BE GIVEN BY THE CO-ARRANGERS, THE JOINT LEAD MANAGERS, THE SECURITY TRUSTEE OR THE NOTE TRUSTEE AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. NONE OF THE CO-ARRANGERS, THE JOINT LEAD MANAGERS, THE SECURITY TRUSTEE OR THE NOTE TRUSTEE HAS SEPARATELY VERIFIED THE INFORMATION CONTAINED HEREIN. ACCORDINGLY, NONE OF THE CO-ARRANGERS, THE JOINT LEAD MANAGERS, THE SECURITY TRUSTEE OR THE NOTE TRUSTEE MAKES ANY REPRESENTATION, EXPRESS OR IMPLIED, OR ACCEPTS ANY RESPONSIBILITY, WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION IN THIS PROSPECTUS OR ANY PART THEREOF, OR ANY OTHER INFORMATION PROVIDED BY THE ISSUER IN CONNECTION WITH THE NOTES. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NONE OF THE CO-ARRANGERS, THE JOINT LEAD MANAGERS, THE SECURITY TRUSTEE OR THE NOTE TRUSTEE UNDERTAKES OR SHALL UNDERTAKE TO REVIEW THE FINANCIAL CONDITION OR AFFAIRS OF THE ISSUER OR TO ADVISE ANY INVESTOR OR POTENTIAL INVESTOR IN THE NOTES OF ANY INFORMATION COMING TO THE ATTENTION OF THE CO-ARRANGERS, THE JOINT LEAD MANAGERS, THE SECURITY TRUSTEE OR THE NOTE TRUSTEE. THE CONTENTS OF THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS PROVIDING LEGAL, BUSINESS, ACCOUNTING OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN LEGAL, BUSINESS, ACCOUNTING AND TAX ADVISERS PRIOR TO MAKING A DECISION TO INVEST IN THE NOTES.

THE DELIVERY OF THIS PROSPECTUS AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AT ANY TIME SUBSEQUENT TO ITS DATE.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION BY OR ON BEHALF OF, THE ISSUER, THE ORIGINATOR, THE CO-ARRANGERS, THE JOINT LEAD MANAGERS OR ANY OF THEM TO SUBSCRIBE FOR OR PURCHASE ANY OF THE NOTES IN ANY JURISDICTION WHERE SUCH ACTION WOULD BE UNLAWFUL AND NEITHER THIS PROSPECTUS, NOR ANY PART THEREOF, MAY BE USED FOR OR IN CONNECTION WITH ANY OFFER TO, OR SOLICITATION BY, ANY PERSON IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

THIS PROSPECTUS IS PERSONAL TO THE OFFEREE WHO RECEIVED IT FROM ANY CO-ARRANGER OR JOINT LEAD MANAGER AND DOES NOT CONSTITUTE AN OFFER TO ANY OTHER PERSON TO PURCHASE ANY NOTES.

PROSPECTIVE PURCHASERS OF THE NOTES MUST BE ABLE TO HOLD THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. ANY INVESTMENT IN THE NOTES IS ONLY SUITABLE FOR INVESTORS EXPERIENCED IN FINANCIAL MATTERS WHO ARE IN A POSITION TO FULLY ASSESS THE RISKS RELATING TO SUCH INVESTMENT AND HAVE SUFFICIENT FINANCIAL MEANS TO SUFFER ANY POTENTIAL LOSS STEMMING THEREFROM.

THIS PROSPECTUS IS NOT INTENDED TO FURNISH LEGAL, REGULATORY, TAX, ACCOUNTING, INVESTMENT OR OTHER ADVICE TO ANY PROSPECTIVE PURCHASER OF THE NOTES.

THIS PROSPECTUS SHOULD BE REVIEWED BY EACH PROSPECTIVE PURCHASER AND ITS LEGAL, REGULATORY, TAX, ACCOUNTING, INVESTMENT AND OTHER ADVISERS. PROSPECTIVE PURCHASERS WHOSE INVESTMENT AUTHORITY IS SUBJECT TO LEGAL RESTRICTIONS SHOULD CONSULT THEIR LEGAL ADVISERS TO DETERMINE WHETHER AND TO WHAT EXTENT THE NOTES CONSTITUTE LEGAL INVESTMENTS FOR THEM.

In this Prospectus all references to "**Member State**" are references to a Member State of the European Union and references to "**Pounds**", "**Sterling**", "**GBP**" and "**£**" are references to the lawful currency for the time being of the United Kingdom.

### **Forward-Looking Statements**

Some of the statements contained in this Prospectus consist of forward-looking statements relating to future economic performance or projections and other financial items. These statements can be identified by the use of forward-looking terminology, such as the words "believes", "expects", "may", "intends", "should" or "anticipates" or the negative or other variations of those terms. These statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results and performance of the Notes, the Receivables, NewDay Funding Transferor Ltd, NewDay Cards Ltd or the United Kingdom consumer credit industry to differ materially from any future results or performance expressed or implied in the forward-looking statements. These risks, uncertainties and other factors include, among others general economic and business conditions in the United Kingdom, currency exchange rate and interest rate fluctuations, government, statutory, regulatory or administrative initiatives affecting NewDay Funding Transferor Ltd, NewDay Cards Ltd or their respective businesses, changes in business strategy, lending practices or customer relationships and other factors that may be referred to in this Prospectus. Some of the most significant of these risks, uncertainties and other factors are discussed in this Prospectus under the section entitled "*Risk Factors*", and potential investors are encouraged to carefully consider those factors prior to making an investment decision in relation to the Notes.

### **Disclosure of Interests**

In addition to the interests described in this Prospectus, prospective investors should be aware that each of the Co-Arrangers, the Joint Lead Managers and their respective related entities, associates, affiliates, officers or employees (each a "**Relevant Entity**") may be involved in a broad range of transactions including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research in various capacities in respect of the Notes, the Issuer or any other transaction party, both on its own account and for the account of other persons. This may include, *inter alia*, taking positions in, or providing funding through, other Series, including through the acquisition of Related Debt or Associated Debt and/or providing support to one or more Series through a Qualifying Swap Agreement or other form of Enhancement. In this regard, Relevant Entities will be subscribers for some or all classes of the Notes, the Series 2015-VFN Loan Note and the Originator VFN Loan Note as at the Series 2015-1 Closing Date and a Relevant Entity may be the provider of one or more Qualifying Swap Transactions after the Series 2015-1 Closing Date. As such, each Relevant Entity may have various potential and actual conflicts of interest arising in the ordinary course of its business. For example, a Relevant Entity's dealings with respect to the Notes, the Issuer or any other transaction party may affect the value of the Notes as the interests of this Relevant Entity may conflict with the interests of a Noteholder, and that Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, no Relevant Entity is restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents or the interests described above and may continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders. The Relevant Entities may in so doing act without notice to, and without regard to the interests of, the Noteholders or any other person. Capitalised terms used in this paragraph which are not defined above shall have the meanings given to them in the main body of this Prospectus (see "*Appendix B – Index of Defined Terms*").

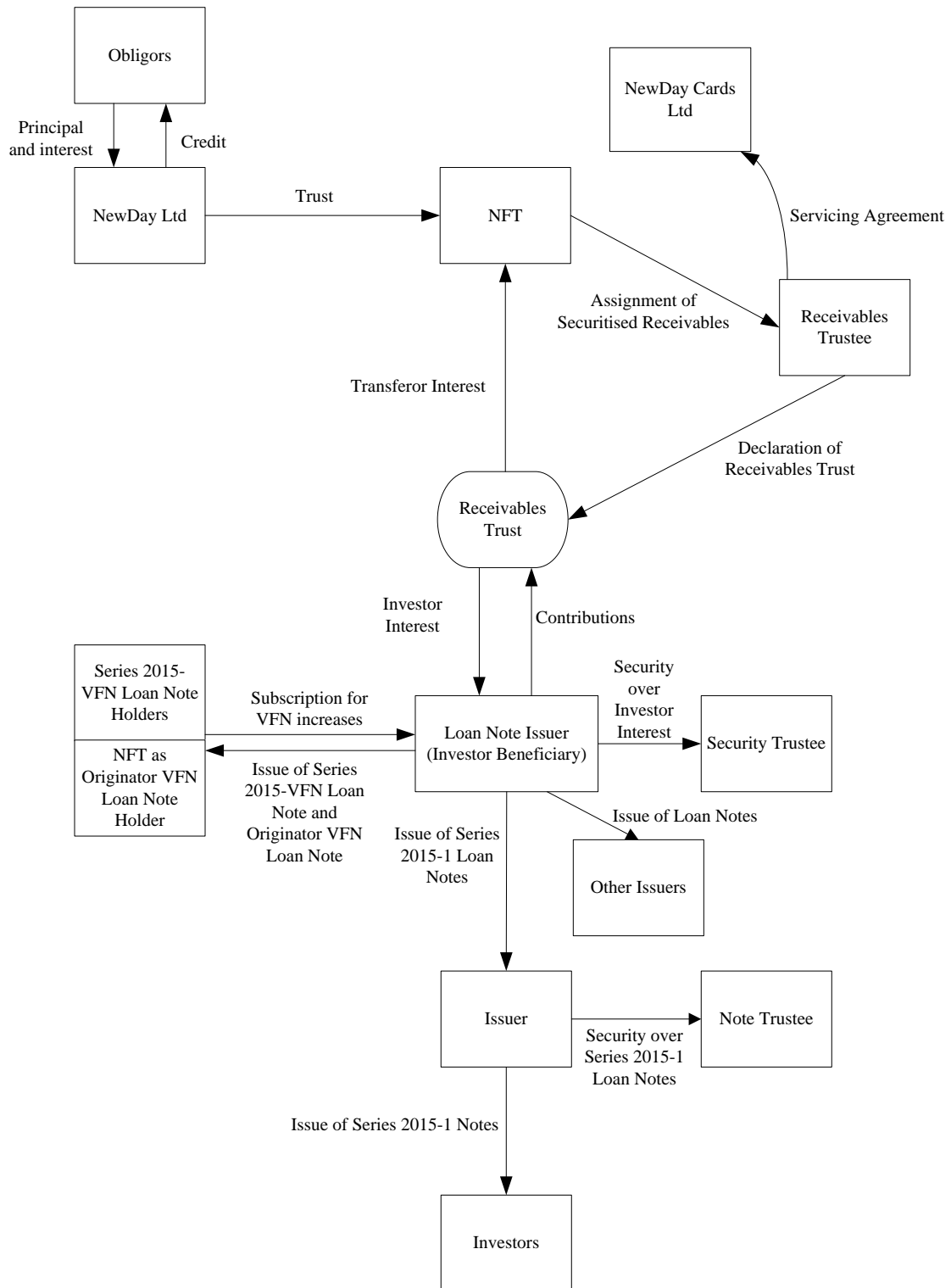
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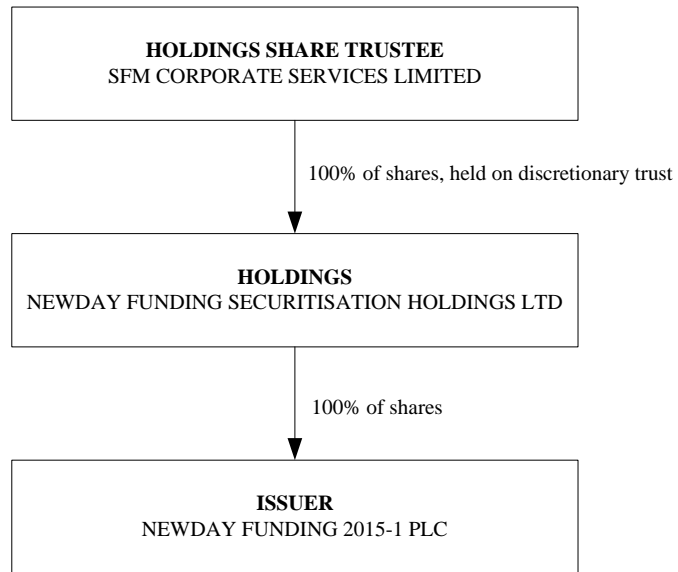


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## STRUCTURAL DIAGRAM OF TRANSACTION



## DIAGRAMMATIC OVERVIEW OF THE ISSUER'S OWNERSHIP STRUCTURE



The above diagram illustrates the ownership structure of the Issuer, as follows:

- The entire issued share capital of the Issuer is beneficially owned by Holdings.
- The entire issued share capital of Holdings is held on trust by the Holdings Share Trustee under the terms of a discretionary trust.

## RISK FACTORS

*The following is a description of the principal risks associated with an investment in the Notes. These risk factors are material to an investment in the Notes and in the Issuer. Prospective Noteholders should carefully read and consider all the information contained in this Prospectus, including the risk factors set out in this section, prior to making any investment decision.*

The Issuer believes that the risks described below are the principal risks inherent in the transaction for Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks relating to the Notes are exhaustive. Additional risks or uncertainties not presently known to the Issuer or that the Issuer currently considers immaterial may also have an adverse effect on the Issuer's ability to pay interest, principal or other amounts in respect of the Notes. Prospective Noteholders should read the detailed information set out in this document and reach their own views, together with their own professional advisers, prior to making any investment decision. Prospective Noteholders should read the sections of this Prospectus entitled "*Transaction Overview*" to "*Triggers Table*" (inclusive) before reading and considering the risks described below.

### **Risks relating to the Notes**

#### **Noteholders Cannot Rely on Any Person Other Than the Issuer to Make Payments on the Notes**

The Notes will not represent an obligation or be the responsibility of any party to the Transaction Documents other than the Issuer. If the assets of the Issuer are not sufficient to make payments of interest and/or principal on the Notes when due, such payments may be delayed, reduced or lost.

#### **Absence of Secondary Market, Limited Liquidity**

No active and liquid secondary market for the Notes will exist on the Series 2015-1 Closing Date and no assurance is provided that an active and liquid secondary market for the Notes will develop after the Series 2015-1 Closing Date or, if it does develop, that it will provide Noteholders with liquidity of investment for the life of the Notes. Any investor in the Notes must be prepared to hold their Notes for an indefinite period of time or until their final maturity date or alternatively such investor may only be able to sell the Notes at a discount to the original purchase price of those Notes.

The secondary market for asset-backed securities similar to the Notes has, at times, experienced limited liquidity. Limited liquidity in the secondary market may have an adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors.

Whilst central bank schemes such as the Bank of England's Discount Window Facility, the European Central Bank's liquidity scheme and the European Central Bank's asset-backed securities purchase programme may provide or have provided an important source of liquidity in respect of eligible securities, restrictions in respect of the relevant eligibility criteria for eligible collateral which applies and will apply in the future under such facilities may impact secondary market liquidity for asset-backed securities in general, regardless of whether the Notes are eligible securities for the purpose of such facilities. Moreover, there is no certainty that the Notes will be accepted as eligible securities for any such facilities either upon issue or subsequently.

Further, investors should be aware that, if insufficient information is provided to investors on the performance of the Receivables while the Notes remain outstanding, potential

secondary market purchasers may be less willing to invest in the Notes or, for certain classes of investor, be prevented from, or incur significant capital costs as a result of, making such an investment due to regulation applicable to such investors. Moreover, for certain classes of investors, failure of relevant parties to the transaction to maintain the retention required by regulation applicable to them may also result in those investors being prevented from, or incurring significant capital costs as a result of, making any investment in the Notes. Each of these situations may adversely affect secondary market liquidity for the Notes.

Neither the Issuer, the Co-Arrangers nor the Joint Lead Managers are or will be obliged to make a market for the Notes.

### **Increased Prudential Regulation**

Recent developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in the United Kingdom, the United States and elsewhere have provided additional capital and funding requirements and are implementing other measures including increased regulatory control (including by way of enhanced capital requirements) in their respective financial sectors. It is uncertain how the regulatory climate will impact financial institutions and entities involved in securitisations of assets originated by such financial institutions, including the Issuer and the Loan Note Issuer.

Significant changes to the Basel II regulatory capital and liquidity framework have been approved by the Basel Committee on Banking Supervision ("**Basel Committee**") (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). Basel III set an implementation deadline on member countries to implement the new capital standards from 1 January 2013, the new Liquidity Coverage Ratio from 1 January 2015 and the Net Stable Funding Ratio from 1 January 2018.

The Basel III reform package has been implemented in Europe through amendments to the Capital Requirements Directive and through an associated Capital Requirements Regulation (together known as "**CRD IV**"), which were published in the Official Journal of the European Union on 27 June 2013. Full implementation began from 1 January 2014, with particular elements being phased in over a period of time, to be fully effective by 2024. The changes approved by the Basel Committee may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

**Regulatory Initiatives May Result in Increased Regulatory Capital Requirements for Certain Investors and/or Decreased Liquidity in Respect of the Notes**

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities.

**Allocations of Defaulted Receivables Could Reduce Payments on the Notes**

The Issuer anticipates that the Servicer will charge off for credit or non-credit reasons some of the Receivables (such Receivables being "**Defaulted Receivables**"). Each Investor Interest in the Receivables Trust will be allocated a portion of those Defaulted Receivables. If the amount of Defaulted Receivables allocated to the Investor Interest exceeds the amount of funds available to cover those Defaulted Receivables, the Investor Interest will be reduced. This could cause Noteholders to not receive the full amount of principal and interest due to them. Any potential losses attributable to the Defaulted Receivables will be reallocated so as to be borne first by the ring-fenced Series Originator VFN Subordination provided to Series 2015-1 up to the available amount for Series 2015-1 and second to be borne by the different classes of Notes, with the Class F Notes bearing the first losses, followed by the Class E Notes, followed by the Class D Notes, followed by the Class C Notes, followed by the Class B Notes, followed by the Class A Notes as further described in this Prospectus. See "*Series 2015-1: Defaulted and Dilution Receivables; Investor Charge-offs; Allocation to Series 2015-1 and the Originator VFN*" and "*The Securitised Portfolio: Delinquency, Collections and Loss Experience.*"

**The Issuer's Ability to Meet its Obligations on the Notes Depends on Payments Under the Series 2015-1 Loan Notes**

The ability of the Issuer to pay principal and interest on the Notes will depend on the receipt by it of payments under the Series 2015-1 Loan Notes.

The Issuer will be entitled to receive interest payments under the Series 2015-1 Loan Notes which will be applied, *inter alia*, (i) to pay the fees, costs and expenses of the Issuer, the Note Trustee, the Agents, the Registrar, the Issuer Account Bank and the Issuer Corporate Services Provider and other service providers from time to time, (ii) to meet its obligations to pay interest on the Notes to Noteholders, (iii) to pay amounts representing the profit for the Issuer, and (iv) to meet any other payments required to be made by the Issuer.

Additionally, the Issuer will be entitled to receive certain principal payments under the Series 2015-1 Loan Notes which will be applied in redeeming the Notes.

If the Issuer fails to receive sufficient funds under the Series 2015-1 Loan Notes from the Loan Note Issuer then the payment of interest and/or the repayment of principal on the Notes may be delayed or reduced or lost.

The Issuer's receipt of sufficient funds under the Series 2015-1 Loan Notes to pay the amounts due and to repay the entire principal amount of the Notes will be dependent on, amongst other things: (i) payments actually being made by Obligor (from whom no security has been taken in support of those payments) and the proceeds of any relevant guarantees or insurance policies

in respect of Obligors (to the extent such are capable of assignment), (ii) those payments being collected by the Servicer in accordance with the provisions of the Receivables Trust Deed and Servicing Agreement and paid to the Receivables Trustee, (iii) distribution being made by the Receivables Trustee to the Loan Note Issuer of amounts allocable to the Loan Note Issuer in accordance with the Receivables Trust Deed and Servicing Agreement in respect of the Series 2015-1 Investor Interest, (iv) payment being made by any Qualifying Swap Provider in respect of its obligations to the Loan Note Issuer under any Qualifying Swap Agreement in respect of Series 2015-1, (v) the availability of funds reallocated to the Loan Note Issuer in respect of Series 2015-1 from funds available to the Originator VFN Series by reference to the Available Series Originator VFN Subordination for Series 2015-1 where there would otherwise be a shortfall, (vi) the availability of any Shared Excess Finance Charges (as more particularly set out in "*Series 2015-1 - Shared Excess Finance Charges*" below) to meet any remaining shortfall, and (vii) payment being made by the Loan Note Issuer in respect of its obligations to the Issuer under the Series 2015-1 Loan Notes.

Amounts paid to the Issuer by the Loan Note Issuer in respect of the Series 2015-1 Loan Notes will be used to pay principal and interest on the Notes in accordance with the Note Conditions (subject to payment of amounts for fees, costs and expenses of the Issuer and amounts representing Issuer profit).

**A Partial Amortisation Event May Result in an Early Redemption of the Notes**

A Partial Amortisation Event will occur if certain thresholds are breached and there is Cash Available for Investment in the Receivables Trustee Investment Account. These thresholds relate, broadly, to excess spread being below a minimum threshold level or the amount of retained Cash Available for Investment exceeding a maximum amount, in each case, for a specified period of time. Retention of Cash Available for Investment may occur, for example, as a result of Collections materially exceeding the amount of new Principal Receivables being added to the Receivables Trust, causing Cash Available for Investment to increase.

If a Partial Amortisation Event occurs, the Servicer is required to give notice to the Receivables Trustee of a Partial Amortisation of some or all of the Outstanding Series. The conditions for giving such notice are described below at "*Series 2015-1 – Partial Amortisation*". This would result in the Receivables Trustee using Cash Available for Investment to amortise (in whole or in part) the Investor Interests selected by the Servicer (in accordance with principles specified in the Transaction Documents), which may include the Series 2015-1 Investor Interest, which would lead to the Notes being redeemed in part or in full earlier than expected. The principles that the Servicer will apply to select the Investor Interests to be amortised (in whole or in part) consist, broadly, of the following in the following order of priority: first, to accumulate or amortise Series in Group One in an accumulation or amortisation period; secondly, to avoid a Pay Out Event occurring; thirdly, to maintain the rating of any outstanding Rated Debt; fourthly, to amortise any VFN Series (other than the Originator VFN Series) and the Originator VFN Excess Amount; and, finally, to amortise each other Series in Group One (other than the Originator VFN Series) by way of proximity to the Scheduled Redemption Dates of each Series. Investors should be aware that the Notes may be redeemed as a

result of a reduction in the amount of excess spread for a Series, other than Series 2015-1, falling below the minimum threshold level at a time when the amount of excess spread for Series 2015-1 was not below the minimum threshold level.

**The Series 2015-1 Scheduled Redemption Date May be Extended**

In accordance with the Note Conditions and the Series 2015-1 Supplement, the Series 2015-1 Scheduled Redemption Date may be extended by up to a year if the Servicer serves a Series Extension Notice in accordance with the terms of the Series 2015-1 Supplement. This would lead to principal on the Notes being repaid on a date later than that which Noteholders may otherwise have anticipated when acquiring the Notes. For further information, please see "*Series 2015-1*" and "*Terms and Conditions of the Notes*". Any investor in the Notes must therefore be prepared to hold Notes for a period beyond the initial Series 2015-1 Scheduled Redemption Date. Extending the Series 2015-1 Scheduled Redemption Date could adversely impact the price and liquidity of the Notes in the secondary market.

**The Subordinated Notes Bear Additional Risk Because They are Subject to the Prior Payment of Amounts due on Notes Senior to Them**

Although all Notes in Series 2015-1 benefit from the availability of Principal Collections and Finance Charge Collections from amounts calculated by reference to the Originator VFN Series Subordination within the Originator VFN Series, the Class F Notes are subordinated in right of payment of principal and interest to the Class E Notes, which are subordinated in right of payment of principal and interest to the Class D Notes, which are subordinated in right of payment of principal and interest to the Class C Notes, which are subordinated in right of payment of principal and interest to the Class B Notes, which are subordinated in right of payment of principal and interest to the Class A Notes. Principal payments to Noteholders of subordinated Notes will not be made until the Noteholders of each senior class are paid in full. On each Interest Payment Date, interest is paid to the Class A Noteholders before the Class B Noteholders, to the Class B Noteholders before the Class C Noteholders, to the Class C Noteholders before the Class D Noteholders, to the Class D Noteholders before the Class E Noteholders and to the Class E Noteholders before the Class F Noteholders. This could result in holders of subordinated Notes not receiving the full amount of principal or interest due to them where the Issuer suffers a cash shortfall and where the Series Originator VFN Subordination in respect of Series 2015-1 is not available and the Issuer does not have access to sufficient Shared Principal Collections and/or Shared Excess Finance Charges.

**Permitted Investments**

Volatility in financial markets may adversely affect the credit ratings of Permitted Investments. Although Permitted Investments are required to have specified credit ratings from the Rating Agencies at the time of purchase or to otherwise meet Rating Agency standards intended to minimise risk of loss on such investments, risk of loss cannot be entirely eliminated. Previous adverse market conditions have led to a number of fixed income securities, especially structured finance or asset-backed securities, being downgraded in a short space of time.

**U.S. Foreign Account Tax Compliance Withholding**

In certain circumstances payments made on or with respect to the Notes after 31 December 2016 may be subject to U.S. withholding tax under Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as "**FATCA**"). This withholding does not apply to payments on Notes that are issued prior to the date that is six months after the date on which



the final regulations that define "foreign passthru payments" are published unless the Notes are "materially modified" after that date or are characterised as equity for U.S. federal income tax purposes.

Whilst the Notes are in global form and held within Euroclear and Clearstream, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the Clearing Systems (see "*Foreign Account Tax Compliance Act*"). However, FATCA may affect payments made to other clearing organisations, custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution 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 their 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. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once payment has been made by the Principal Paying Agent to the Clearing Systems and the Issuer will have no responsibility for any amount thereafter transmitted through the Clearing Systems and custodians or intermediaries.

**Issuance of Additional Series of Loan Notes May Adversely Affect Noteholders' Rights by Diluting their Voting Power**

The Loan Note Issuer may issue additional series of Loan Notes. The Loan Note Holders of each series – including the Issuer – may require the Loan Note Issuer, as Investor Beneficiary, to take action or direct actions to be taken under the Security Trust Deed and Cash Management Agreement or a supplement. However, the consent or approval of Loan Note Holders of a percentage of the total principal balance of the Loan Notes of all series might be necessary to require or direct those actions. Thus, the Loan Note Holder of any new series of Loan Notes will have voting rights that will reduce the percentage interest of the Issuer as holder of the Series 2015-1 Loan Notes. Loan Note Holders of other series – and/or persons with the power to direct their actions – may have interests that do not coincide with the interests of the Issuer or Noteholders.

**Enforcement of the Security for the Notes**

If the Security for the Notes created by the Note Trust Deed is enforced following an Event of Default, the Note Trustee will have recourse to payments due from the Loan Note Issuer under the Series 2015-1 Loan Notes and contractual payments in respect of the Available Series Originator VFN Subordination for Series 2015-1. Prospective investors should also note that enforcement of the Security for the Notes will not automatically result in acceleration of the payments under the Series 2015-1 Loan Notes or enforcement of the related security. If the Security for the Notes is enforced, the monies deposited in respect of the Series 2015-1 Loan Notes on each Transfer Date in the Issuer Distribution Account may not be sufficient to make payments of

all amounts due from the Issuer. If funds credited to the Issuer Distribution Account, taking into account all payments in priority owed by the Issuer, are insufficient to meet payments of principal and interest on the Notes, payment of principal and interest on the Notes may be delayed, reduced or lost.

For a complete description of the priority of payments please refer to "*Series 2015-1 – Application of Available Funds*". See also "*Insolvency Proceedings and Subordination Provisions*".

**Enforcement of the Series 2015-1  
Loan Note Security**

Upon enforcement of the Security for the Series 2015-1 Loan Notes comprised in the Security Trust Deed and Cash Management Agreement and the relevant supplement thereto, the Security Trustee will have recourse only to the Loan Note Issuer's beneficial entitlement to trust property under the Receivables Trust to the extent of the Investor Interest backing the Series 2015-1 Loan Notes. However, enforcement of the Security in respect of the Series 2015-1 Loan Notes will not result in accelerated repayment of all series of Loan Notes, except in the event of a Trust Pay Out Event (see "*The Receivables Trust – Trust Pay Out Events*"). The Security Trustee will be able to pay to the Issuer as beneficial holder of the Series 2015-1 Loan Notes only those funds which are credited to the Series 2015-1 Ledger of the Loan Note Issuer Distribution Account. The Loan Note Issuer and the Security Trustee will have no recourse to the Transferor other than the ability (in certain circumstances) to call upon the Receivables Trustee to exercise its rights against the Transferor under the Receivables Securitisation Deed for any breach of certain representations in respect of the Receivables and for any breach of certain other obligations as therein specified. If funds credited to the Series 2015-1 Ledger of the Loan Note Issuer Distribution Account are insufficient to meet payments of principal and interest on the Series 2015-1 Loan Notes, taking into account all payments to be made in priority by the Loan Note Issuer, payments of principal and interest on the Notes may be delayed, reduced or lost.

For a complete description of the priority of payments in respect of the Series 2015-1 Loan Notes, please refer to "*The Series 2015-1 Loan Notes – Cashflows of the Loan Note Issuer*".

**The Obligations of the Obligors  
under the Designated Accounts are  
Unsecured**

The Transferor will assign only the benefit of the Receivables arising under Designated Accounts, which consist or will consist of unsecured monetary obligations of Obligors under the agreements establishing the Designated Accounts, together with the benefit of certain amounts of Acquired Interchange, Dilution Refunds, acquired recoveries, insurance proceeds and payments under certain guarantees of Obligors' obligations (to the extent capable of assignment). No Security has been given by any Obligor for any such monetary obligations, and the Originator has no interest (and, therefore, cannot assign the benefit of any interest) in any property acquired by an Obligor with the proceeds of any credit extended to an Obligor under a Designated Account. Should enforcement action be necessary against an Obligor, no direct recourse could be had to any assets of such Obligor. There is a risk that, in such circumstances, the Receivables may not be recoverable in full.

**Reliance on Third Parties**

Each of the Receivables Trustee, the Loan Note Issuer and the Issuer is a party to contracts with a number of other third parties that have agreed to perform certain services in relation to the

Receivables. For example, the Servicer has agreed to provide services, either itself or through its delegates, in respect of the Receivables under the Receivables Trust Deed and Servicing Agreement, each of the Cash Manager and the Calculation Agent has agreed to provide certain cash management and calculation services, either itself or through its delegates, under the Security Trust Deed and Cash Management Agreement and the Paying Agents and the Agent Bank have agreed to provide payment and calculation services in connection with the Notes under the Paying Agency and Agent Bank Agreement. Each of the Servicer, the Paying Agents, the Calculation Agent, the Agent Bank and the Cash Manager may delegate all or part of their service obligations to another party in accordance with the terms of the Receivables Trust Deed and Servicing Agreement, the Paying Agency and Agent Bank Agreement and Security Trust Deed and Cash Management Agreement, as applicable.

Each of the Receivables Trustee, the Loan Note Issuer and the Issuer will rely on the relevant third party or its delegate to exercise the rights and carry out the obligations under the respective agreement to which it is a party. In the event that any relevant third party or its delegate fails to perform its obligations under the respective agreement, the Notes may be adversely affected.

For example, disruptions in the servicing process, which may be caused by the failure to appoint a Successor Servicer or the failure of the Servicer to carry out its services could lead to a loss on the Notes and/or the early redemption of the Notes.

Each of the Issuer, the Loan Note Issuer and the Receivables Trustee may from time-to-time become subject to regulatory, rating or other requirements that may require the affected entity to appoint additional third parties (or increase the level of responsibility of an existing third party) to provide relevant services and/or incur additional costs and expenses to enable it to comply with the regulatory requirements. The Issuer, the Loan Note Issuer or the Receivables Trustee, as the case may be, could be in breach of the regulatory requirements and adversely affected if it were to be unable to find a third party to provide the relevant services or perform them itself. Moreover, any such regulatory requirements may give rise to additional costs and expenses for the affected entity which would be payable prior to making payments with respect to the Notes and thereby reduce amounts available to make such payments.

In the event that the Issuer, the Loan Note Issuer or the Receivables Trustee were to be in breach of regulatory requirements or incur additional costs and expenses, the Notes and/or the Series 2015-1 Loan Notes may be adversely affected.

**Ratings can be Lowered or Withdrawn After the Notes are Issued**

Any Rating Agency may lower its rating or withdraw its rating if, in the sole judgment of the Rating Agency, the credit quality of the Notes has declined or is in question or for other tangible and intangible reasons. If any rating assigned to the Notes is lowered or withdrawn, the market value of the Notes may be reduced.

**Ratings Confirmation in Relation to the Notes in Respect of Certain Actions**

The terms of certain Transaction Documents require either (i) the Rating Agencies to confirm that certain actions proposed to be taken by certain transaction parties will not have an adverse effect on the then current rating of any outstanding Rated Debt,

or (ii) the Servicer or the Cash Manager to make a determination, formed on the basis of due consideration, that certain actions proposed to be taken by certain transaction parties will not have an adverse effect on the then current rating of any outstanding Rated Debt (a "**Rating Confirmation**").

A Rating Confirmation that any action proposed to be taken will not have an adverse effect on the then current rating of the Notes is limited in scope and does not, for example, confirm that such action: (i) is permitted by the terms of the Transaction Documents; or (ii) is in the best interests of, or not prejudicial to, the Noteholders. While each of the Secured Creditors of the Issuer (including the Noteholders), the Issuer or the Note Trustee (as applicable) is entitled to have regard to the fact that a Rating Confirmation has been given, the provision of any such Rating Confirmation does not impose or extend any actual or contingent liability on the Rating Agencies to the Secured Creditors (including the Noteholders), the Issuer, the Note Trustee or any other person or create any legal relationship between the Rating Agencies and the Secured Creditors (including the Noteholders), the Issuer, the Note Trustee or any other person whether by way of contract or otherwise.

In relation to a Rating Confirmation given by a Rating Agency, such Rating Confirmation may or may not be given by each Rating Agency at its sole discretion and the Rating Agencies have indicated that, in most circumstances, they will no longer provide Rating Confirmations as a matter of policy. It should be noted that, even in circumstances where a Rating Agency would be prepared to give a Rating Confirmation, depending on the timing of delivery of the request and any information required to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Rating Confirmation in the time available or at all, and the Rating Agency is likely to state that it is not responsible for the consequences thereof. A Rating Confirmation, if given by one or more Rating Agencies, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transactions of which the Notes form part since the Series 2015-1 Closing Date. A Rating Confirmation by one or more Rating Agencies represents only a restatement of the current rating of the Notes and cannot be construed as advice for the benefit of any parties to the transaction.

In relation to Rating Confirmations given by the Servicer or the Cash Manager, while the relevant party is required to take due consideration (which may involve formal or informal discussions with the Rating Agencies) in forming its opinion, there can be no guarantee that its opinion will reflect the ultimate position of the Rating Agencies, who may at any time take such action as is set out in "*Ratings can be Lowered or Withdrawn After the Notes are Issued*" above. If any rating assigned to the Notes is lowered or withdrawn, the market value of the Notes may be reduced and their liquidity in the secondary market adversely affected.

To the extent that a required Rating Confirmation cannot be obtained, where there is a requirement for a Rating Confirmation to be provided, whether or not a proposed action may take place may ultimately depend, amongst other things, on Noteholder approval.

## **Insolvency Proceedings and Subordination Provisions**

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a swap counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty. If a Qualifying Swap Agreement were to be entered into, such Qualifying Swap Agreement would (pursuant to the Security Trust Deed and Cash Management Agreement and the relevant supplement thereto) be subject to provisions of similar effect, since termination payments due to a Qualifying Swap Provider are subordinated where the termination of the Qualifying Swap Transaction was as a result of the default of the relevant Qualifying Swap Provider, including as a result of the Qualifying Swap Provider's insolvency.

The English Supreme Court has affirmed the decisions of the English High Court and Court of Appeal that such a subordination provision is valid under English law.

Contrary to the determination of the English courts, the U.S. Bankruptcy Court has held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. BNY Corporate Trustee Services Limited had indicated that they intended to appeal this decision but, whilst leave to appeal was granted, the case was settled before an appeal was heard. Therefore, concerns still remain that the English and U.S. courts will diverge in their approach which, in the case of an unfavourable decision in the U.S., may (were a Qualifying Swap Provider to be subject to U.S. bankruptcy proceedings) adversely affect the Issuer's ability to make payments on the Notes. Given the current state of U.S. law, this is likely to be an area of continued judicial uncertainty, particularly in respect of multi-jurisdictional insolvencies.

It is also uncertain whether, in respect of foreign insolvency proceedings relating to a creditor located in a foreign jurisdiction, an English court will exercise its discretion to recognise the effects of the foreign insolvency proceedings, whether under the Cross Border Insolvency Regulations 2006 or any similar common law principles.

## **Noteholders May Not Receive Individually Registered Holdings of Notes, Which May Cause Delays in Distributions and Hamper Noteholders' Ability to Grant Security Over or Resell the Notes**

Unless beneficial interests in the Notes held through Euroclear or Clearstream, Luxembourg are exchanged for individually registered holdings of Notes represented by Individual Note Certificates, which will only occur under a limited set of circumstances, beneficial ownership of the Notes will only be registered in book-entry form with Euroclear or Clearstream, Luxembourg. The lack of individually registered holdings of Notes could, among other things:

- (i) result in payment delays on the Notes because the Issuer or the Principal Paying Agent on its behalf will be sending distributions on the Notes to Euroclear or Clearstream, Luxembourg instead of directly to

Noteholders;

- (ii) make it difficult for Noteholders to grant security over the Notes if individually registered holdings of Notes are required by the party demanding the security; and
- (iii) hinder Noteholders' ability to resell the Notes because some investors may be unwilling to buy Notes that are not registered individually.

**Euroclear and Clearstream,  
Luxembourg – Book-Entry  
Interests**

Unless and until individually registered holdings of Notes are exchanged for Book-Entry Interests, holders and beneficial owners of Book-Entry Interests will not be considered the legal owners or holders of the Notes under the Note Trust Deed. After payment by the Principal Paying Agent to Euroclear or Clearstream, Luxembourg, the Issuer will not have responsibility or liability for the payment of interest, principal or other amounts in respect of the Notes to holders or beneficial owners of Book-Entry Interests (see "*Description of the Notes in Global Form*").

The Common Depositary (or its nominee) will be the registered holder of the Notes as shown in the records of Euroclear or Clearstream, Luxembourg and will be the sole Noteholder under the Note Trust Deed while beneficial interests in the Notes are held in Euroclear and Clearstream, Luxembourg and the Notes are represented by Global Note Certificates. Accordingly, each person owning a Book-Entry Interest must rely on the relevant procedures of Euroclear and Clearstream, Luxembourg and, if such person is not a participant in such entities, on the procedures of the participant through which such person owns its interest, to exercise any right of a Noteholder under the Note Trust Deed.

Unlike Noteholders, holders of the Book-Entry Interests will not have the right under the Note Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until beneficial interests in the Notes held through Euroclear or Clearstream, Luxembourg are exchanged for individually registered holdings of Notes represented by Individual Note Certificates in accordance with the relevant provisions described herein under "*Terms and Conditions of the Notes*" below. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Note Trust Deed.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be

discontinued at any time. None of the Issuer, the Note Trustee, any Paying Agent, the Registrar or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

**Modifications to the Transaction Documents without Noteholder Consent**

Pursuant to the terms of the Note Trust Deed, the Note Trustee has an ability in certain circumstances to concur with the Issuer in making modifications to the Transaction Documents without the prior consent of the Noteholders, as further described in Note Condition 15 (*Meetings of Noteholders, Modification and Waiver, Substitution and Addition*). The Security Trustee has similar rights under the Security Trust Deed and Cash Management Agreement.

**Certain Legal, Tax and Regulatory Considerations**

**Regulation of Consumer Credit by the FCA and the Application of the CCA may Impede Collection Efforts**

There is an increasing volume of legislation and regulation that is applicable to consumer credit in the United Kingdom.

A credit agreement is regulated in the United Kingdom by the Consumer Credit Act 1974 (as amended) (the "**CCA**") if, in the case of an agreement originated prior to 1 April 2014, (a) the customer is an "individual" as defined in the CCA (which includes certain small partnerships and certain unincorporated associations); (b) the amount of "credit" as defined in the CCA does not exceed any applicable financial limit in force when the credit agreement was made (since 6 April 2008, no applicable financial limit has been in force); and (c) the credit agreement is not an exempt agreement under the CCA (for example, certain credit agreements for business purposes with an amount of credit exceeding £25,000 are exempt agreements).

An agreement originated on or after 1 April 2014 will be regulated by the CCA if it is a "regulated credit agreement" for the purposes of Chapter 14A of Part 2 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (the "**RAO**"). This defines a "regulated credit agreement" as any agreement which involves the provision of credit of any amount by a lender to an individual and does not fall within any of the exemptions set out in articles 60C to 60H of the RAO.

The main consequences of a credit agreement being regulated by the CCA are set out below.

(a) ***Authorisation and regulation by the FCA***

Firms carrying on consumer credit activities must be authorised by the FCA with appropriate permissions (and, prior to 1 April 2014, had to be licensed by the Office of Fair Trading ("**OFT**"). Firms which held a valid CCA licence from the OFT as at 31 March 2014 were able to register with the FCA for an "interim permission" before that date, allowing them to carry on the regulated credit activities which were covered by their CCA licence without having immediately to apply for authorisation by the FCA. Such firms will nevertheless have to apply for authorisation under the

Financial Services and Markets Act 2000 (as amended) ("**FSMA**") in due course, on a timetable set by the FCA (with a longstop date of 1 April 2016), if those firms want to continue conducting regulated consumer credit activities. The Originator applied for authorisation on 2 April 2015. For agreements made on or after 6 April 2007, if the lender or any broker did not hold the required licence or authorisation and permission(s) at the time an agreement was made, then the agreement is unenforceable against the customer without an order of the FCA or the court (depending on the facts).

FCA authorised firms (including firms with interim permission) will be subject to ongoing regulation and supervision by the FCA. For further details about the FCA's supervisory and enforcement powers, see "*Transfer of Regulation of Consumer Credit to the FCA*" below. The Originator, in common with many other UK consumer credit businesses, expects to receive correspondence from and to have discussions with the FCA in relation to compliance with consumer credit legislation and guidance in the UK from time to time.

Amongst other things, the FCA has the power to use temporary product intervention rules ("**TPIRs**") prohibiting authorised persons from taking a number of actions, including entering into specified contracts with any person or with a specified person. TPIRs are intended to offer protection to consumers in the short term whilst either the FCA or the industry develops more permanent solutions and, in any event, are limited to a maximum duration of 12 months. In relation to agreements entered into in breach of a TPIR, the FCA's rules may provide (i) for the relevant agreement or obligation to be unenforceable; (ii) for the recovery of any money or other property paid or transferred under the agreement; or (iii) for the payment of compensation for any loss sustained under the relevant agreement or obligation. In March 2013, the Financial Services Authority (as precursor to the FCA) published a policy statement entitled "*The FCA's use of temporary product intervention rules*" following a consultation addressing when and how the FCA will consider making TPIRs. The FCA stated that it will consider making TPIRs where it identifies a risk of consumer detriment arising from a product or practice and will make rules if it deems prompt action is necessary to reduce or prevent that detriment. In particular, the FCA will consider factors such as the potential scale of detriment in the market and potential scale of detriment to individual customers, whether particular groups of customers (especially vulnerable customer groups) are more likely to suffer detriment and whether the use of TPIRs will have any unintended consequences. The first use of these powers was to restrict firms from distributing contingent convertible securities to retail investors from 1 October 2014. These temporary rules will lapse on 1 October 2015, at which point permanent rules will take effect.

The FCA also has the power to make rules limiting the cost of credit and duration of credit agreements. These



rules may prohibit an authorised person from entering into regulated credit agreements on terms which infringe these limits. In relation to agreements entered into in breach of the limits, the FCA's rules may (i) provide for the agreement to be unenforceable; (ii) provide for the recovery of any money or other property paid or transferred under the agreement; or (iii) provide for the payment of compensation for any loss sustained under the agreement.

In July 2014, the FCA published a consultation paper (CP14/10) containing its proposals to introduce a price cap on certain "high-cost short-term credit" products often referred to as payday lending. The terms of the price cap were announced in November 2014 and came into force for "high-cost short-term credit" providers on 2 January 2015. The rules do not currently extend to other forms of credit which are excluded from the FCA's definition of "high-cost short-term credit", such as credit cards. However, the FCA has stated that it will keep other forms of high-cost short-term credit under review and intends to carry out a market study of credit cards.

Should the FCA exercise the powers set out above in relation to the Credit Agreements, this may result in unrecoverable losses on Accounts to which such agreements apply. If such losses arise on the Designated Accounts, they will be borne by the Investor Beneficiary and the Transferor Beneficiary based on their interests in the Receivables Trust. Accordingly, this may result in adverse consequences such as a loss on the Notes or early redemption of the Notes.

(b) ***Compliance with technical aspects of the CCA***

The drafting requirements which relate to consumer credit agreements are prescriptive and intricate, although these requirements were relaxed by the implementation of the Consumer Credit Directive (Directive 2011/90/EU) in the United Kingdom in relation to new agreements entered into from November 2010. As is the case with other UK consumer credit businesses, there is a risk that a court may decide that the Originator has not complied with a technical aspect of the CCA.

For agreements entered into before 6 April 2007, where such agreement is improperly executed, it may be totally unenforceable in circumstances where the credit agreements have failed to comply with the requirements of the CCA as to form and content, signing and provision of copies including cancellation notices. If a Credit Agreement related to a Designated Account has not been executed or modified in accordance with the provisions of the CCA and is completely unenforceable as a result, the Principal Receivables arising thereon will be treated as Ineligible Receivables. See "*The Receivables: Representations*".

For agreements made on or after 6 April 2007, if origination requirements as to pre-contract disclosure, documentation and procedures are not complied with,

the agreement will only be enforceable with a court order. In exercising its discretion whether to make such an order, the court will take into account any prejudice suffered by the customer and the degree of any culpability of the lender. The court has the discretion, if it appears just to do so, to amend the credit agreement, impose conditions upon its performance or to make a time order (for example, give extra time for arrears to be cleared). Where the court is able to exercise its discretion, it will do so on a case by case basis and it is therefore difficult to predict the likelihood of court orders being obtained.

In addition, ongoing servicing requirements must be complied with. A credit agreement will be unenforceable against the customer for any period when the lender fails to comply with requirements as to periodic statements, arrears notices or notices of default sums (although any such unenforceability may be cured prospectively by the lender complying with such requirements). In addition, the customer is not liable to pay interest or default fees for any period when the lender fails to comply with requirements relating to arrears notices and interest on default fees is restricted to nil until the 29th day after the day on which a notice of default fees is given, after which time the interest is restricted to simple interest (i.e. interest may only be calculated on the principal amount of the default fee).

If an agreement were held by a court to be non-compliant with the CCA and therefore unenforceable, it will still be possible to collect payments and seek arrears from the relevant customer if he or she were falling behind with his or her payments. However, the customer would need to be made aware that the agreement is unenforceable and it would not be possible to enforce any judgment against the customer. The Originator will have no obligation to repay or account to a customer for any payments made by a customer because of any such unenforceability. However, if losses ultimately arise on any such Account, they will be borne by the Investor Beneficiary and the Transferor Beneficiary based on their interests in the Receivables Trust. Accordingly, if this were to occur, Noteholders could suffer a loss on the Notes or an early redemption of the Notes.

(c) ***Unfair relationships***

The court has power to determine that the relationship between lender and customer arising out of a credit agreement (whether alone or with any related agreement) is unfair to the customer. If the court makes such a determination, then it may make an order, among other things, requiring the lender or any assignee to repay any sum paid by the customer. There is no statutory definition of what constitutes an unfair relationship. Instead, in deciding whether to make the determination, the court is required to have regard to all matters it thinks relevant, including the manner of enforcement of the lender's rights and the lender's conduct before and after making the credit agreement, and may make the

determination even after the relationship has ended. Once the customer alleges that an unfair relationship exists, then the burden of proof is on the lender to prove the contrary. Recent court decisions have generally interpreted "unfair relationship" in a way favourable to customers.

The possible unenforceability of liabilities due to a court determining that an unfair relationship exists in relation to the underlying Credit Agreement may result in unrecoverable losses on the Account to which such agreement applies. If such losses arise on the Designated Accounts, they will be borne by the Investor Beneficiary and the Transferor Beneficiary based on their interests in the Receivables Trust. Accordingly, this may result in adverse consequences such as a loss on the Notes or early redemption of the Notes.

(d) ***Liability for misrepresentation and breach of contract***

Transactions involving the use of a credit card may constitute transactions under a debtor-creditor-supplier agreement for the purposes of the creditor's liability under section 75 of the CCA. A debtor-creditor-supplier agreement includes an agreement by which the creditor advances funds to finance the debtor's purchase of goods or services from a supplier with whom the creditor has a pre-existing arrangement.

Section 75 of the CCA provides that, if a supplier breaches a contract between the supplier and a debtor in a transaction under certain debtor-creditor-supplier agreements, or if the supplier makes a misrepresentation about the contract, the creditor may also be liable to the debtor for the breach or misrepresentation. An example of a supplier's breach of contract would include the supplier selling the debtor merchandise that is defective or unsuitable for its purpose. In these circumstances, the Obligor may have the right to reduce the amount owed to the Originator under his or her Credit Agreement by way of set-off. This right would survive the sale of the Receivables to the Receivables Trustee. As a result, the Receivables Trustee may not receive the full amount otherwise owed by a debtor, which may in turn reduce the Loan Note Issuer's ability to make payments of interest and/or principal on the Series 2015-1 Loan Notes and the Issuer's ability to make payments of interest and/or principal on the Notes. However, the creditor will not be liable under section 75 of the CCA where the cash price of the item or service supplied underlying the claim is £100 or less, or greater than £30,000.

(e) ***Ex gratia payments***

In certain circumstances, the Originator may incur costs in making *ex gratia* payments to Obligors in circumstances where the Originator is not technically liable for such payments but may (for a variety of reasons which are common across the UK consumer finance sector) nevertheless choose to meet them. These payments will reduce the amount of Collections which

are available to Noteholders.

**Application of the Unfair Terms in Consumer Contracts Regulations 1999 and Consumer Protection from Unfair Practices Regulations 2008 May Impede Collection Efforts and Could Cause Early Redemption of the Notes or a Loss on the Notes**

The Unfair Terms in Consumer Contracts Regulations 1999 (the "UTCCR") apply, in whole or in part, to the transactions occurring on the Designated Accounts and to the underlying Credit Agreements. The UTCCR render unenforceable unfair terms in business-to-consumer contracts (subject to certain exceptions). The UTCCR provide that: (a) a consumer may challenge a standard term in a contract on the basis that it is unfair and not binding on the consumer (although the rest of the contract continues to bind the parties if it is capable of continuing in existence without the unfair term); and (b) the Competition and Markets Authority ("CMA") and any qualifying body (such as the FCA and local trading standards authorities) may seek to prevent a business from relying on unfair terms. Were any term of the Credit Agreements to be rendered unenforceable, this may reduce the Loan Note Issuer's ability to make payments of interest and/or principal on the Loan Notes and the Issuer's ability to make payments of interest and/or principal on the Notes.

The FCA addresses unfair terms in its regulation of consumer credit. The OFT had previously carried out an investigation into credit card default fees and on 5 April 2006 issued a statement about the principles that credit card issuers should follow in setting default fees, which were also likely to be relevant to analogous default fees in other contracts. The principles were, in essence, that terms imposing default fees should not have the object of raising more in revenue than was reasonably expected to be necessary to recover the costs incurred as a result of the consumer's default. This guidance now forms part of the Consumer Credit Sourcebook of the FCA Handbook ("CONC"), specifically CONC 7.7.5R, which provides that "a firm must not impose charges on customers in default or arrears difficulties unless the charges are no higher than necessary to cover the reasonable costs of the firm".

In March 2013, the Law Commission and the Scottish Law Commission (together, the "Commissions") published advice to the UK Government on reforming the UTCCR. The Commissions recommended certain clarifications to the fairness test and recommended additions to the list of indicative unfair terms. They also recommended combining the consumer protection rules under the Unfair Contract Terms Act 1977 with those under the UTCCR. Such reforms are included in the Consumer Rights Act which received Royal Assent on 26 March 2015. As a result, the fairness test will also apply to consumer notices which relate to rights and obligations between a trader and a consumer or whose purpose is to exclude or restrict a trader's liability to a consumer. The Consumer Rights Act will be brought into force on 1 October 2015.

The broad and general wording of the UTCCR makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a court would find a particular term to be unfair. It is therefore possible that any underlying Credit Agreements made with consumers may be found to contain unfair terms, which may result in the possible unenforceability of those unfair terms. No assurance can be given that any regulatory action or guidance in respect of the UTCCR will not have a material adverse effect on the underlying Credit Agreements relating to the Designated Accounts and accordingly

on the Issuer's ability to make payments in full when due on the Notes.

The Consumer Protection from Unfair Practices Regulations 2008 (the "CPR") implement the EU Unfair Practices Directive and prohibit certain practices which are deemed "unfair" within the terms of the CPR. Such practices include misleading acts or omissions, aggressive sales tactics and failures to comply with the requirements of professional diligence. In addition, the CPR lists 31 specific practices which are always considered to be unfair. The Consumer Protection (Amendment) Regulations 2014 amend the CPR with effect from 1 October 2014 so as to give consumers a direct civil right of action for certain breaches of the CPR, including a right to unwind agreements.

Breach of the CPR does not, of itself, render an agreement void or unenforceable but the possible liabilities for misrepresentation or breach of contract, in relation to an underlying Credit Agreement, may result in unrecoverable losses on Accounts to which such agreements apply. The CMA may also take enforcement action. If losses arise on these accounts, they will be written off and borne by the Investor Beneficiary and Transferor Beneficiary based on their interests in the Receivables Trust. Accordingly, if this were to occur, investors could suffer a loss on the Notes or an early redemption on the Notes.

**Recent and Proposed Legislative Changes Regarding Consumer Credit Agreements and Related Matters May Affect the Yield on the Securitised Portfolio and Cause a Loss on or the Early Redemption of the Notes**

The regulation of consumer credit agreements and related matters is subject to regular legislative intervention both at a European and UK level. There are several recent and proposed changes in law that may have an impact on the performance of the Securitised Portfolio:

**(A) Transfer of Regulation of Consumer Credit to the FCA**

On 1 April 2014, responsibility for the regulation of consumer credit transferred from the OFT to the FCA. This transition was principally achieved through amendments to the provisions of FSMA and relevant secondary legislation, certain retained provisions of the CCA, relevant secondary legislation made under the CCA and new rules and guidance introduced into the FCA Handbook.

Since 1 April 2014, all of the FCA's high level standards (with relevant modifications) have applied to all firms which conduct consumer credit activities. These include the requirements set out in the following sections of the FCA Handbook: the FCA's Principles for Businesses (PRIN), General Provisions (GEN) and Senior Management Arrangements, Systems and Controls sourcebook (SYSC). Much of the repealed CCA legislation and former OFT guidance has been carried across into the FCA Handbook and can be found in CONC. In addition, the FSMA financial promotions regime, with some modifications, now applies to consumer credit firms, which is somewhat more stringent than the previous CCA advertising requirements.

Firms are subject to regular reporting requirements and the FCA has stated that it will engage in thematic work in response to systemic issues. In particular, the FCA has indicated that it has concerns that there are underlying issues relating to business models and competition in the credit card market and has launched a market study into the credit card market. The FCA is

engaging with the industry as part of this study. Until this study has been concluded, it is not possible to determine or predict accurately what effect this may have on the yield on the Securitised Portfolio.

Breaches of the FCA's rules can be penalised and the FCA has much stronger enforcement powers than were available to the OFT, including the power to bring criminal, civil and disciplinary proceedings, withdraw authorisations, ban firms from undertaking financial services, suspend firms or individuals for up to 12 months, issue unlimited fines and intervene in the consumer credit market, including by imposing restrictions on product features and selling practices or product bans. The FCA also has the power to require firms to reimburse consumers when they have lost out due to a firm's actions.

Consumers continue to have access to the Financial Ombudsman Service (the "**FOS**"). Indeed, the FOS and the FCA have entered into a memorandum of understanding which sets out how they will cooperate with each other in the exercise of their respective functions.

The transfer of responsibilities from the OFT to the FCA represents a significant change to the way consumer credit agreements are regulated. Uncertainties remain about how the FCA will implement its powers under the new consumer credit regime. Indeed, it is possible that the FCA will introduce new rules for the consumer credit sector as a result of its continuing work in this area in the period leading up to 1 April 2016, which is the date at which all consumer credit firms operating in the UK will become fully subject to the FCA's supervisory regime. Increased regulation in this area could affect the future yield on the Securitised Portfolio, adversely affect payments on the Notes, cause a loss on the Notes and/or cause the early redemption of the Notes.

(B) **Payment Services Directive**

The Payment Services Directive (the "**PSD**") is part of the EU's development of the Single European Payments Area which is intended to harmonise and remove legal barriers for payments throughout the EU. The UK Government implemented the PSD on 1 November 2009 through the Payment Services Regulations 2009 (the "**PSRs**"). The PSRs contain conduct of business requirements including rules covering pre and post contract information requirements, notice of variation of terms, termination rights and information on transactions. Other provisions address authorisation procedures for payments, refunds, liability for unauthorised or incorrect payments, procedure for execution and value dating. However, consumer credit agreements regulated by the CCA are exempt from some of the key requirements and are instead subject to equivalent CCA requirements.

Pursuant to the PSD, the Commission is required to review the implementation and impact of the PSD and, where appropriate, prepare proposals for its revision. In July 2013, the Commission issued a proposal to amend and restate the existing PSD, with a second PSD ("**PSD2**"). As the text of PSD2 is not yet final, it is not possible to predict accurately to what extent any changes will affect the yield on the Securitised Portfolio. It is envisaged that PSD2 will be implemented in 2016 or 2017.

(C) **Multilateral Interchange Fees Regulation**

In line with recent European Court of Justice decisions in respect of card schemes and multilateral interchange fees ("MIFs"), in June 2013 the European Commission published its proposal for a Regulation on interchange fees for consumer credit card or debit card based payment transactions (the "MIFs Regulation"), with the aim of stipulating technical and business requirements for payment card transactions within the EU. The EU Parliament and EU Council reached a political agreement on the proposed MIFs Regulation on 17 December 2014. The compromise text was approved by the Permanent Representatives Committee of the EU Council on 16 January 2015 and endorsed by the Economic and Monetary Affairs Committee of the EU Parliament on 27 January 2015. The regulation will introduce: (i) maximum interchange fees for consumer debit and credit cards; (ii) rules that allow retailers to choose which cards to accept; and (iii) new transparency rules for all transactions which are intended to remove major obstacles to technological innovation.

The MIFs Regulation provides for a transitional two year period, at the end of which all cross-border and domestic credit card and debit card transactions shall be subject to an interchange fee cap (specified therein), which will also apply in respect of other agreed remuneration having equivalent object or effect. The regulation includes a strongly worded anti-circumvention provision, whereby any net compensation received by an issuing bank from a payment card scheme in relation to payment transactions or related activities will be treated as part of the interchange fee. Therefore, it is possible that other payments unrelated to MIFs could be caught by these provisions. Restrictions in licensing agreements for issuing or acquiring payment card transactions are also prohibited.

The new rules will not apply to so-called three-party card schemes in circumstances where the card is both issued and processed within the same scheme. Commercial cards will also be exempt from the new rules. The EU Parliament has adopted the MIFs Regulation and the rules will now need to be officially endorsed by the EU Council before they can take effect which is likely to be six months after the legislation enters into force. In advance of the adoption of the MIFs Regulation, it is not possible to predict accurately to what extent this will affect the yield on the Securitised Portfolio.

**Changes of Law or Regulation May Adversely Affect Interests of Noteholders**

The structure of the Receivables Trust and the ratings of the Notes are based on English law, UK tax law and Jersey law in effect as at the date of this Prospectus. The transactions described in this Prospectus (including the issuance of the Notes) and the ratings which are to be assigned to the Notes are based on the relevant law and administrative practice in effect as at the date hereof, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to the law (including any change in regulation which may occur without a change in primary legislation), administrative practice or tax treatment after the date of this Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Notes.

## Securitisation Regulations

The Taxation of Securitisation Companies Regulations 2006 (the "**TSC Regulations**") were made under section 84 of the Finance Act 2005 on 11 December 2006 (and now take effect under Chapter 4, Part 13 of the Corporation Tax Act 2010). The TSC Regulations deal with the corporation tax position of securitisation companies such as the Issuer and the Loan Note Issuer with effect for periods of account beginning on or after 1 January 2007. The TSC Regulations have been amended by, in particular, the Taxation of Securitisation Companies (Amendment) Regulations 2007, which came into force on 27 December 2007 (and have effect for periods beginning on or after 1 January 2007).

If the TSC Regulations apply to a company, then, broadly, it will be subject to corporation tax on the cash profit retained by it for each accounting period in accordance with the applicable Transaction Documents. Based on advice received, each of the Issuer and the Loan Note Issuer expects to be taxed under the special tax regime for which provision is made by the TSC Regulations.

Investors should note, however, that the TSC Regulations are in short-form and it is expected that advisors will rely significantly upon guidance from the UK tax authorities when advising on the scope and operation of the TSC Regulations including whether any particular company falls within the regime.

Prospective Noteholders should note that, if the Issuer or the Loan Note Issuer did not fall to be taxed under the regime provided for by TSC Regulations, then their profits or losses for tax purposes might be different from their cash position and there might be a risk of the Issuer or the Loan Note Issuer incurring unfunded tax liabilities. In particular, the deduction of interest paid on the Notes and/or the Series 2015-1 Loan Notes could well be disallowed for United Kingdom corporation tax purposes which could cause a significant divergence between the cash profits and the taxable profits of the Issuer and the Loan Note Issuer, respectively. Any unforeseen taxable profits in the Issuer or the Loan Note Issuer could have an adverse effect on their ability to make payments to the Issuer and the Noteholders, respectively.

### **The Proposed Financial Transactions Tax ("FTT") Could Apply to Dealings in the Notes and/or Adversely Affect the Amounts Available to the Issuer to Make Payments of Interest and Principal on the Notes**

On 14 February 2013, the European Commission issued proposals, including a draft Directive, for a FTT to be adopted in certain participating EU Member States (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If these proposals were adopted in their current form, the FTT would be a tax primarily on "financial institutions" (which would include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).



Under current proposals, the FTT would apply to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

If the FTT is adopted based on the current proposals, then it may operate in a manner giving rise to tax liabilities for the Issuer with respect to certain transactions (including concluding swap transactions and/or purchases or sales of securities (such as Permitted Investments)). Any such liabilities may reduce the amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. To the extent that such liabilities may arise at a time when winding up proceedings have been commenced in respect of the Issuer, such liabilities may be regarded as an expense of the liquidation and, as such, be payable out of the floating charge assets of the Issuer (and its general estate) in priority to the claims of Noteholders and other Secured Creditors. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied.

The FTT proposal remains subject to negotiation between the participating Member States described above. On 6 May 2014, 10 of the 11 participating Member States published a joint statement on the FTT which indicated an intention to introduce the FTT progressively, starting with shares and some derivatives, from 1 January 2016. The proposal may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

#### **EU Directive on the Taxation of Savings Income**

Under Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent.. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with

certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

### **Risks relating to the Receivables**

#### **Failure to Notify Obligors of the Transfer of Receivables Could Delay or Reduce Payments on the Notes**

The transfer by the Transferor to the Receivables Trustee of the benefit of the Receivables is governed by English law and does not give the Receivables Trustee full legal title to the Receivables. Legal title to the Receivables remains with the Originator. A legal assignment of such Receivables from the Originator to the Receivables Trustee (which may be executed by the Receivables Trustee pursuant to the power of attorney granted by the Originator in favour of the Transferor and the power of attorney granted, in turn, by the Transferor in favour of the Receivables Trustee) together with the delivery of notice of such assignment would effect the transfer of the legal title to the Receivables to the Receivables Trustee. No notice will be given to Obligors of the transfers to be effected on the Series 2015-1 Closing Date, and no notice is expected to be given to the Obligors of any future transfers of Receivables to the Receivables Trustee. The Receivables Trustee has agreed that execution of a legal assignment will not take place unless a Notification Event has occurred. The Receivables Trustee's lack of legal title to the Receivables has several legal consequences that could delay or reduce payments on the Notes.

Until the Receivables Trustee obtains legal title to the Receivables arising on a Designated Account, the relevant Obligor will discharge his or her obligation under the Designated Account by making payment to the Originator.

Prior to the insolvency of the Originator, unless the Receivables Trustee has effected a legal assignment, if an Obligor has a claim against the Originator (whether under the terms of his or her Credit Agreement or otherwise), equitable set-offs may accrue in favour of the Obligor against his or her obligation to make payments to the Originator under the Designated Account. These rights may result in the Receivables Trustee receiving reduced payments on the Receivables. The transfer of the benefit of any Receivables to the Receivables Trustee will continue to be subject both to any prior equities that an Obligor had and to any equities the Obligor may become entitled to after the transfer. Once notice of a legal assignment is given to an Obligor, however, some rights of set-off may not arise after the date notice

is given.

For so long as the Receivables Trustee has only equitable title to the Receivables, the Receivables Trustee would not take priority over any interest of a later encumbrancer or transferee of the Originator's rights who has no notice of the transfer to the Receivables Trustee where such later encumbrancer or transferee gives notice. This could lead to a loss on the Notes.

For so long as the Receivables Trustee has only equitable title to the Receivables, the Originator (with the consent of the relevant Obligor or, in certain regards, unilaterally) can amend the Credit Agreement relating to a Designated Account without obtaining the Receivables Trustee's consent. This could adversely affect the Receivables Trustee's interest in the Receivables, which could lead to a loss on the Notes.

**Competition in the UK Consumer Credit Industry Could Lead to Early Redemption of the Notes**

The consumer credit industry in the United Kingdom is highly competitive. There is increasingly competitive use of advertising, targeted marketing and pricing competition in interest rates, loyalty schemes and fee levels as both traditional and new consumer credit businesses seek to expand their presence in or enter the UK sector and compete for customers.

This competitive environment may affect the Originator's ability to originate new accounts and generate new Receivables and may also affect the level of retention of existing accounts which may result in a Partial Amortisation Event or Pay Out Event occurring in respect of Series 2015-1, as described more particularly below in "*Series 2015-1 – Partial Amortisation Events*" and "*Series 2015-1 – Pay Out Events*".

**Social, Legal, Political and Economic Factors Affect Consumer Credit Payments and Repayment of the Notes and are Unpredictable**

Changes in consumer credit use, borrowing and payment patterns, amounts of yield on the Securitised Portfolio generally and the rate of defaults by Obligors may result from a variety of social, legal, political and economic factors in the United Kingdom. Social factors include changes in public confidence levels, attitudes toward incurring debt and perception of the use of consumer credit. Economic factors include the rate of inflation, the unemployment rate and relative interest rates offered for various types of credit. For example, a severe deterioration in the economy coupled with rising unemployment and increases in the Bank of England base rate and/or LIBOR could have a negative impact on consumer credit businesses in the United Kingdom. Political factors include lobbying from interest groups, such as consumers and retailers, and government initiatives in consumer and related affairs.

It is difficult to determine and there is no basis on which to predict accurately whether, or to what extent, social, legal, political or economic factors will affect the future use of credit, borrowing and payment patterns, default rates or the yield on the Securitised Portfolio generally.

**Recent and Ongoing Regulatory Investigations may Affect the Yield on the Securitised Portfolio and Cause a Loss on and/or the Early Redemption of the Notes**

There are various recently concluded and ongoing regulatory investigations into consumer credit and related financial services, in particular by the European Commission, the CMA and the FCA. The outcome and effect of these investigations is uncertain but they may have an impact on the yield obtained on the Securitised Portfolio.

**(A) Inquiries into Payment Protection Insurance**

Following the conclusion of the 2011 judicial review into payment protection insurance ("PPI"), many financial institutions have made significant payments to compensate customers who have claimed that their policies were missold to them. No member of the NewDay group has sold or marketed any form of insurance (including PPI) to Obligor in respect of the Accounts within the Securitised Portfolio. However, certain of the Obligors took out PPI in respect of their Accounts prior to the assignment of such Accounts to the Originator and, to the extent that such insurance policies remain in force, the billed insurance premiums will constitute Principal Receivables and payments in respect of such Receivables will form part of the Collections in respect of the Securitised Portfolio. Although payments may be made by or on behalf of the Originator in respect of claims from Obligors in respect of historical PPI misselling and/or an unfair relationship arising in relation to PPI, these payments are made pursuant to the contractual arrangements under which the Accounts were acquired from their prior owners and undertakings given to the FOS by the Originator that it will take responsibility for processing claims submitted by Obligors (or procuring that such claims are processed). The cost of these payments will not be passed on to the Receivables Trustee and, to the extent that any liabilities to Obligors exist in connection with the misselling of PPI, such liabilities remain, as a legal matter, with the entity which sold or marketed such product, rather than with the Originator.

**(B) Reduction in the Rate of Interchange Caused by Potential Adverse Regulatory Rulings and Draft Regulation May Adversely Affect Payments on the Notes**

The Originator receives interchange fees from the banks that clear transactions for merchants as partial compensation for amongst other things, taking credit risk and absorbing fraud losses. See "*The Receivables*".

There have historically been and continue to be various cases brought in respect of, and regulatory investigations into, interchange fees.

In particular, in September 2014, the European Court of Justice upheld the European Commission's finding from December 2007, that MasterCard's® default interchange fees for cross-border transactions within the EEA breached EU competition laws. The European Court of Justice's decision is binding and cannot be appealed. As a result of a similar antitrust case, in February 2014, Visa Europe agreed to enter into legally binding commitments with the European Commission to reduce its interchange fees in order to address concerns about its interchange fees for credit card payments in the EEA.

In the United Kingdom, the CMA (prior to 1 April 2014, the OFT) has been conducting investigations into the compatibility of VISA® and MasterCard® domestic interchange fee rates with competition law. In November 2014 (following the European Court of Justice's September 2014 judgment), the CMA announced its decision not to progress its investigations, as it expects the proposed MIFs Regulation to deal with the harm suspected to be caused by current levels of interchange fees. However, the CMA has indicated that it may look again at continuing proactively with the investigations if it later decides that the MIFs Regulation does not address the suspected harm as

expected.

These investigations, together with increased regulation in this area (see "*Recent and Proposed Legislative Changes Regarding Consumer Credit Agreements and Related Matters may Affect the Yield on the Securitised Portfolio and Cause a Loss on or the Early Redemption of the Notes – (C) Multilateral Interchange Fees Regulation*"), may result in a reduction in interchange fee rates. This could affect the future yield on the Securitised Portfolio and adversely affect payment on the Notes or cause a loss on and/or the early redemption of the Notes.

**Decisions of the FOS Could Adversely Affect Payments on the Notes**

Under the FSMA, the FOS is required to make decisions on (among other things) complaints relating to the terms in agreements under its jurisdiction on the basis of what, in the FOS's opinion, would be fair and reasonable in all circumstances of the case, taking into account (among other things) law and guidance. Complaints brought before the FOS for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each such case is first adjudicated by an adjudicator. Either party to the case may then appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the FOS. The FOS may make a money award to a borrower, which may adversely affect the value at which Receivables could be realised and accordingly the ability of the Issuer to make payments in full when due on the Notes.

In addition, the FOS has made a series of recent decisions (supported by the FCA) in which it has determined that certain insurance policies did not represent "value for money" for customers. Where certain premiums paid by Obligor on policies relating to their Accounts have been reduced to ensure that they remained "value for money", this along with any further reductions, may adversely affect the amount of the related Receivables and may impact the ability of the Issuer to make payments in full when due on the Notes.

**A Change in the Terms of the Designated Accounts May Adversely Affect the Amount or Timing of Collections and May Cause an Early Redemption of the Notes or a Downgrade of the Notes**

Only the Receivables arising under the Designated Accounts are transferred to the Receivables Trustee. The Originator will continue to own legal title to those accounts. As the legal owner of the accounts, the Originator retains the right (subject to the terms of the relevant Credit Agreement) to change the terms of the accounts or other relevant parameters. For example, the Originator could change the monthly interest rate, increase or reduce the credit limits on the accounts or reduce or eliminate fees on the accounts or, subject to the CCA legislation and CONC on allowable minimum payments, reduce or increase the required minimum monthly payment.

Changes in interest rates and fees could lower the amount of Finance Charge Receivables generated by those accounts. This could cause a Pay Out Event to occur, which might cause an early redemption of or a loss on the Notes. This could also cause a reduction in the credit ratings on the Notes.

The Transferor has agreed to procure that, except as otherwise required by law or as may be determined by the Originator to be necessary in order to maintain its FCA authorisation and permission to carry out consumer credit related regulated activities, based upon a good faith assessment by the Originator,

in its sole discretion, of the nature of competition in the consumer credit business in the UK as a whole or, in the case of accounts in an additional jurisdiction, the nature of competition in the consumer credit business in that additional jurisdiction as a whole, the Originator will not reduce the monthly interest rate assessed on Receivables existing or arising under any Designated Account ("**Periodic Finance Charges**") or other fees otherwise required by law on the Designated Accounts if, as a result of such reduction, the Transferor's reasonable expectation is that a Pay Out Event would occur. See "*The Receivables*" and also see "*The Securitised Portfolio*".

In addition, the Transferor has permitted the Originator to change the terms of the Credit Agreements or its usual policies, procedures and practices relating to the operation of its general consumer finance business (the "**Credit Guidelines**") (including, without limitation, the reduction of the required minimum monthly payment and the calculation of the amount or the timing of finance charges, fees and charge offs, provided that this is permitted by law and regulation), unless such change (i) would, in the reasonable belief of the Transferor, cause a Pay Out Event to occur and (ii) is not made applicable to the comparable segment of credit accounts owned by the Originator and serviced by the Servicer which have characteristics the same as or substantially similar to the Designated Accounts which are subject to such change (except as otherwise restricted by an endorsement, sponsorship or other agreement with an unrelated third party or by the terms of the relevant Credit Agreement).

Notwithstanding the above, the Transferor has agreed to procure that the Originator does not amend the terms and conditions of the Credit Agreements relating to the governing law of the agreements, the assignability of the agreements or the ability of the Originator to provide information regarding Obligor to any person assuming the Originator's rights under the Credit Agreements.

Except as specified above, there are no restrictions (other than restrictions at law and restrictions set out in the FCA Handbook) on the Originator's ability to change the terms of the Credit Agreements. Changes in applicable law, changes in the marketplace or prudent business practice may result in the Originator seeking to make changes of terms as referred to above.

A change in the terms of the Credit Agreements or the Credit Guidelines may result in reduced, delayed or accelerated payments on the Notes.

**Principal on the Notes may be Paid Earlier or Later than Expected if the Transferor Cannot Finance the Creation of New Receivables – Creating a Re-investment Risk to Noteholders**

The Transferor's ability to finance the creation of new Receivables arising under new and existing accounts will affect the ability of the Originator to generate new Receivables for the Transferor to assign to the Receivables Trust. In this respect, it should be noted that, as of the Series 2015-1 Closing Date, substantially all of the accounts within the NewDay Group's own-brand portfolio of credit card accounts will be nominated as Designated Accounts and the Receivables thereon assigned to the Receivables Trustee. Accordingly, the principal source of funding for such portfolio as at the Series 2015-1 Closing Date will be the Related Debt and Associated Debt which is ultimately backed by the Receivables in the Receivables Trust. As a result, the Transferor's ability to assign new Receivables to the

Receivables Trustee may be materially impacted by its ability to obtain, maintain and refinance the Receivables Trust and/or obtain funding from alternative sources.

If there is a decline in the generation of new Receivables or new accounts for any reason, including the inability of the Transferor to fund new Receivables, this may cause the occurrence of a Pay Out Event, which would cause Noteholders to be repaid some or all their principal before and/or after the Series 2015-1 Scheduled Redemption Date.

No premium will be paid upon an early redemption of the Notes. If Noteholders receive principal on the Notes earlier than expected, Noteholders may not be able to reinvest the principal at a similar rate of return.

**Credit Enhancement May be Insufficient to Prevent a Loss on the Notes**

The only assets that will be available to make payments on the Notes are the assets of the Issuer charged to secure payment of the Notes. If problems develop with the Receivables, such as an increase in losses on the Receivables, or if there are problems in the collection and transfer of the Receivables to the Receivables Trust, or if a Qualifying Swap Provider fails to make payments under its Qualifying Swap Agreement, it is possible that the available credit enhancement on the Notes, including the Series 2015-1 Originator VFN Subordination, will be insufficient to cover such losses and, as a result, Noteholders may not receive the full amount of interest and principal that would otherwise be received.

**Issuance of Additional Series by the Receivables Trustee on Behalf of the Receivables Trust May Adversely Affect Payments on the Notes**

Additional series may from time to time be created within the Receivables Trust. The Investor Interest of any new series – and Related Debt or Additional Debt in respect of that series – will also be payable from the Receivables in the Receivables Trust. The principal terms of any new series will be contained in a new supplement to the Receivables Trust Deed and Servicing Agreement, the terms of which will not be subject to Noteholders' prior review or consent.

The principal terms of a new series may include methods for determining Investor Percentages and allocating Collections, provisions creating different or additional Security or other credit enhancement for the new series, provisions subordinating the new series to other series, and other amendments or supplements to the Receivables Trust Deed and Servicing Agreement that apply only to the new series. It is a condition to the issuance of a new series that each Rating Agency that has rated any debt ultimately payable from a prior series that is outstanding – including the Notes – confirms in writing that the issuance of the new series will not result in a reduction or withdrawal of its then current rating (which may be in the form of a rating of any Rated Debt being contemporaneously issued).

However, the terms of a new series could adversely affect the timing and amounts of payments on the Notes.

**Credit Quality of the Receivables Trust's Assets May be Eroded by the Addition or Removal of Accounts Which Could Adversely Affect Collections of Receivables**

The Transferor may designate additional credit card or charge card accounts as Designated Accounts and offer the Receivables Trustee an assignment of the Receivables arising under such additional Designated Accounts. These accounts may include accounts that were originated or acquired using criteria that are different from those applicable to the accounts from which Receivables were originally assigned to the Receivables Trustee.

For example, they could be originated at a different date or with different underwriting standards, or they could be acquired from another institution that used different underwriting standards. Consequently, there can be no assurance that accounts that become Designated Accounts in the future will have the same credit quality or other characteristics as the Designated Accounts on the Series 2015-1 Closing Date. In addition, the acquisition by the Originator of Accounts originated by third parties may result in the assumption of associated costs, including costs incurred in making *ex gratia* payments to Obligors in circumstances where the Originator is not technically liable but may (for a variety of reasons which are common across the UK consumer finance sector) nevertheless meet. This could adversely affect Collections on the Receivables. If this occurred, Noteholders could suffer an early redemption of, or a loss on, the Notes.

Notwithstanding the foregoing, the Transferor is not entitled to nominate additional Designated Accounts which do not satisfy the Maximum Addition Amount criteria without receiving a Rating Confirmation in respect of the nomination of such Accounts. See "*The Receivables: Assignment of Receivables to the Receivables Trustee*".

#### **Breach of Transferor's Representations**

The Transferor has represented and will represent in the Receivables Securitisation Deed that the assignment of each Principal Receivable to the Receivables Trustee will pass good and marketable title to the Principal Receivable and the benefit of the Principal Receivable to the Receivables Trustee free of any encumbrances upon the Principal Receivable in favour of any person claiming through or under the Originator or its affiliates subject to (a) the execution of a legal assignment of such Principal Receivable to the Receivables Trustee and the perfection of such assignment by the giving of a notice of assignment to the relevant Obligor and (b) any limitations arising on enforcement in the jurisdiction of the relevant Obligor.

None of the Loan Note Issuer, the Receivables Trustee, the Issuer, the Security Trustee, the Note Trustee, the Co-Arrangers or the Joint Lead Managers has undertaken or will undertake any investigations, searches or other actions to verify the details of the Receivables – other than steps taken by the Issuer to verify the details of the Receivables that are presented in this Prospectus – or to establish the creditworthiness of any Obligor on the Designated Accounts. The Loan Note Issuer, the Receivables Trustee and the Issuer will rely solely on the representations given by the Transferor to the Receivables Trustee about the Receivables, the Obligors on the Designated Accounts, the Designated Accounts and the effect of the assignment of the Receivables.

If any representation made by the Transferor in respect of any Principal Receivable assigned to the Receivables Trustee proves to have been incorrect when made, the Transferor will be required to pay to the Receivables Trustee an amount equal to the face amount thereof and that Principal Receivable may thereafter be re-assigned to the Originator for nominal consideration and will not be funded by the Loan Note Issuer. The obligation of the Transferor to make such payment to the Receivables Trustee may be fulfilled in whole or in part by a reduction in the amount of the Transferor Interest or the Originator VFN Available Excess Amount of the Originator VFN Investor Interest, **provided**,



**however, that** no such decrease will cause either the Transferor Interest or the Originator VFN Excess Amount to be decreased to an amount less than zero. If the Transferor becomes insolvent, the Receivables Trustee may be unable to compel the Transferor to make any payment in respect of a breach of any representation relating to the Receivables, and Noteholders could incur a loss on the Notes and/or an early redemption of the Notes. See "*The Receivables: Representations*".

**Interest Rate Payable on Each Series 2015-1 Loan Note May Increase Without a Corresponding Change in Interest Rates Potentially Causing a Loss on the Notes or Early Redemption of the Notes**

In line with the rest of the UK consumer credit sector, the Originator may apply differential interest rates to each product offering, some of which may be fixed or fixed for predetermined periods. The majority of the Designated Accounts have monthly interest rates that are constant, subject to the Originator's ability to change the interest rate at its discretion (insofar as permitted by relevant consumer credit regulation and guidance). The rate of interest payable by Obligors affects the amount of Finance Charge Collections the Receivables Trustee can pay to the Loan Note Issuer to fund interest payments on the Series 2015-1 Loan Notes then outstanding. The interest rate paid on the Series 2015-1 Loan Notes will be based on the London interbank offered rate ("**LIBOR**") for deposits in Sterling, which changes from time to time. Accordingly, the interest payable on the Series 2015-1 Loan Notes could increase without a corresponding increase in the amount of Finance Charge Collections. If this occurred, Noteholders could suffer a loss on the Notes or a Pay Out Event could occur causing an early redemption of the Notes.

**Yield of Finance Charge Collections May be Affected by Changes in the Rate of Periodic Finance Charges**

The Originator has reserved the right to change the rate of Periodic Finance Charges and other fees which will be applicable from time to time to such Designated Accounts. There can be no guarantee that the yield represented by the amount of Finance Charge Collections received during any Interest Period in which there has been a change in such charges or fees will remain at the same level relative to the Rate of Interest payable by the Loan Note Issuer on the Series 2015-1 Loan Notes.

**Commingling of Collections may Delay or Reduce Payments on the Notes**

Collections from Obligors in respect of the Designated Accounts and collections from Obligors in respect of non-securitised accounts owned by the Originator will initially be paid to collection accounts at a collection agent bank (the "**Primary Collection Accounts**") which are currently in the name of Lloyds Bank plc ("**Lloyds**") and swept into the Transferor Collection Account, which is currently held at HSBC, on a daily basis (or as soon as practicable thereafter). The Transferor has declared a trust in favour of the Receivables Trustee over Collections standing to the credit of the Transferor Collection Account. Collections on the Designated Accounts will be transferred from the Transferor Collection Account to the Receivables Trustee Collection Account on the Business Day following the Date of Processing of such Collections or as soon as practicable thereafter.

For the limited time that Collections on the Designated Accounts are in the Primary Collection Accounts or the Transferor Collection Account, they may be commingled with other funds of the Originator or the Transferor and, if the accounts have not been operated in accordance with their terms or adequate records have not been kept, they may be untraceable. Consequently, if Lloyds or the Transferor were to become insolvent, there may be a delay in the transfer of Collections to the Receivables Trustee if

Lloyds or the Transferor – or a liquidator or administrator of Lloyds or the Transferor – attempted to freeze the operation of the Primary Collection Accounts or the Transferor Collection Account pending completion of any rights of tracing. Although the Series 2015-1 Liquidity Reserve is available to be drawn in such circumstances, any insufficiency in that reserve to cover payment disruptions caused by the circumstances described above could ultimately cause a delay or reduction in the payments on the Notes.

In addition, the Receivables Trustee, the Loan Note Issuer and the Transferor have agreed certain cash settlement arrangements in order to facilitate operational efficiencies for the day to day settlement of amounts due between the Receivables Trustee, the Loan Note Issuer and/or the Transferor. The Receivables Trustee has also agreed to make certain refundable advance payments to the Transferor. To the extent that these advance payments represent sums of Cash Available for Investment, the Transferor has agreed to hold them on trust for the Receivables Trustee in the Transferor Collection Account, and to only apply them in accordance with the Receivables Trust Deed and Servicing Agreement and any supplements thereto. To the extent that the Transferor holds any such sums on trust for the Receivables Trustee, the same considerations mentioned above in relation to Collections held in the Transferor Collection Account will apply to such sums.

**If the Transferor Opts to Treat a Portion of Principal Receivables as Finance Charge Receivables, an Early Redemption of the Notes Could Occur or Could be Delayed**

The Transferor may opt to cause a percentage of Receivables that would otherwise be treated as Principal Receivables to be treated as Finance Charge Receivables. This is called a discount option (the "**Discount Option**"). If the Transferor were to exercise this Discount Option, it could prevent a Pay Out Event from occurring because of a reduction of the Portfolio Yield, which could delay an early redemption of the Notes at a time when the performance of the Securitised Portfolio is deteriorating. The application of the Discount Option is at the option of the Transferor and the Transferor may change the percentage that applies or cease applying the Discount Option at any time. This Discount Option, if exercised, will reduce the aggregate amount of Principal Receivables, which may increase the likelihood that the Transferor will be required to designate additional Accounts from which Receivables will be assigned to the Receivables Trustee. If the Transferor were unable to designate additional Accounts, a Pay Out Event could occur and Noteholders could receive payments of principal on the Notes earlier than expected.

**If Obligor Concentration in a Geographic Region, an Economic Downturn in that Region May Adversely Affect Collections of Receivables**

If the Receivables Trust has a high concentration of Receivables from Obligor located in a single region, an economic downturn in that region may have a magnified adverse effect on the Receivables Trust because of that concentration. This Prospectus contains a geographic breakdown of Accounts and the amount of Receivables generated in various regions of the United Kingdom but geographic concentrations may vary from time to time and the Issuer cannot predict when or where such concentrated regional economic declines may occur or to what extent or for how long. This could adversely affect the performance of the Receivables within the Securitised Portfolio which could result in a loss on the Notes. See "*Portfolio Information – Total Portfolio – 31 March 2015*".

**Termination of the Servicer May Cause Disruptions in the Collection Process that Could Affect the Timeliness of Payments on the Notes**

If the appointment of NewDay Cards Ltd as Servicer is terminated under the terms of the Receivables Trust Deed and Servicing Agreement, it will be necessary for the Receivables Trustee to appoint a Successor Servicer to undertake the obligations of the Servicer. See "*Servicing of Receivables - Termination of Appointment of Servicer*" for a description of the circumstances in which such termination may occur and the consequences of such termination. The transfer to a new Servicer may create disruptions in the collection process that could cause delays in the payments received by the Loan Note Issuer and the Issuer and, ultimately, in payments due on the Notes if amounts available under the Series 2015-1 Liquidity Reserve are insufficient to cover any disruptions in the collections process.

## REGULATORY DISCLOSURE

### Articles 404 to 410 of the Capital Requirements Regulation and Article 51 of the Alternative Investment Fund Manager Regulations

NewDay Funding Transferor Ltd as Transferor will be the originator of the securitisation detailed in this Prospectus and of which the issue of the Notes forms part for the purposes of EU Regulation 575/2013 (the "**CRR**") and EU Regulation 231/2013 (the "**AIFMR**") and confirms that it will (i) retain a material net economic interest of not less than 5 per cent. of the nominal value of the securitisation in accordance with Article 405 of the CRR and Article 51 of the AIFMR (as in force at the Series 2015-1 Closing Date) until the Series 2015-1 Final Redemption Date by way of a retention in accordance with paragraph 1(b) of Article 405 of the CRR and paragraph 1(b) of Article 51 of the AIFMR (as in force at the Series 2015-1 Closing Date) of an originator's interest of not less than 5 per cent. of the nominal value of the securitised exposures and (ii) provide on a timely basis all information required to be made available by the originator pursuant to Article 409 of the CRR as implemented by the UK PRA, subject always to any requirement of law and **provided that** the Transferor will not be in breach of such undertaking if it fails to so comply due to events, actions or circumstances beyond the control of the Transferor.

The form of the retention of the originator's interest will be through the Transferor's undertaking to retain the Originator VFN Loan Note in an amount of not less than 5 per cent. of the Outstanding Face Amount of Eligible Receivables (in accordance with the terms of the confirmation set out above). The continued compliance of the Transferor with its undertaking to maintain its interest in accordance with the CRR and the AIFMR will be disclosed in the investor reports which will be made available to Noteholders.

The Transferor will grant security over and otherwise deal with the retention in a manner permitted under Article 405 of the CRR and Article 51 of the AIFMR and as specified in Article 12(2) of Commission Delegated Regulation (EU) No 625/2014. Should the enforcement of that security or any consequences arising from those dealings or any other reason (including the sale or other disposal of the retention in the insolvency of the Transferor) result in the Transferor ceasing to retain a material net economic interest in the retention then there would no longer be a retention in compliance with Article 405 of the CRR and Article 51 of the AIFMR which would affect the liquidity of the Notes.

Each prospective investor that is required to comply with Articles 404 to 410 of the CRR (as implemented in each Member State of the European Economic Area) or Section 5 of Chapter III of the AIFMR (as implemented in each Member State of the European Economic Area) is required to independently assess and determine the sufficiency of the information described above, in this Prospectus and otherwise which may be made available to investors (if any) generally for the purposes of compliance with Articles 404 to 410 of the CRR and Section 5 of Chapter III of the AIFMR and none of the Issuer, the Receivables Trustee, the Loan Note Issuer, the Originator, the Co-Arrangers, the Joint Lead Managers or any of the other transaction parties (i) makes any representation that the information described above or elsewhere in this Prospectus or which otherwise may be made available to such investors (if any) is sufficient in all circumstances for such purposes, (ii) shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated herein to comply with or otherwise satisfy the requirements of Articles 404 to 410 of the CRR or Section 5 of Chapter III of the AIFMR or any other applicable legal, regulatory or other requirements; or (iii) shall have any obligation, other than the obligations in respect of Articles 405 and 409 of the CRR undertaken by the Transferor in the Subscription Agreement and the Series 2015-1 Supplement, to enable compliance with the requirements of Articles 404 to 410 of the CRR and Section 5 of Chapter III of the AIFMR or any other applicable legal, regulatory or other requirements. Prospective investors who are uncertain as to the requirements under Articles 404 to 410 of the CRR and Section 5 of Chapter III of the AIFMR which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator.

## TRANSACTION OVERVIEW

*The information set out below is an overview of various aspects of the transaction. This overview is not purported to be complete and should be read in conjunction with, and is qualified in its entirety by references to, the detailed information presented elsewhere in this Prospectus.*

### TRANSACTION PARTIES

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed and further information</b>
<b>Co-Arrangers</b>	Citigroup Global Markets Limited (" <b>Citi</b> ")	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	N/A
	NewDay Cards Ltd (together with Citi, the " <b>Co-Arrangers</b> ")	Two Pancras Square, London N1C 4AG	
<b>Joint Lead Managers</b>	Citi	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Subscription Agreement; please see " <i>Subscription and Sale</i> " for further details.
	Deutsche Bank AG, London Branch (" <b>DB</b> ")	Winchester House, 1 Great Winchester Street, London EC2N 2DB	
	Lloyds Bank plc (" <b>Lloyds</b> ")	25 Gresham Street, London EC2V 7HN	
	The Royal Bank of Scotland plc (" <b>RBS</b> ", together with Citi, DB and Lloyds, the " <b>Joint Lead Managers</b> ")	135 Bishopsgate, London EC2M 3UR	
<b>Issuer</b>	NewDay Funding 2015-1 Plc	35 Great St. Helen's, London EC3A 6AP	N/A; please see " <i>The Issuer</i> " for further details.
<b>Originator</b>	NewDay Ltd	Two Pancras Square, London N1C 4AG	N/A; please see " <i>The Originator, the Servicer and the NewDay Group</i> " for further details.
<b>Servicer and Cash Manager</b>	NewDay Cards Ltd (the " <b>Servicer</b> " and the " <b>Cash Manager</b> ")	Two Pancras Square, London N1C 4AG	Receivables Trust Deed and Servicing Agreement and Security Trust Deed and Cash Management Agreement; please see " <i>The Originator, the Servicer and the NewDay Group</i> " for

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed and further information</b>
			further details.
<b>Back-Up Cash Manager</b>	Citibank, N.A., London Branch	Citigroup Centre Canada Square Canary Wharf London E14 5LB	Back-Up Cash Management Agreement; please see <i>"The Back-Up Cash Manager"</i> .
<b>Receivables Trustee</b>	NewDay Funding Receivables Trustee Ltd	47 Esplanade, St. Helier, Jersey JE1 0BD	Receivables Trust Deed and Servicing Agreement; please see <i>"The Receivables Trust"</i> for further details.
<b>Receivables Trustee Corporate Services Provider</b>	Structured Finance Management Offshore Limited (the <b>"Receivables Trustee Corporate Services Provider"</b> )	47 Esplanade, St. Helier, Jersey JE1 0BD	Receivables Trustee Corporate Services Agreement; please see <i>"The Receivables Trustee"</i> for further details.
<b>Transferor and Transferor Beneficiary</b>	NewDay Funding Transferor Ltd	Two Pancras Square, London N1C 4AG	Receivables Trust Deed and Servicing Agreement; please see <i>"The Transferor"</i> for further details.
<b>Receivables Trustee Account Bank, Loan Note Issuer Account Bank and Issuer Account Bank</b>	HSBC Bank plc (the <b>"Receivables Trustee Account Bank"</b> , <b>"Loan Note Issuer Account Bank"</b> and <b>"Issuer Account Bank"</b> )	8 Canada Square, London E14 5HQ	Receivables Trustee Account Bank Agreement / Loan Note Issuer Account Bank Agreement / Issuer Account Bank Agreement.
<b>Loan Note Issuer and Investor Beneficiary</b>	NewDay Funding Loan Note Issuer Ltd	35 Great St. Helen's, London EC3A 6AP	N/A; please see <i>"The Loan Note Issuer"</i> for further details.
<b>Calculation Agent</b>	HSBC Bank plc (the <b>"Calculation Agent"</b> )	8 Canada Square, London E14 5HQ	Security Deed and Cash Management Agreement; please see <i>"The Calculation Agent, the Principal Paying Agent, the Paying Agent and the Agent Bank "</i>
<b>Principal Paying Agent, Paying Agent and Agent Bank</b>	HSBC Bank plc (the <b>"Principal Paying Agent"</b> , the <b>"Paying Agent"</b> and the <b>"Agent Bank"</b> )	8 Canada Square, London E14 5HQ	Paying Agency and Agent Bank Agreement; please see <i>"The Calculation Agent, the Principal Paying Agent, the Paying Agent and the Agent Bank "</i>
<b>Note Trustee</b>	HSBC Corporate Trustee Company (UK)	8 Canada Square, London E14 5HQ	Note Trust Deed; please see <i>"The Note Trustee and the Security</i>

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed and further information</b>
	Limited		<i>Trustee</i> " for further details.
<b>Security Trustee</b>	HSBC Corporate Trustee Company (UK) Limited	8 Canada Square, London E14 5HQ	Security Trust Deed and Cash Management Agreement; please see " <i>The Note Trustee and Security Trustee</i> " for further details.
<b>Registrar</b>	HSBC Bank plc	8 Canada Square, London E14 5HQ	Paying Agency and Agent Bank Agreement; please see " <i>The Calculation Agent, the Principal Paying Agent, the Paying Agent and the Agent Bank</i> "
<b>Loan Note Issuer Corporate Services Provider</b>	Structured Finance Management Limited (the " <b>Loan Note Issuer Corporate Services Provider</b> ")	35 Great St. Helen's, London EC3A 6AP	Loan Note Issuer Corporate Services Agreement, please see " <i>The Loan Note Issuer</i> " for further details.
<b>Issuer Corporate Services Provider</b>	Structured Finance Management Limited (the " <b>Issuer Corporate Services Provider</b> ")	35 Great St. Helen's, London EC3A 6AP	Issuer Corporate Services Agreement; please see " <i>The Issuer</i> " for further details.
<b>Holdings</b>	NewDay Funding Securitisation Holdings Ltd	35 Great St. Helen's, London EC3A 6AP	N/A; please see " <i>The Issuer</i> " for further details.
<b>Holdings Corporate Services Provider</b>	Structured Finance Management Limited (the " <b>Holdings Corporate Services Provider</b> ")	35 Great St. Helen's, London EC3A 6AP	Holdings Corporate Services Agreement; please see " <i>The Issuer</i> " for further details.
<b>Holdings Share Trustee</b>	SFM Corporate Services Limited	35 Great St. Helen's, London EC3A 6AP	N/A; please see " <i>The Issuer</i> " for further details.
<b>Loan Note Issuer Share Trustee</b>	Crestbridge Corporate Trustees Limited	47 Esplanade, St. Helier, Jersey JE1 0BD	N/A; please see " <i>The Loan Note Issuer</i> " for further details.
<b>Receivables Trustee Share Trustee</b>	Structured Finance Management Offshore Limited	47 Esplanade, St. Helier, Jersey JE1 0BD	N/A; please see " <i>The Receivables Trustee</i> " for further details.

## RECEIVABLES AND SERVICING OF RECEIVABLES

Please refer to the sections entitled "*The Receivables*" and "*Servicing of Receivables*" for further detail in respect of the characteristics of the Securitised Portfolio and the sale and the servicing arrangements in respect of the Securitised Portfolio.

### **The Receivables**

The Receivables consist of amounts charged by Obligors to designated credit card accounts (and, in the future, may also consist of amounts charged by Obligors to charge card accounts) originated or acquired by the Originator and held on trust by it for the Transferor. The Receivables also include the Periodic Finance Charges and fees charged to such accounts.

As at the date of this Prospectus, all credit card accounts within the Total Portfolio are operated through the MasterCard® system. However, credit cards and charge cards operated through the American Express®, VISA® or other payment systems may be added to the Securitised Portfolio in the future.

As at 31 March 2015, the aggregate face value of the Receivables in the Total Portfolio was £579,640,852. More detailed information regarding the Total Portfolio is provided in the section entitled "*The Receivables*". A representative cross-section of the Total Portfolio will comprise the Securitised Portfolio on the Series 2015-1 Closing Date.

### **Terms of the Credit Agreements**

The Transferor only assigns Receivables arising on Designated Accounts to the Receivables Trustee and does not assign all of its rights under the Credit Agreements relating to the Designated Accounts (which rights are held on trust for it by the Originator). Furthermore, the Originator retains the right (subject to the terms of the Credit Agreements) to determine (without reference to the Transferor or the Receivables Trustee), *inter alia*, the monthly Periodic Finance Charges and other fees which will be applicable from time to time to such Designated Accounts, to alter the minimum monthly payment required on such Designated Accounts and the credit limit applicable to the Designated Accounts, and to change various other terms with respect to such Designated Accounts, including increasing or decreasing the annual percentage rate ("**APR**").

### **Interchange**

Members participating in the American Express®, VISA® and MasterCard® associations receive fees as partial compensation for, amongst other things, taking credit risk and absorbing fraud losses. Under the American Express®, VISA® and MasterCard® systems, such fees are passed from the merchant acquirers that clear the transactions for merchants to card issuers. These fees are calculated as a percentage of the amount of a credit or charge card transaction for the purchase of goods or services. This percentage varies from time to time.

The fees received from American Express®, VISA® and MasterCard® described above are known as "**Interchange**".

Any Interchange arising in respect of Designated Accounts is assigned to the Receivables Trustee and is generally treated in the same way as Finance Charge Collections.



## **Eligibility Criteria**

Principal Receivables may only be added to the Securitised Portfolio if they meet specified conditions. Those conditions, broadly, include:

- that the Receivable is payable in Sterling (or, in the case of Receivables from accounts in Permitted Additional Jurisdictions, the currency of that jurisdiction);
- that the Receivable does not derive from a credit card or charge card account which has been classified by the Originator as counterfeit, cancelled, fraudulent, stolen or lost;
- that the Receivable is not a Defaulted Receivable; and
- that the relevant Obligor is an individual whose billing address is located in England, Wales, Scotland, Northern Ireland or a Permitted Additional Jurisdiction.

## **Sale and Assignment**

The Receivables arising on Designated Accounts will be assigned to the Receivables Trustee by the Transferor pursuant to the Receivables Securitisation Deed. The assignment of Receivables arising on the Designated Accounts and the circumstances where such assignments may be restricted are set out in more particular detail in the section entitled "*The Receivables – Assignment of Receivables to the Receivables Trustee.*"

## **Consideration**

The consideration payable by the Receivables Trustee for the Receivables is, broadly, the outstanding balance due in respect of such of those Receivables as are Principal Receivables, plus Deferred Consideration. In the event that the Receivables Trustee does not have enough cash available to purchase a Receivable that arises on a Designated Account on any day, such shortfall may be met by an increase of the Transferor Beneficiary's interest in the Receivables Trust.

## **Representations**

Each offer and all future offers of Receivables to the Receivables Trustee will include representations by the Transferor about such of those Receivables as are Principal Receivables. The representations for Principal Receivables in existence at the time of such offer will be given as of the relevant Assignment Date and the representations for Principal Receivables yet to come into existence will be given as of the date they are processed and, broadly, will include, in each case, that:

- unless identified as an Ineligible Receivable, such Principal Receivable is an Eligible Receivable and has arisen from an Eligible Account in the amount specified in the offer or daily activity report, as applicable;
- each assignment passes good and marketable title for that Principal Receivable to the Receivables Trustee, together with the benefit of any Collections and other rights in connection with it, free from encumbrances (except as provided for by applicable law) in favour of any person claiming through or under the Originator or any of its affiliates to the Receivables Trustee and, subject to any limitations arising on enforcement in the jurisdiction of the relevant Obligor, nothing further needs to be done to enforce these rights in the courts of England and Wales, Scotland or Northern Ireland, or any Permitted Additional

Jurisdiction, without the participation of the Originator or the Transferor, other than (a) the execution of a legal assignment of such Receivable to the Receivables Trustee and the perfection of such assignment by the giving of a notice of assignment to the relevant Obligor and (b) the joining of the Originator and/or the Transferor as a party to proceedings by the Receivables Trustee against the relevant Obligor;

- each assignment complies with all laws applicable to the Originator or the Transferor on the date of such assignment, save where any such non-compliance would not have a material adverse effect on the ability of the Originator or the Transferor (as applicable) to conduct its business; and
- the Originator is the person by whom the legal title to the relevant Designated Account is held.

If a representation given in connection with any Principal Receivable proves to be incorrect when made, then the Transferor is obliged to pay the Receivables Trustee an amount equal to the face value of that Receivable by no later than the Transfer Date following the Collection Period during which such representation becomes known to the Transferor to be incorrect. A Receivable of this type will afterwards be treated as an Ineligible Receivable.

For further details of the eligibility criteria, together with the definitions of Eligible Receivable and Eligible Account, please see "*The Receivables*".

## **Designation of Accounts**

Receivables will only be assigned to the Receivables Trustee if they arise on credit card or charge card accounts specified (either specifically or by reference to a given product line) by the Transferor (such accounts being "**Designated Accounts**"). On the Initial Assignment Date (which is anticipated to fall on or immediately after the Series 2015-1 Closing Date), the Designated Accounts will be those accounts which are specified in the Initial Offer and, subject to the following restrictions, new accounts which are originated as part of the product lines specified in the Initial Offer or any Subsequent Offer will automatically become Designated Accounts (unless specifically recorded as not being so designated on the Originator's System).

No charge card accounts may be specified as Designated Accounts unless, in each case, a Rating Confirmation is obtained.

Furthermore, unless a Rating Confirmation is obtained in respect of the addition of Designated Accounts in greater numbers, the maximum number of accounts which may become Designated Accounts is, broadly:

- (a) in a given three-month period, limited (by both number and outstanding balance at point of designation) to 15 per cent. of the Securitised Portfolio; and
- (b) in a given 12-month period, limited (by both number and outstanding balance at point of designation) to 20 per cent. of the Securitised Portfolio.

Further details regarding each of the above restrictions is set out in

"*The Receivables*" below.

**Re-designation of Designated Accounts**

Each Designated Account will continue to be a Designated Account until it is re-designated and becomes a "**Re-designated Account**".

A Designated Account will automatically become a Re-designated Account with effect from the date (if any) on which it becomes:

- (a) a Defaulted Account; or
- (b) a Cancelled Account.

Unless it becomes a Defaulted Account or a Cancelled Account, a Designated Account will only become a Re-designated Account with effect from the date (if any) specified in a notice (a "**Re-designation Notice**") served by the Transferor in accordance with the terms of the Receivables Securitisation Deed.

Unless a Designated Account is a Debt Recovery Account, a Zero Balance Account or an Ineligible Account, the Transferor may only serve a Re-designation Notice in respect of such Account if:

- (a) unless such Account is a Third Party Re-designated Account, such re-designation will not, in the reasonable belief of the Transferor, cause:
  - (i) a Pay Out Event to occur on the relevant Re-designation Date;
  - (ii) the Transferor Interest, when aggregated with the Originator VFN Excess Amount, to be less than the Minimum Transferor Interest on the relevant Re-designation Date; or
  - (iii) the Eligible Receivables Balance to be less than the Minimum Aggregate Principal Receivables on the relevant Re-designation Date;
- (b) unless such Account is a Third Party Re-designated Account, such Account has not been selected for re-designation by a procedure believed by the Transferor to be materially adverse to the interests of any Investor Beneficiary;
- (c) the Receivables Trustee and the Rating Agencies have received notice in writing from the Transferor of the proposed re-designation and, save in the case of a Third Party Re-designated Account, a Rating Confirmation shall have been provided in respect of such re-designation; and
- (d) the Transferor has delivered to the Receivables Trustee a Solvency Certificate and an officer's certificate confirming the satisfaction of the foregoing conditions.

In the case of the re-designation of a Designated Account which is a Third Party Re-designated Account, each of the Beneficiaries must have consented to the re-designation of such Account (each Investor Beneficiary will agree to provide such consent pursuant to the terms of the Beneficiaries Deed).

The date on which any Designated Account is re-designated is

known as its "**Re-designation Date**".

For the purposes of the foregoing:

A "**Cancelled Account**" is a Designated Account (which is not a Defaulted Account or a Debt Recovery Account) which has had its charging privileges permanently withdrawn either (a) at the instigation of the Servicer or (b) at the request of the relevant Obligor, and, in either case, which has been designated by the Servicer as a "Cancelled Account" in accordance with the Credit Guidelines or the Servicer's usual servicing procedures.

A "**Debt Recovery Account**" is a Designated Account (which is not a Defaulted Account) where the relevant Obligor has been sent a notice of default in respect of such Account or is otherwise on a payment plan.

A "**Defaulted Account**" is a Designated Account where the Receivables have been charged off by the Servicer as uncollectible in line with the Credit Guidelines or the usual servicing procedures of the Servicer.

An "**Ineligible Account**" is a Designated Account in respect of which every outstanding Principle Receivable arising under such Account is an Ineligible Receivable and which the Transferor wishes to cease being a Designated Account.

A "**Third Party Re-designated Account**" is a Designated Account which is to be re-designated as a result of an arm's length arrangement on commercial terms made between the Transferor and/or the Originator and a third party which requires the transfer to such third party of specified Designated Accounts, such re-designation to occur in accordance with the terms of the Receivables Securitisation Deed.

A "**Zero Balance Account**" is a Designated Account that has had a nil balance of Receivables for a considerable period of time and has been identified by the Servicer as a Zero Balance Account under the Credit Guidelines or the usual servicing procedures of the Servicer.

The Principal Receivables arising on Re-designated Accounts that exist before the relevant Re-designation Date will be paid for by the Receivables Trustee. Any future Receivables that come into existence after that time (other than Finance Charge Receivables in respect of Receivables which are in existence prior to such Re-designation Date) will not be assigned to the Receivables Trustee, as set out in the Receivables Securitisation Deed. However, no Receivables that have been assigned to the Receivables Trustee will be re-assigned to the Transferor unless:

- (a) such Receivables relate to Re-designated Accounts which are Defaulted Accounts ("**Defaulted Receivables**") or Debt Recovery Accounts ("**Debt Recovery Receivables**") and the Transferor exercises its rights and complies with its obligations under the relevant Call Option (as described below);
- (b) such Receivables relate to Re-designated Accounts which are Third Party Re-designated Accounts and the Transferor pays the Receivables Trustee an amount equal to the aggregate balance of Eligible Receivables standing to the

credit of those Re-designated Accounts;

- (c) such Receivables relate to Re-designated Accounts which are Ineligible Accounts in respect of which the Transferor has complied with its obligations in respect of the outstanding Ineligible Receivables, as described under the heading "*The Receivables – Representations*"; or
- (d) such Receivables relate to any other Re-designated Accounts in respect of which the Transferor has specified in the relevant Re-designation Notice that such Receivables are to be re-assigned and the Transferor pays the Receivables Trustee an amount equal to the aggregate balance of Eligible Receivables standing to the credit of those Re-designated Accounts.

Until money has been received by the Receivables Trustee for the assigned Receivables, the Receivables arising on a Re-designated Account will not be re-assigned.

## **Call Options**

Pursuant to the Receivables Securitisation Deed, the Receivables Trustee has granted to the Transferor a call option in respect of Defaulted Receivables and a call option in respect of Debt Recovery Receivables.

The Transferor may exercise either of these options by sending an assignment agreement (an "**Option Assignment**") to the Receivables Trustee stating that, at the opening of business (the "**Option Exercise Time**") on a specified date (the "**Option Exercise Date**"), it shall require the Receivables Trustee to re-assign and release to it all Defaulted Receivables on the Defaulted Accounts (or any specified Defaulted Accounts) or the Debt Recovery Receivables on the Debt Recovery Accounts (or any specified Debt Recovery Accounts), as applicable (in each case as are in existence at the Option Exercise Time) and stating the amount of Defaulted Receivables or Debt Recovery Receivables, as applicable, to be re-assigned and released to the Transferor at the related Option Exercise Time.

The consideration payable by the Transferor for such re-assignment shall:

- (a) in the case of Defaulted Receivables, be the aggregate of £1 (payable on the Option Exercise Date), and:
  - (i) any amount received from the relevant Obligor (directly or indirectly), for the avoidance of doubt excluding Insurance Proceeds, by the Transferor with respect to the re-assigned Defaulted Receivables; and
  - (ii) any consideration payable by any third party to the Transferor, including debt collection agents, for the assignment of such re-assigned Receivables (net of any costs of the Transferor in connection with such sale and any retention in respect of any provisions in respect of such sale),

the amounts specified in paragraphs (i) and (ii) being, together, the "**Sale Recoveries**" and being payable on the Transfer Date relating to the Collection Period during

which the Sale Recoveries were realised; and

- (b) in the case of Debt Recovery Receivables, be an amount equal to the aggregate balance of the Eligible Receivables relating to such Debt Recovery Accounts as at the Option Exercise Date and stated in the Option Assignment.

#### **Discount Option Receivables**

The Transferor may, by giving at least 30 days' prior notice to the Servicer, the Receivables Trustee and the Rating Agencies, nominate a fixed or variable percentage – called the "**Discount Percentage**" – to apply to Principal Receivables arising on the Designated Accounts. If a Discount Percentage has been nominated previously, an extension to the period for which it applies can be specified in the same way. From the date and for the length of time stated in the notice: (i) the amount payable by the Receivables Trustee to accept an offer of Receivables will be reduced by the Discount Percentage and (ii) a percentage of the Principal Receivables equal to the Discount Percentage will be treated by the Receivables Trustee as Finance Charge Receivables.

#### **Notification Events**

The Originator has granted a security power of attorney in favour of the Transferor, and the Transferor has granted a security power of attorney in favour of the Receivables Trustee, enabling the Receivables Trustee (as attorney of the Transferor and sub-attorney of the Originator) to execute a legal assignment to it of the Originator's legal title to the Receivables. However, the Receivables Trustee has agreed that it will not execute such a legal assignment or give notice of such assignment to the relevant Obligors unless (a) a Pay Out Insolvency Event occurs with respect to the Originator or the Transferor or (b) the Transferor (or the Servicer on behalf of the Transferor) fails to pay any sum due from it to the Receivables Trustee under the Receivables Trust Deed and Servicing Agreement in respect of the Designated Accounts within five Business Days of the due date thereof or the date of demand, if payable on demand, in the currency and in the manner specified herein, and such failure is not remedied within ten Business Days after the Receivables Trustee has given notice thereof to the Transferor.

Accordingly, prior to the execution of such an assignment and the notification thereof to the Obligors, the transfer by the Transferor to the Receivables Trustee of the benefit of the Receivables takes effect in equity only. This has certain legal consequences as described in the risk factor entitled "*Failure to Notify Obligors of the Transfer of Receivables Could Delay or Reduce Payments on the Notes*".

#### **Servicing of the Receivables**

The Servicer has been appointed by the Receivables Trustee as initial Servicer under the terms of the Receivables Trust Deed and Servicing Agreement. Among other things, the Servicer's functions include crediting and debiting Obligors' accounts as appropriate.

The appointment of NewDay Cards Ltd as Servicer under the Receivables Trust Deed and Servicing Agreement and the appointment of any person as Servicer to replace anyone then acting as the Servicer – called a "**Successor Servicer**" – will terminate when a Servicer Default occurs and is continuing, which includes:

- material non-performance of its obligations;

- material misrepresentations;
- occurrence of an insolvency event; and
- delegation of its duties other than as permitted by the Receivables Trust Deed and Servicing Agreement.

The Servicer may not resign from its obligations and duties as Servicer under the Receivables Trust Deed and Servicing Agreement unless its performance is no longer permitted under applicable law and there is no reasonable action that it could take to make it permissible. The Servicer's resignation will not be effective until a Successor Servicer has been properly appointed.

Please see "*Servicing of Receivables*" for further details.

### **Delegation**

The Servicer may delegate some or all of its servicing function to a third party, **provided that** the Servicer remains responsible for the performance of any of its servicing function so delegated. Please see "*Servicing of Receivables*" for further details.

As at the Series 2015-1 Closing Date, the Servicer has appointed Lloyds to perform certain cash management and settlement services in respect of the Securitised Portfolio and has appointed First Data Global Services Limited to perform certain technical and operational services in respect of the Securitised Portfolio (please see "*The Securitised Portfolio – Servicing and Origination*" for further details).

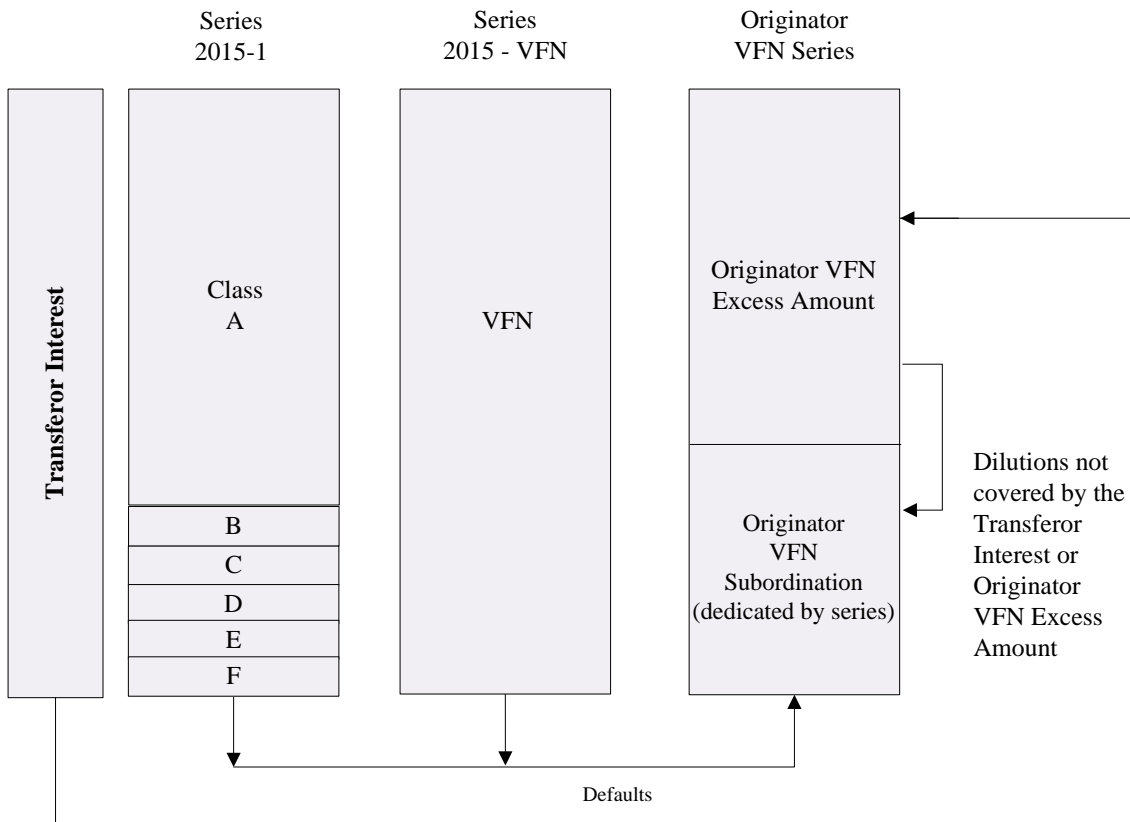
### FULL CAPITAL STRUCTURE OF THE NOTES

	Class A	Class B	Class C	Class D	Class E	Class F
<b>Currency</b>	GBP	GBP	GBP	GBP	GBP	GBP
<b>Initial Principal Amount</b>	£147,300,000	£21,600,000	£31,800,000	£44,100,000	£22,800,000	£15,300,000
<b>Credit Enhancement Features</b>	Subordination of Class B/C/D/E/F Notes, Series Originator VFN Subordination and excess Finance Charge Collections	Subordination of Class C/D/E/F Notes, Series Originator VFN Subordination and excess Finance Charge Collections	Subordination of Class D/E/F Notes, Series Originator VFN Subordination and excess Finance Charge Collections	Subordination of Class E/F Notes, Series Originator VFN Subordination and excess Finance Charge Collections	Subordination of Class F Notes, Series Originator VFN Subordination and excess Finance Charge Collections	Subordination of Series Originator VFN Subordination and excess Finance Charge Collections
<b>Liquidity Support Features</b>	Use of Finance Charge Collections from the Originator VFN Subordination for Series 2015-1 and other Series grouped with Series 2015-1, use of Principal Collections from subordinated classes and the Originator VFN Subordination for Series 2015-1 and use of the Series 2015-1 Liquidity Reserve	Use of Finance Charge Collections from the Originator VFN Subordination for Series 2015-1 and other Series grouped with Series 2015-1, use of Principal Collections from subordinated classes and the Originator VFN Subordination for Series 2015-1 and use of the Series 2015-1 Liquidity Reserve	Use of Finance Charge Collections from the Originator VFN Subordination for Series 2015-1 and other Series grouped with Series 2015-1, use of Principal Collections from subordinated classes and the Originator VFN Subordination for Series 2015-1 and use of the Series 2015-1 Liquidity Reserve	Use of Finance Charge Collections from the Originator VFN Subordination for Series 2015-1 and other Series grouped with Series 2015-1, use of Principal Collections from subordinated classes and the Originator VFN Subordination for Series 2015-1 and use of the Series 2015-1 Liquidity Reserve	Use of Finance Charge Collections from the Originator VFN Subordination for Series 2015-1 and other Series grouped with Series 2015-1, use of Principal Collections from subordinated classes and the Originator VFN Subordination for Series 2015-1	Use of Finance Charge Collections from the Originator VFN Subordination for Series 2015-1 and other Series grouped with Series 2015-1, use of Principal Collections from the Originator VFN Subordination for Series 2015-1
<b>Issue Price</b>	100%	100%	100%	100%	100%	100%
<b>Interest Rate</b>	1-month LIBOR	1-month LIBOR	1-month LIBOR	1-month LIBOR	1-month LIBOR	1-month LIBOR
<b>Initial Margin</b>	1.00%	1.55%	1.95%	2.50%	3.50%	4.50%
<b>Step-Up Margin</b>	2.00%	2.55%	2.95%	3.50%	4.50%	5.50%
<b>Interest Accrual Method</b>	Actual/365 (Sterling)	Actual/365 (Sterling)	Actual/365 (Sterling)	Actual/365 (Sterling)	Actual/365 (Sterling)	Actual/365 (Sterling)
<b>Interest Payment Dates</b>	Interest will be payable monthly in arrear on the 15 <sup>th</sup> of each month commencing on the first Interest Payment Date, subject to the Business Day Convention.					
<b>Business Day Convention</b>	Following	Following	Following	Following	Following	Following



	<b>Class A</b>	<b>Class B</b>	<b>Class C</b>	<b>Class D</b>	<b>Class E</b>	<b>Class F</b>
<b>First Interest Payment Date</b>	The Interest Payment Date falling in August 2015	The Interest Payment Date falling in August 2015	The Interest Payment Date falling in August 2015	The Interest Payment Date falling in August 2015	The Interest Payment Date falling in August 2015	The Interest Payment Date falling in August 2015
<b>First Interest Period</b>	The period from the Series 2015-1 Closing Date to the first Interest Payment Date					
<b>Step-Up Date</b>	The Interest Payment Date falling in July 2018	The Interest Payment Date falling in July 2018	The Interest Payment Date falling in July 2018	The Interest Payment Date falling in July 2018	The Interest Payment Date falling in July 2018	The Interest Payment Date falling in July 2018
<b>Pre-Enforcement Redemption Profile</b>	Unless the Rapid Amortisation Period has already started and subject to the occurrence of a Partial Amortisation Date, the Notes will be redeemed on the Series 2015-1 Scheduled Redemption Date. Please refer to Note Condition 7 ( <i>Redemption</i> ).					
<b>Post-Enforcement Redemption Profile</b>	Pass through redemption in accordance with the priority of payments. Please refer to " <i>Credit Structure and Cashflows</i> " below.					
<b>Scheduled Redemption Date</b>	The Interest Payment Date falling in July 2018, subject to extension in accordance with the Note Conditions until no later than the Interest Payment Date falling in July 2019	The Interest Payment Date falling in July 2018, subject to extension in accordance with the Note Conditions until no later than the Interest Payment Date falling in July 2019	The Interest Payment Date falling in July 2018, subject to extension in accordance with the Note Conditions until no later than the Interest Payment Date falling in July 2019	The Interest Payment Date falling in July 2018, subject to extension in accordance with the Note Conditions until no later than the Interest Payment Date falling in July 2019	The Interest Payment Date falling in July 2018, subject to extension in accordance with the Note Conditions until no later than the Interest Payment Date falling in July 2019	The Interest Payment Date falling in July 2018, subject to extension in accordance with the Note Conditions until no later than the Interest Payment Date falling in July 2019
<b>Final Redemption Date</b>	The Interest Payment Date falling in July 2023	The Interest Payment Date falling in July 2023	The Interest Payment Date falling in July 2023	The Interest Payment Date falling in July 2023	The Interest Payment Date falling in July 2023	The Interest Payment Date falling in July 2023
<b>Form of the Notes</b>	Registered Notes	Registered Notes	Registered Notes	Registered Notes	Registered Notes	Registered Notes
<b>Application for Listing</b>	London Stock Exchange – Regulated Market	London Stock Exchange – Regulated Market	London Stock Exchange – Regulated Market	London Stock Exchange – Regulated Market	London Stock Exchange – Regulated Market	London Stock Exchange – Regulated Market
<b>ISIN</b>	XS1244057698	XS1244058316	XS1244058589	XS1244058746	XS1244059553	XS1244060304
<b>Common Code</b>	124405769	124405831	124405858	124405874	124405955	124406030
<b>Clearance/ Settlement</b>	Euroclear/ Clearstream, Luxembourg	Euroclear/ Clearstream, Luxembourg	Euroclear/ Clearstream, Luxembourg	Euroclear/ Clearstream, Luxembourg	Euroclear/ Clearstream, Luxembourg	Euroclear/ Clearstream, Luxembourg
<b>Minimum Denomination</b>	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000
<b>U.S. Regulation</b>	Reg S	Reg S	Reg S	Reg S	Reg S	Reg S
<b>Ratings (Fitch/DBRS)</b>	AAAsf/AAA(sf)	AAAsf/AA(high)(sf)	Asf/A(high)(sf)	BBBs/BBB(high)(sf)	BBsf/BB(high)(sf)	Bsf/B(high)(sf)

**SUMMARY DIAGRAM OF CREDIT STRUCTURE FOR SERIES 2015-1**



Dilutions not covered by the Transferor Interest

## OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

Please refer to section entitled "Terms and Conditions of the Notes" for further detail in respect of the Terms and Conditions of the Notes.

### Ranking

The Notes are direct, secured and unconditional obligations of the Issuer that will, at all times, rank *pari passu* and *pro rata* without preference or priority amongst themselves.

The Class A Notes will rank in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes; the Class B Notes will rank in priority to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes; the Class C Notes will rank in priority to the Class D Notes, the Class E Notes and the Class F Notes; the Class D Notes will rank in priority to the Class E Notes and the Class F Notes; and the Class E Notes will rank in priority to the Class F Notes.

"**Most Senior Class of Notes**" means the Class A Notes while they remain outstanding and thereafter the Class B Notes while they remain outstanding and thereafter the Class C Notes while they remain outstanding and thereafter the Class D Notes while they remain outstanding and thereafter the Class E Notes while they remain outstanding and thereafter the Class F Notes.

### Relationship between the Notes and the Series 2015-1 Loan Notes

The Issuer will make payments of interest and principal on the Notes from payments of interest and principal made by the Loan Note Issuer on the Series 2015-1 Loan Notes.

### Issuer Security

As Security for the payment of all monies payable in respect of the Notes, the Issuer will, pursuant to the Note Trust Deed, create Security in favour of the Note Trustee for itself and on trust for, among others, the Noteholders over, among other things, its rights to receive payments from the Loan Note Issuer under the Series 2015-1 Loan Notes.

### Loan Note Issuer Security

To secure its obligations to the Issuer and certain other secured creditors, the Loan Note Issuer will enter into the Series 2015-1 Loan Note Supplement with, among others, the Security Trustee, pursuant to which it will grant Security over, *inter alia*, its interest in the Receivables Trust.

### Interest Provisions

The interest rate applicable to each class of Notes is described in the sections entitled "*Full Capital Structure of the Notes*" and Note Condition 6 (*Interest*).

### Interest Deferral

To the extent that the monies which are deposited by the Loan Note Issuer in the Issuer Distribution Account on or prior to an Interest Payment Date in accordance with the provisions of the Series 2015-1 Loan Notes are insufficient to pay the full amount of interest on any class of Notes on the corresponding Interest Payment Date, payment of the interest shortfall ("**Deferred Interest**") will be deferred until the earlier of (a) the next Interest Payment Date thereafter on which funds are available to the Issuer to pay such Deferred Interest and (b) the Series 2015-1 Final Redemption Date. Such Deferred Interest will accrue interest ("**Additional Interest**") at 1 per cent. above the then current Rate of Interest applying to such class of Notes and payment of any Additional Interest will also be deferred until the earlier of (a) the next Interest Payment Date thereafter on which funds are available to the Issuer to pay such Additional Interest and (b) the Series 2015-1 Final Redemption Date.

Deferral of interest on any class of Notes is not an Event of Default.

**Gross-up** None of the Issuer, the Note Trustee or any Agent will be obliged to gross-up if there is any withholding or deduction in respect of the Notes on account of taxes, including FATCA.

**The Series 2015-1 Scheduled Redemption Date may be Delayed** The Series 2015-1 Scheduled Redemption Date may be extended by up to a year if the Servicer serves a Series Extension Notice in accordance with the terms of the Series 2015-1 Supplement. For further information, please see "*Series 2015-1*" and "*Terms and Conditions of the Notes*".

**Redemption** The Notes are subject to the following mandatory redemption events:

- the Notes will be redeemed on the Series 2015-1 Scheduled Redemption Date to the extent that principal repayments (including, but not limited to, repayments as a result of the issue of a Replacement Series (as more particularly described in the section entitled "*Series 2015-1 – Postponement of Controlled Accumulation Period*") are made under the Series 2015-1 Loan Notes, as fully set out in Note Condition 7 (*Redemption*);
- if the Rapid Amortisation Period commences on or prior to the Series 2015-1 Scheduled Redemption Date, the Notes will be partially or fully redeemed on each Interest Payment Date during such Rapid Amortisation Period to the extent principal repayments are made under the Series 2015-1 Loan Notes until the Notes are redeemed in full or until the Series 2015-1 Final Redemption Date, as fully set out in Note Condition 7 (*Redemption*);
- if a Partial Amortisation Event occurs on or prior to the Series 2015-1 Scheduled Redemption Date, the Servicer shall notify the Receivables Trustee thereof and the Receivables Trustee shall use Cash Available for Investment to repay some or all of the Outstanding Series, with any such funds applied in respect of Series 2015-1 being used to repay the Series 2015-1 Loan Notes and, accordingly, the Notes, as fully set out in Note Condition 7 (*Redemption*); and
- if not already redeemed prior to such date, the Notes will be redeemed in full on the Series 2015-1 Final Redemption Date as fully set out in Note Condition 7 (*Redemption*).

Any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to (but excluding) the date of redemption.

**Events of Default** The Events of Default applying to the Notes are as fully set out in Note Condition 11 (*Events of Default*), which broadly includes (where relevant, subject to the applicable grace period):

- non-payment of interest or principal when due (except for non-payment of any amount of interest which is deferred in accordance with the Note Conditions);
- a breach of contractual obligations by the Issuer under or in respect of the Issuer Documents to which it is a party (other than any obligation for the payment of any principal or interest on the Notes) which is materially prejudicial to the interests of the Noteholders;

- enforcement action being taken against the assets of the Issuer;
- the occurrence of an Insolvency Event in respect of the Issuer;
- failure by the Issuer to take any action to perform and comply with its obligations in respect of the Notes or any of the other Issuer Documents;
- it becoming unlawful for the Issuer to perform or comply with its obligations under the Notes or any of the other Issuer Documents; or
- expropriation or seizure of control over the Issuer's business as a result of government intervention.

Insolvency Events include, among other things, situations where:

- an order is made or a petition is presented for the winding up of the Issuer;
- the Issuer is unable to pay its debts within the meaning of section 123(1) of the Insolvency Act 1986; and
- proceedings are initiated against the Issuer under any applicable liquidation, administration, reorganisation, insolvency or other similar laws.

**Enforcement**

Following the occurrence of an Event of Default, the Note Trustee may, at its sole discretion, and, if so required by holders of at least one-quarter of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of holders of the Most Senior Class of Notes (subject, in each case, to being indemnified and/or secured and/or pre-funded to its satisfaction), shall be bound to give written notice to the Issuer to accelerate the Notes and render the Security enforceable.

**Limited Recourse**

If at any time following: (i) the Series 2015-1 Final Redemption Date or any earlier date upon which the Notes are due and payable; and (ii) realisation of the Security and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable priority (or priorities) of payments, the proceeds of such realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable priority (or priorities) of payments, to pay in full all amounts then due and payable under such Notes then the amount remaining to be paid (after such application in full of the amounts first referred to in (ii) above) under the Notes shall, immediately following such application in full of the amounts referred to in (ii) above, cease to be due and payable by the Issuer.

**Non-petition**

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes or the Note Trust Deed unless (1) the Note Trustee has become bound to institute proceedings and has failed to do so within a reasonable time and (2) the failure is continuing.

**Denominations**

Notes will be issued in minimum denominations of at least £100,000 and integral multiples thereafter of £1,000.

**Governing Law**

The Notes and all non-contractual obligations arising from or connected with them are governed by, and to be construed in accordance with, English law.

## RIGHTS OF NOTEHOLDERS

Please refer to section entitled "Overview of the Terms and Conditions of the Notes" and the "Terms and Conditions of the Notes" for further detail in respect of the rights of Noteholders, conditions for exercising such rights and their relationship with other Secured Creditors.

**Following an Event of Default** Following the occurrence of an Event of Default which is continuing, Noteholders (i) holding at least one quarter of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes by request in writing or (ii) acting pursuant to an Extraordinary Resolution of the holders of the Most Senior Class of Notes may direct the Note Trustee to deliver an Enforcement Notice declaring all of the Notes to be immediately due and payable.

**Enforcement** At any time after the service of an Enforcement Notice and without prejudice to its rights of enforcement in relation to the Security, the Note Trustee may, at its sole discretion and without notice, institute such proceedings as it thinks fit to enforce payment of the Notes, including the right to repayment of the Notes together with accrued interest thereon, and shall be bound to do so only if (a) it has been so directed by an Extraordinary Resolution of holders of the Most Senior Class of Notes or so directed by holders of at least one-quarter of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction against, *inter alia*, all fees, costs, expenses and other liabilities which it may incur by so acting.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes or the Note Trust Deed unless (1) the Note Trustee has become bound to institute proceedings and has failed to do so within a reasonable time and (2) the failure is continuing.

**Noteholder Meetings** Noteholders are entitled to participate in a Noteholders' meeting convened by the Issuer or Note Trustee to consider any matter affecting their interests. In addition, Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the outstanding Notes are entitled to direct the Note Trustee in writing to convene a Noteholders' meeting (subject to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction).

For the purposes of matters involving meetings in relation to multiple Loan Note Holders (rather than Noteholders), including the Issuer in its capacity as the Series 2015-1 Loan Note Holder, in determining the relative size of each Series of Loan Notes (for the purpose of voting or otherwise), the Principal Amount Outstanding in respect of each Series of Loan Notes will be calculated to include the amount of the Series Originator VFN Subordination in respect of that Series of Loan Notes.

### ***Notice Periods***

*Initial Meeting:* At least 21 days (exclusive of the day on which notice is given and the day of the meeting)

*Adjourned Meeting:* At least 10 days (exclusive of the day on which the notice is given and the day of the meeting)

### ***Quorums for Resolutions***

*Initial Meeting:* Two or more voters holding a clear majority of the aggregate Principal Amount Outstanding of the relevant Notes (for voting on an Extraordinary Resolution that does not relate to a Basic Terms Modification) and two or more voters holding not less than 75 per cent. of the aggregate Principal Amount Outstanding of the relevant Notes (for matters relating to a Basic Terms Modification).

*Adjourned Meeting:* Two or more voters holding or representing any of the relevant class of Notes whatever the Principal Amount Outstanding of the relevant class of Notes so held or represented for the time being outstanding (for voting on an Extraordinary Resolution that does not relate to a Basic Terms Modification) and two or more voters holding at least 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Notes (for matters relating to a Basic Terms Modification).

So long as at least the relevant fraction of the aggregate Principal Amount Outstanding of the outstanding Notes as set out above is represented by a Global Note Certificate or a single Individual Note Certificate, a voter appointed in relation thereto or being the holder of the Notes represented thereby shall be deemed to be two voters for the above purposes.

### ***Required Majorities***

*Extraordinary Resolution:* Not less than 75 per cent. of votes cast at a meeting.

*Written Resolution:* 100 per cent. of the aggregate Principal Amount Outstanding. A Written Resolution takes effect as an Extraordinary Resolution.

**"Extraordinary Resolution"** means a resolution passed at a Meeting duly convened and held in accordance with the Provisions for Meetings of Noteholders by a majority of not less than three-quarters of the votes cast.

**"Meeting"** means a meeting of Noteholders of any class or classes (whether originally convened or resumed following an adjournment).

**"Provisions for Meetings of Noteholders"** means the provisions contained in schedule 4 (*Provisions for Meetings of Noteholders*) to the Note Trust Deed.

**"Written Resolution"** means a resolution in writing signed by or on behalf of all holders of Notes for the time being outstanding who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for Meetings of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes.

### **Matters Requiring an Extraordinary Resolution**

Broadly, the following matters require an Extraordinary Resolution:

- Basic Terms Modifications;
- modification, abrogation, variation or compromise of any provision of the Note Conditions or the Note Trust Deed or the other Issuer Documents or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- other than as permitted under the Note Trust Deed, to approve the substitution of any person for the Issuer as principal obligor under the Notes;
- other than as permitted under the Note Trust Deed, to waive any breach or to authorise any proposed breach by the Issuer of its obligations under or in respect of the Note Trust Deed or the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;
- removal of the Note Trustee;
- approval of the appointment of a new Note Trustee;
- authorisation of the Note Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- the discharge or exoneration of the Note Trustee from any liability in respect of any act or omission for which it may become responsible under the Note Trust Deed;
- any other authorisation or approval which is required to be given by Extraordinary Resolution; and
- the appointment of any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

### **Basic Terms Modification**

Broadly, the following matters are Basic Terms Modifications:

- any change to any date fixed for payment of principal or interest in respect of the Notes or any class of Notes;
- any reduction in, cancellation or alteration of the amount of principal or interest payable on any date in respect of the Notes or any class of Notes;



- any alteration of the method of calculating the amount of any payment (including the priority of payment) in respect of the Notes or the date for any such payment;
- any change to the currency of any payment under the Notes or any class of Notes;
- any change to the quorum requirements relating to any Meeting or the majority required to pass an Extraordinary Resolution; or
- any amendment to the definition of "**Basic Terms Modification**".

**Relationship between Classes of Noteholders**

Subject to the provisions in respect of a Basic Terms Modification, an Extraordinary Resolution of Noteholders of the Most Senior Class of Notes shall be binding on all other classes and will override any resolutions to the contrary of the classes ranking behind the Most Senior Class of Notes.

A Basic Terms Modification requires an Extraordinary Resolution of all affected classes of Notes then outstanding.

**Relationship between Noteholders and other Secured Creditors**

So long as any Notes are outstanding and there is a conflict between the interests of the Noteholders and the other Secured Creditors, the Note Trustee will only take into account the interests of the Noteholders in the exercise of its discretion.

**Provision of Information to the Noteholders**

The Servicer will (on behalf of the Issuer) prepare monthly investor reports that will contain information about the Notes. Such reports will be made available to investors via the Bloomberg service or any other or replacement service designated by the Servicer (on behalf of the Issuer and notified to the Noteholders) and/or on the website [www.newday.co.uk](http://www.newday.co.uk). Such information is not to be considered as incorporated by reference into this Prospectus.

**Communication with Noteholders**

Any notice to be given by the Issuer or the Note Trustee to Noteholders shall be given in the following manner:

- published in a leading English language daily newspaper published in London (which is expected to be the Financial Times) or, so long as the Notes are held in the Clearing Systems, delivered to the relevant Clearing Systems for communication by them to Noteholders;
- delivered in accordance with the notice requirements of the London Stock Exchange; and
- any notice specifying a Rate of Interest, an Interest Amount, an amount of Additional Interest or of Deferred Interest, a Principal Payment or a Principal Amount Outstanding will be treated as having been duly given if the information contained in that notice appears on the relevant page of the Reuters Screen or such other medium for the electronic display of data as may be notified to the relevant Noteholders. The notice will be deemed given on the first date on which such information appears on the screen. If it cannot be displayed in this way, it will be published as described in the previous paragraphs,

with a copy of any such notice or communication to be provided in the immediately following investor report.

## CREDIT STRUCTURE AND CASHFLOWS

Please refer to the sections entitled "Servicing of Receivables" and "Series 2015-1" for further detail in respect of the credit structure and cashflows of the transaction.

### Receivables Trust

The Receivables Trustee was established to:

- acquire credit card or charge card Receivables from the Transferor;
- hold those Receivables and the related Collections on trust for the Transferor Beneficiary and the Investor Beneficiaries; and
- make payments to the Transferor Beneficiary and the Investor Beneficiaries in accordance with the terms of the Receivables Trust Deed and Servicing Agreement.

The Receivables Trustee may not engage in any unrelated activities.

The "**Receivables Trust**" will be established on or about the Series 2015-1 Closing Date under the terms of the Receivables Trust Deed and Servicing Agreement, under which the Transferor Beneficiary and, from time to time, multiple Investor Beneficiaries will have an undivided beneficial interest in the trust property equal to the proportion of their contributions to the Receivables Trust. It is anticipated that the Loan Note Issuer will become a new notional Investor Beneficiary for calculation purposes in respect of each new Series.

### Investor Interest

Each Investor Beneficiary will hold a single "**Aggregate Investor Interest**". A new Series supplement to the Receivables Trust Deed and Servicing Agreement is entered into whenever a further Investor Interest is acquired, with the Investor Beneficiary becoming a new notional Investor Beneficiary in respect of Series 2015-1, by making a contribution to the Receivables Trust and becoming the Series 2015-1 Investor Beneficiary in respect of the Series 2015-1 Investor Interest. Each new supplement (together with the other documentation governing the Receivables Trust) will specify for the Investor Beneficiary the amount and the terms of that Series' beneficial interest.

The Loan Note Issuer (as Series 2015-1 Investor Beneficiary) will use the proceeds of the issuance of the Series 2015-1 Loan Notes to acquire the Series 2015-1 Investor Interest and the Aggregate Investor Interest will be increased accordingly.

The Loan Note Issuer (as Series 2015-1 Investor Beneficiary) will make payments of principal and interest on the Series 2015-1 Loan Notes using distributions made to it by the Receivables Trustee with respect to the Series 2015-1 Investor Interest.

### Originator VFN Investor Interest

The Loan Note Issuer (as Originator VFN Investor Beneficiary) will also acquire the Originator VFN Investor Interest on the Series 2015-1 Closing Date. The Originator VFN Investor Interest as an Investor Interest of the Receivables Trust will be exposed to its *pro rata* share of credit losses in respect of Default Amounts as well as being entitled to a *pro rata* share of Finance Charge Collections and Principal Collections. In addition to its own exposure to credit losses, the Originator VFN Investor Interest will, through sharing of its available funds and re-allocation to it of additional charge-offs from other Series in Group One, support shortfalls and losses in other Series in Group One, including (following the Series 2015-1 Closing Date) Series

2015-1, in amounts calculated by reference to the Available Series Originator VFN Subordination for the relevant Series. A Series 2015-1 Pay Out Event will occur if the aggregate of the Transferor Interest and the Originator VFN Excess Amount is less than the Minimum Transferor Interest over an extended period, see "*Triggers Table, Series Pay Out Events*" on page 82 for further information.

**Availability of Series  
Originator VFN Subordination**

The Originator VFN Series will make available to Series 2015-1 a portion of its cashflows from Principal Collections and Finance Charge Collections and bear losses re-allocated from Series 2015-1 up to a specified amount. These calculations will be made by reference to the Series Originator VFN Subordination for Series 2015-1 which on the Series 2015-1 Closing Date will be an amount of £17,100,000 (the "**Series 2015-1 Originator VFN Subordination**") and will result in the Series 2015-1 Investor Interest being supported by a structurally subordinated notional portion of the Originator VFN Investor Interest.

More specifically, the Series Originator VFN Subordination will be available for Series 2015-1 as follows:

- Series 2015-1 will be able to use a portion of the available funds of the Originator VFN Series calculated by reference to the Series 2015-1 Originator VFN Subordination in priority to other Series in Group One to meet shortfalls in Available Funds for payment of the amounts referred to in paragraphs (1) to (24) under "*Application of Available Funds*";
- to the extent shortfalls remain, Series 2015-1 will be able to use a portion of Principal Collections retained for the Originator VFN Series as Required Retained Principal Collections by reference to the Series 2015-1 Originator VFN Subordination in priority to other Series in Group One to meet such remaining shortfalls;
- during the Controlled Accumulation Period or the Rapid Amortisation Period, Series 2015-1 will be able to share a portion of the Principal Collections available to the Originator VFN Series calculated by reference to the Series 2015-1 Originator VFN Subordination in priority to other Series in Group One; and
  - in the event any class of the Series 2015-1 Investor Interest is allocated a Default Amount, the Default Amount for that class of the Series 2015-1 Investor Interest will be re-allocated to the Originator VFN Series up to the amount of the Series 2015-1 Originator VFN Subordination.

The Series Originator VFN Subordination for Series 2015-1 will not be available for any other Series.

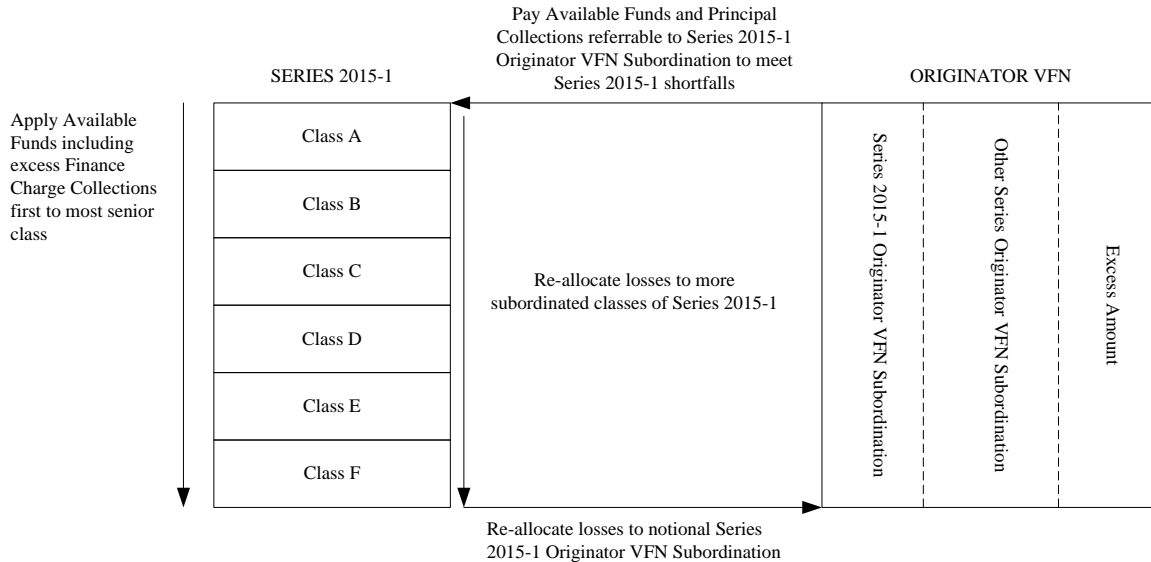
**Series 2015-1 as Part of Group  
One of the Receivables Trust**

On the Series 2015-1 Closing Date, Series 2015-1, Series 2015-VFN and the Originator VFN Series will be in Group One. This will entitle each such Series to utilise Shared Principal Collections and to share in Excess Finance Charges allocated to other Series in Group One to meet cashflow shortfalls. In addition, each Series in Group One (other than the Originator VFN Series) will be entitled to utilise portions of cashflows available to the Originator VFN Series from Principal Collections and Finance Charge Collections and re-allocate losses allocated to such Series, in each case by reference to amounts calculated for the Series Originator VFN Subordination for such Series.

It is anticipated that future Series will be added to Group One.

**Summary Diagram of Credit Structure for Series 2015-1**

The credit structure for Series 2015-1 can be summarised in diagrammatic form as follows:



**Adjusted Transferor Interest**

That part of the beneficial entitlement to property in the Receivables Trust which is not held by the Investor Beneficiaries is held on trust for the Transferor Beneficiary. The beneficial entitlement of the Transferor Beneficiary is determined by reference to the Floating Transferor Percentage.

**Allocation of Collections**

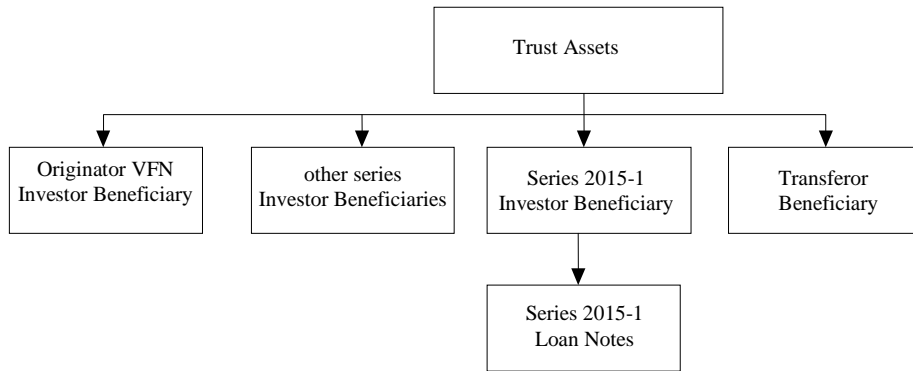
Each Investor Interest – including the Series 2015-1 Investor Interest – will be entitled to receive varying percentages of Principal Collections and Finance Charge Collections collected in respect of the Designated Accounts and Acquired Interchange, Dilution Refunds (where the Investor Interest has previously been written down as a result of Dilution Losses (as more particularly described in the section entitled "The Receivables – Acquired Interchange, Dilution Refunds and Originator Ring-fenced Credit Balance Surplus")) and any Originator Ring-fenced Credit Balance Surplus. Each of these percentages is called an "Investor Percentage". The Transferor Beneficiary will be entitled to the Floating Transferor Percentage of Principal Collections, Finance Charge Collections, Acquired Interchange, Dilution Refunds and any Originator Ring-fenced Credit Balance Surplus.

The entitlement of the Series 2015-1 Investor Beneficiary to Principal Collections and Finance Charge Collections collected in respect of the Designated Accounts, Acquired Interchange and any Originator Ring-fenced Credit Balance Surplus is, broadly, calculated by reference to the ratio that the Contribution paid by the Series 2015-1 Investor Beneficiary in acquiring the Series 2015-1 Initial Investor Interest (being £282,900,000) bears to the aggregate amount of Principal Receivables in the Receivables Trust. The entitlement of the Series 2015-1 Investor Beneficiary to Dilution Refunds will be dependent on the extent to which the Series 2015-1 Investor Interest has been written down as a result of Dilution Losses (which are first applied to the Transferor Interest and the Originator VFN Excess Amount).

More detail on the allocations described above and the varying percentage entitlements of the Transferor Beneficiary and the Investor

Beneficiaries (including the Series 2015-1 Investor Beneficiary) to Trust Property is set out in "*The Receivables Trust - General Entitlement of Beneficiaries to Trust Property*" below.

The allocation of Collections is summarised in the diagram below. The reallocation of Collections to cover Default Amounts is summarised in the diagram on the page above.



**Allocation of Finance Charge Collections**

Finance Charge Collections are allocated to each Series (including Series 2015-1) according to the Floating Investor Percentage for such Series in respect of the Collection Period in which such Finance Charge Collections arise and are applied on each related Transfer Date in accordance with the priority of payments set out in the section entitled "*Application of Available Funds*".

**Allocation of Principal Collections**

Principal Collections are allocated to each Series (including Series 2015-1) taking into account whether that Series is in:

- a Revolving Period;
- an Accumulation Period; or
- an Amortisation Period.

"**Revolving Period**" means, with respect to any Series, the period specified as such in the relevant Supplement and, in respect of Series 2015-1, is the period from the Series 2015-1 Closing Date to the start of the Controlled Accumulation Period or, if earlier, the start of the Rapid Amortisation Period, the triggers for which are described in "*Series 2015-1*" below.

"**Accumulation Period**" means, with respect to any Series or any class within a Series, a period following the Revolving Period during which Principal Collections are accumulated in an account for the benefit of such Series or such class within a Series, as detailed in the related Supplement.

"**Amortisation Period**" means, with respect to any Series or any class within a Series, a period during which Principal Collections are paid to the relevant Investor Beneficiary, as detailed in the related Supplement.

**Revolving Period**

Principal Collections calculated as referable daily to the Class A Investor Interest will be used by the Receivables Trustee as Shared Principal Collections and, to the extent not used as Shared Principal Collections, will be:

- (i) used to make payments to the Transferor to accept new offers of Eligible Receivables made by the Transferor to the Receivables Trustee;
- (ii) used to make payments to the Transferor for future Receivables assigned by the Transferor to the Receivables Trustee pursuant to offers that have already been made and accepted; and
- (iii) to the extent not used in accordance with paragraphs (i) or (ii) above, retained as Cash Available for Investment and may be used to make payments to the Transferor to accept future offers of Eligible Receivables and to make payments upon the occurrence of a Partial Amortisation Event.

During the Revolving Period, if there is a shortfall in the amount of Available Funds required to pay Series 2015-1 expenses (including any non-subordinated Qualifying Swap Amounts) and interest on the Class A Notes, taking into account any Available Funds made available to Series 2015-1 through the Originator VFN Series, then Principal Collections available to the Series 2015-1 Investor Interest (excluding Principal Collections available to the Class A Investor Interest, but including Principal Collections available to Series 2015-1 through the Originator VFN Series) will be reallocated to meet the shortfall. Principal Collections calculated as referable to the Class B Investor Interest, the Class C Investor Interest, the Class D Investor Interest, the Class E Investor Interest and the Class F Investor Interest will be used by the Receivables Trustee as described above (**provided that** no Principal Collections allocated to any notional class of the Series 2015-1 Investor Interest shall be reallocated to meet shortfalls in the Available Funds required to make payments in respect of the corresponding, or any junior, class of the Series 2015-1 Investor Interest) and only thereafter applied in accordance with paragraphs (i) to (iii) above.

**Controlled Accumulation Period**

The "**Controlled Accumulation Period**" is scheduled to begin on 1 July 2017 (unless delayed in accordance with Note Condition 7 (*Redemption*) as set out in "*Series 2015-1*" below) and end when the Series 2015-1 Investor Interest is paid in full, unless a Pay Out Event occurs and the Rapid Amortisation Period begins. If the Rapid Amortisation Period begins before the start of the Controlled Accumulation Period, there will not be a Controlled Accumulation Period. The start of the Controlled Accumulation Period may be delayed until no later than the close of business on 1 June 2018 or, if a Series Extension Notice is delivered, such later date as is specified by the Servicer and falling no more than 12 months after the original date for the start of the Controlled Accumulation Period as specified in such Series Extension Notice.

During the Controlled Accumulation Period:

- the Receivables Trustee will accumulate Principal Collections equal to the Controlled Deposit Amount with the intention of accumulating enough principal for the Receivables Trust to ultimately allow the Issuer to repay the Principal Amount Outstanding of each class of Notes to the Noteholders at the Series 2015-1 Scheduled Redemption Date; and
- no payments of principal will be made by the Loan Note Issuer (or any other party) to the Issuer.

**Controlled Deposit Amount**

During the Controlled Accumulation Period, the Principal Collections allocated to the Series 2015-1 Investor Interest, up to the Controlled Deposit Amount, will be accumulated by the Receivables Trustee on each Transfer Date in the Series 2015-1 Principal Funding Ledger in the Receivables Trustee Investment Account for distribution to the Loan Note Issuer as the Series 2015-1 Investor Beneficiary on the Series 2015-1 Scheduled Redemption Date. Any Principal Collections allocated to the Series 2015-1 Investor Interest over the amount that will be deposited in the Receivables Trustee Investment Account will be used by the Receivables Trustee first as Shared Principal Collections and then to make payments to the Transferor as described above under "*Series 2015-1 – Revolving Period*".

**Rapid Amortisation Period**

Following certain specified events (described in "*Triggers Table – Non-Rating Triggers*" below), the Rapid Amortisation Period will commence. During the Rapid Amortisation Period, Principal Collections allocable to the Series 2015-1 Investor Interest will be paid each month to the Loan Note Issuer first in respect of the Class A Investor Interest, second in respect of the Class B Investor Interest, third in respect of the Class C Investor Interest, fourth in respect of the Class D Investor Interest, fifth in respect of the Class E Investor Interest and sixth in respect of the Class F Investor Interest until the Series 2015-1 Termination Date. Following the receipt of such Principal Collections, the Issuer will make corresponding payments of principal to the Noteholders of each class of Notes.

The Rapid Amortisation Period will end on the earlier to occur of (a) the Series 2015-1 Termination Date and (b) the dissolution of the Receivables Trust.

**Partial Amortisation Event**

If on any Determination Date a Partial Amortisation Event (as described at "*Series 2015-1 – Partial Amortisation*" below) has occurred, the Servicer shall give notice to the Receivables Trustee thereof (a "**Partial Amortisation Notice**") and the amount of the Cash Available for Investment standing to the credit of the Receivables Trustee Investment Account on such Determination Date (excluding, for the avoidance of doubt, any amounts held in any liquidity reserve ledger or any other ledger) which the Servicer determines, in its opinion, on such Determination Date, will not be required for any other purpose on the following Transfer Date, together with, in respect of any Outstanding Series that will be repaid in full as a result of the Partial Amortisation Event, amounts held in the principal funding ledger in respect of such Series only, shall be applied to make a repayment in respect of some or all of the Outstanding Series (a "**Partial Amortisation**") on the immediately following Transfer Date (the "**Partial Amortisation Date**"). The Servicer shall certify in the Partial Amortisation Notice or otherwise in advance of the specified Partial Amortisation Date that a Partial Amortisation Event has occurred and shall specify the Partial Amortisation Amount (if any) for each Series in Group One.

**Shared Principal Collections**

Series 2015-1 is in Group One, which means that other Series in Group One share with it any excess Principal Collections that such other Series do not require to accumulate or pay down such Series' Investor Interest in a specified period. In particular, this will mean that a portion of Principal Collections available to the Originator VFN Series will be available to Series 2015-1 in its Controlled Accumulation Period or Rapid Amortisation Period. See "*Series 2015-1 - Shared Principal Collections*".



## **Dilution Receivables**

If the Servicer determines that a Credit Adjustment or Reduction has occurred in respect of a Receivable, such Receivable will be considered a "**Dilution Receivable**" and to have suffered a "**Dilution Loss**". Dilution Losses in respect of a Collection Period are allocated to the Transferor Beneficiary in accordance with the Receivables Trust Deed and Servicing Agreement, and the amount so allocated will reduce the Transferor Interest by an equivalent amount until such time as the Transferor Interest is zero, with the remainder of such Dilution Losses, being the "**Investor Dilution Loss**", allocated to the Aggregate Investor Interests of the Investor Beneficiaries as follows. On each Transfer Date, the Investor Dilution Losses for the relevant Collection Period shall be allocated to the Originator VFN Excess Amount of the Originator VFN Investor Interest (see further, "*Other Series Issued*" below). To the extent the aggregate Dilution Losses allocated on the Transfer Date exceed the Originator VFN Excess Amount, an amount equal to the product of: (i) the remaining Dilution Losses; and (ii) a fraction, the numerator of which is the Series 2015-1 Adjusted Investor Interest plus the Available Series 2015-1 Originator VFN Subordination and the denominator of which is the Combined Aggregate Adjusted Investor Interest (excluding, for the avoidance of doubt, the Originator VFN Excess Amount) will be applied, first, to the Available Series 2015-1 Originator VFN Subordination, until it is reduced to zero, and, second, any remainder (such amount in respect of each Collection Period, the "**Aggregate Investor Dilution Loss**") will be allocated to the Series 2015-1 Investor Interest. The Aggregate Investor Dilution Loss will be allocated to notional classes of the Series 2015-1 Investor Interest in reverse sequential order, starting with Class F, and shall reduce them by an amount equal to such allocation until reduced to zero, whereupon any excess shall be allocated to the next most junior class. See the section entitled "*Series 2015-1 – Defaulted and Dilution Receivables; Investor Charge-offs; Allocation to Series 2015-1 and the Originator VFN*" for further information.

## **Defaulted Receivables**

If the Servicer determines that the Receivables in a Designated Account are uncollectable, a proportion of the principal balance of such Defaulted Account will be allocated, on an aggregate monthly basis, to the Investor Interest relating to each Series by reference to the relevant Investor Beneficiary's Floating Investor Percentage.

The amounts so allocated to each Series comprise the Investor Default Amount in respect of such Series.

The portion of the Investor Default Amount allocated to the Series 2015-1 Investor Interest, being the "Series 2015-1 Investor Default Amount", will be allocated to each notional class of Investor Interest within the Series 2015-1 Investor Interest based on its floating allocation during the relevant Collection Period. If the Series 2015-1 Investor Default Amount for a particular class exceeds the amount of Available Funds allocated to that class which are (after making prior-ranking payments) available to cover such Investor Default Amount, the Originator VFN Investor Interest (in an amount up to the Available Series 2015-1 Originator VFN Subordination) will be reduced to cover the shortfall and thereafter, to the extent any shortfall remains, by virtue of applying Reallocated Principal Collections from subordinated classes and Reallocated Originator VFN Principal Collections (as to which, see the section entitled "*Reallocation of Cashflows*"), the Investor Interest for classes within the Series 2015-1 Investor Interest will be reduced in reverse order.

Any reduction in any notional class of the Series 2015-1 Investor Interest as a result of an Investor Default Amount, together with any reduction suffered by that class caused by the allocation of Dilution Losses to such class as described above, which exceeds the amount of Available Funds allocated to that class and any reduction as a result of the application of Reallocated Principal Collections to cover shortfalls in the amount of Available Funds is referred to in aggregate as an "**Investor Charge-off**".

**Series 2015-1 Liquidity Reserve** On the Series 2015-1 Closing Date, the Receivables Trustee will deposit an amount equal to £4,250,000 (the initial Required Liquidity Reserve Amount) in the Receivables Trustee Investment Account for credit to the Series 2015-1 Liquidity Reserve Ledger (see "*Series 2015-1 – Liquidity Reserve Ledger*"). The Series 2015-1 Liquidity Reserve will be available to make payments on a Transfer Date in respect of, amongst other things, Investor Aggregate Trustee Payment Amounts, Loan Note Issuer Costs Amounts, Issuer Costs Amounts and payments in respect of the Class A Investor Interest, Class B Investor Interest, Class C Investor Interest and Class D Investor Interest to the extent that there is a shortfall after applying Available Funds. Any drawings on the Series 2015-1 Liquidity Reserve may be replenished to the extent of Available Funds available for such purpose on subsequent Transfer Dates. The Required Liquidity Reserve Amount may be reduced by the Servicer subject to the provision of a Rating Confirmation.

**Qualifying Swap Transactions** The Loan Note Issuer may from time to time enter into a Qualifying Swap Agreement in relation to one or more Series, including Series 2015-1, which Series will comprise a Qualifying Swap Group for the purposes of that Qualifying Swap Agreement. As at the date of this Prospectus, the Loan Note Issuer has not entered into any Qualifying Swap Agreement, including in respect of Series 2015-1.

If the Loan Note Issuer proposes to enter into a Qualifying Swap Agreement in respect of a Qualifying Swap Group, then the conditions for any such swap agreement to be a "Qualifying Swap Agreement" (which will include the provision of a Rating Confirmation) will need to be met.

The making and receipt of payments by the Loan Note Issuer under any Qualifying Swap Agreement, in respect of a Qualifying Swap Group of which Series 2015-1 forms part, are contemplated in the Series 2015-1 Supplement and the Series 2015-1 Loan Note Supplement and are more particularly described in the Section entitled "*Series 2015-1 – Application of Available Funds*". Any collateral posted to the Loan Note Issuer pursuant to any such Qualifying Swap Agreement will not form part of the calculation of Available Funds and will not be available to make payments under the Series 2015-1 Loan Notes, other than pursuant to the terms of the relevant Qualifying Swap Agreement.

If a Qualifying Swap Transaction is entered into and Series 2015-1 is identified as forming part of the relevant Qualifying Swap Group, Qualifying Swap Amounts referable to Series 2015-1, excluding Qualifying Swap Partial Termination Payments, Qualifying Swap Permitted Tax Credit Payments and Qualifying Swap Subordinated Termination Payments, will rank in priority to the payment of amounts to fund interest on the Class A Notes. Qualifying Swap Partial Termination Payments and Qualifying Swap Permitted Tax Credit Payments will rank *pro rata* and *pari passu* with payments used to fund interest on the Class A Notes, with Qualifying Swap Subordinated Termination Payments ranking below all payments used to fund

interest on the Notes.

### Receivables Trustee Priority of Payments

On each Transfer Date, the Receivables Trustee will distribute the Available Funds standing to the credit of the Series 2015-1 Finance Charge Collections Ledger, in the following order:

- (1) the Investor Aggregate Trustee Payment Amount will be credited to the Loan Note Issuer Distribution Account and ultimately used by the Receivables Trustee to satisfy the Investor Aggregate Trustee Payment Amount;
- (2) the Loan Note Issuer Costs Amount and Issuer Costs Amount will be credited to the Loan Note Issuer Distribution Account;
- (3) an amount equal to the Loan Note Issuer Profit Amount for Series 2015-1 and the Issuer Profit Amount will be credited to the Loan Note Issuer Distribution Account;
- (4) the Investor Servicing Fee Amount will be credited to the Loan Note Issuer Distribution Account and ultimately distributed to the Servicer;
- (5) if Series 2015-1 is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Amount referable to Series 2015-1 payable on such Transfer Date, excluding any Qualifying Swap Partial Termination Payments, Qualifying Swap Permitted Tax Credit Payments or Qualifying Swap Subordinated Termination Payments, shall be credited to the Loan Note Issuer Distribution Account;
- (6) *pro rata* and *pari passu* (i) an amount equal to the sum of the Class A Monthly Finance Amount, the Class A Deficiency Amount and the Class A Additional Finance Amount – called the "**Class A Monthly Distribution Amount**" – will be credited to the Loan Note Issuer Distribution Account and (ii) if Series 2015-1 is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Partial Termination Payments and Qualifying Swap Permitted Tax Credit Payments referable to Series 2015-1 that are due and payable on such Transfer Date will be credited to the Loan Note Issuer Distribution Account;
- (7) an amount equal to the sum of the Class B

### Loan Note Issuer Priority of Payments

On each Transfer Date, the Loan Note Issuer will then transfer from the Series 2015-1 Ledger of the Loan Note Issuer Distribution Account to the extent there are sufficient funds on deposit:

- (1) the Investor Aggregate Trustee Payment Amount shall be paid to the Receivables Trustee as Additional Funds;
- (2) the Loan Note Issuer Costs Amount and the Issuer Costs Amount shall be retained by the Loan Note Issuer for distribution to the relevant parties;
- (3) the Loan Note Issuer Profit Amount shall be retained by the Loan Note Issuer and the Issuer Profit Amount shall be paid to the Issuer;
- (4) the Investor Servicing Fee Amount shall be paid to the Receivables Trustee as Additional Funds;
- (5) if Series 2015-1 is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Amounts referable to Series 2015-1 excluding any Qualifying Swap Partial Termination Payments, Qualifying Swap Permitted Tax Credit Payments or Qualifying Swap Subordinated Termination Payments referable to Series 2015-1 shall be paid to the relevant Qualifying Swap Provider;
- (6) *pro rata* and *pari passu* (i) the Class A Monthly Distribution Amount shall be paid to the Issuer and (ii) if Series 2015-1 is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Partial Termination Payments and Qualifying Swap Permitted Tax Credit Payments referable to Series 2015-1 shall be paid to the relevant Qualifying Swap Provider;
- (7) the Class B Monthly Distribution Amount shall be paid to the Issuer;
- (8) the Class C Monthly Distribution Amount shall be paid to the Issuer;
- (9) the Class D Monthly Distribution Amount shall be paid to the Issuer;
- (10) during the Revolving Period and the Controlled Accumulation Period, any Loss Make-Up (Default) allocable to the Class A Investor Interest shall be paid to the Receivables Trustee as Additional Funds;
- (11) during the Revolving Period and the

- Monthly Finance Amount, the Class B Deficiency Amount and the Class B Additional Finance Amount – called the "**Class B Monthly Distribution Amount**" – will be credited to the Loan Note Issuer Distribution Account;
- (8) an amount equal to the sum of the Class C Monthly Finance Amount, the Class C Deficiency Amount and the Class C Additional Finance Amount – called the "**Class C Monthly Distribution Amount**" – will be credited to the Loan Note Issuer Distribution Account;
- (9) an amount equal to the sum of the Class D Monthly Finance Amount, the Class D Deficiency Amount and the Class D Additional Finance Amount – called the "**Class D Monthly Distribution Amount**" – will be credited to the Loan Note Issuer Distribution Account;
- (10) on any Transfer Date prior to the Liquidity Reserve Release Date, an amount up to the positive excess of the Required Liquidity Reserve Amount over the Available Liquidity Reserve Amount shall be allocated to the Series 2015-1 Investor Beneficiary and credited to the Series 2015-1 Liquidity Reserve Ledger of the Receivables Trustee Investment Account;
- (11) an amount equal to the Class A Investor Default Amount will be allocated to Class A and either credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds or (during the Rapid Amortisation Period) remain credited to the Series 2015-1 Finance Charge Collections Ledger to make-up Class A Investor Default Amounts and reinstate or reimburse the Class A Investor Interest;
- (12) an amount equal to the aggregate amount of Class A Investor Charge-offs that have not been previously reimbursed will be allocated to Class A and either credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds or (during the Rapid Amortisation Period) remain credited to the Series 2015-1 Finance Charge Collections Ledger to make-up Class A Investor Charge-offs and reinstate or reimburse the Class A Investor Interest;
- Controlled Accumulation Period, any Loss Make-Up (Charge-off) allocable to the Class A Investor Interest shall be paid to the Receivables Trustee as Additional Funds;
- (12) during the Revolving Period and the Controlled Accumulation Period, any Loss Make-Up (Default) allocable to the Class B Investor Interest shall be paid to the Receivables Trustee as Additional Funds;
- (13) during the Revolving Period and the Controlled Accumulation Period, any Loss Make-Up (Charge-off) allocable to the Class B Investor Interest shall be paid to the Receivables Trustee as Additional Funds;
- (14) during the Revolving Period and the Controlled Accumulation Period, any Loss Make-Up (Default) allocable to the Class C Investor Interest shall be paid to the Receivables Trustee as Additional Funds;
- (15) during the Revolving Period and the Controlled Accumulation Period, any Loss Make-Up (Charge-off) allocable to the Class C Investor Interest shall be paid to the Receivables Trustee as Additional Funds;
- (16) during the Revolving Period and the Controlled Accumulation Period, any Loss Make-Up (Default) allocable to the Class D Investor Interest shall be paid to the Receivables Trustee as Additional Funds;
- (17) during the Revolving Period and the Controlled Accumulation Period, any Loss Make-Up (Charge-off) allocable to the Class D Investor Interest shall be paid to the Receivables Trustee as Additional Funds;
- (18) the Class E Monthly Distribution Amount shall be paid to the Issuer;
- (19) during the Revolving Period and the Controlled Accumulation Period, any Loss Make-Up (Default) allocable to the Class E Investor Interest shall be paid to the Receivables Trustee as Additional Funds;
- (20) during the Revolving Period and the Controlled Accumulation Period, any Loss Make-Up (Charge-off) allocable to the Class E Investor Interest shall be paid to the Receivables Trustee as Additional Funds;

- (13) an amount equal to the Class B Investor Default Amount will be allocated to Class B and either credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds or (during the Rapid Amortisation Period) remain credited to the Series 2015-1 Finance Charge Collections Ledger to make-up Class B Investor Default Amounts and reinstate or reimburse the Class B Investor Interest;
- (14) an amount equal to the aggregate amount of Class B Investor Charge-offs that have not been previously reimbursed will be allocated to Class B and either credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds or (during the Rapid Amortisation Period) remain credited to the Series 2015-1 Finance Charge Collections Ledger to make-up Class B Investor Charge-offs and reinstate or reimburse the Class B Investor Interest;
- (15) an amount equal to the Class C Investor Default Amount will be allocated to Class C and either credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds or (during the Rapid Amortisation Period) remain credited to the Series 2015-1 Finance Charge Collections Ledger to make-up Class C Investor Default Amounts and reinstate or reimburse the Class C Investor Interest;
- (16) an amount equal to the aggregate amount of Class C Investor Charge-offs that have not been previously reimbursed will be allocated to Class C and either credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds or (during the Rapid Amortisation Period) remain credited to the Series 2015-1 Finance Charge Collections Ledger to make-up Class C Investor Charge-offs and reinstate or reimburse the Class C Investor Interest;
- (17) an amount equal to the Class D Investor Default Amount will be allocated to Class D and either credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds or (during the Rapid Amortisation Period) remain credited to the Series 2015-1 Finance Charge Collections Ledger to make-up Class D Investor Default Amounts and reinstate or reimburse the Class D Investor Interest;
- (18) an amount equal to the aggregate amount of Class D Investor Charge-offs that have
- (21) the Class F Monthly Distribution Amount shall be paid to the Issuer;
- (22) during the Revolving Period and the Controlled Accumulation Period, any Loss Make-Up (Default) allocable to the Class F Investor Interest shall be paid to the Receivables Trustee as Additional Funds;
- (23) during the Revolving Period and the Controlled Accumulation Period, any Loss Make-Up (Charge-off) allocable to the Class F Investor Interest shall be paid to the Receivables Trustee as Additional Funds;
- (24) during the Revolving Period and the Controlled Accumulation Period, any Loss Make Up (Charge-off) allocable to the Series 2015-1 Originator VFN Subordination shall be paid to the Receivables Trustee as Additional Funds;
- (25) any amount (if any) remaining equal to the Group One Series Finance Charge Shortfall amount required by each Series in Group One (if any) to make up shortfalls of Finance Charge Collections shall be distributed to the Loan Note Issuer and shall belong to the Loan Note Issuer absolutely for such purpose;

not been previously reimbursed will be allocated to Class D and either credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds or (during the Rapid Amortisation Period) remain credited to the Series 2015-1 Finance Charge Collections Ledger to make-up Class D Investor Charge-offs and reinstate or reimburse the Class D Investor Interest;

- (19) an amount equal to the sum of the Class E Monthly Finance Amount, the Class E Deficiency Amount and the Class E Additional Finance Amount – called the "**Class E Monthly Distribution Amount**" – will be credited to the Loan Note Issuer Distribution Account;
- (20) an amount equal to the Class E Investor Default Amount will be allocated to Class E and either credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds or (during the Rapid Amortisation Period) remain credited to the Series 2015-1 Finance Charge Collections Ledger to make-up Class E Investor Default Amounts and reinstate or reimburse the Class E Investor Interest;
- (21) an amount equal to the aggregate amount of Class E Investor Charge-offs that have not been previously reimbursed will be allocated to Class E and either credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds or (during the Rapid Amortisation Period) remain credited to the Series 2015-1 Finance Charge Collections Ledger to make-up Class E Investor Charge-offs and reinstate or reimburse the Class E Investor Interest;
- (22) an amount equal to the sum of the Class F Monthly Finance Amount, the Class F Deficiency Amount and the Class F Additional Finance Amount – called the "**Class F Monthly Distribution Amount**" – will be credited to the Loan Note Issuer Distribution Account;
- (23) an amount equal to the Class F Investor Default Amount will be allocated to Class F and either credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger to make-up Class F Investor Default Amounts and reinstate or reimburse the
- (26) if Series 2015-1 is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Subordinated Termination Payments referable to Series 2015-1 shall be paid to the relevant Qualifying Swap Provider; and
- (27) any remaining amount shall be identified as Excess Spread and paid to the Receivables Trustee as Additional Funds.
- Please see "*The Series 2015-1 Loan Notes*" for more information.
- Issuer Priority of Payments**
- On each Interest Payment Date, the Issuer will pay:
- (1) in no order of priority between themselves but *pro rata* to the respective amounts then due, to pay remuneration then due to any Receiver or the Note Trustee (and/or any appointee of the Note Trustee under the Note Trust Deed) and all amounts due in respect of legal fees and other costs, charges, liabilities, expenses, losses, damages, proceedings, claims and demands incurred by any Receiver or the Note Trustee (and/or any appointee of the Note Trustee under the Note Trust Deed) under and in respect of the Issuer Documents and in enforcing the Security or in perfecting title to the Security created by or pursuant to the Note Trust Deed together with interest thereon as provided in any such document;
- A8.3.4.6 (Issuer)

- Class F Investor Interest;
- (2) (to the extent not met by (1) above) in payment or satisfaction (*pro rata* and *pari passu*) of all amounts then due and unpaid to any Receiver or the Note Trustee and/or any appointee of the Note Trustee under the Note Trust Deed, the Registrar, the Agents, the Issuer Account Bank, the Issuer Corporate Services Provider and the Holdings Corporate Services Provider;
- (24) an amount equal to the aggregate amount of Class F Investor Charge-offs that have not been previously reimbursed will be allocated to Class F and either credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds or (during the Rapid Amortisation Period) remain credited to the Series 2015-1 Finance Charge Collections Ledger to make-up Class F Investor Charge-offs and reinstate or reimburse the Class F Investor Interest;
- (3) the Issuer Profit Amount to be retained by the Issuer as profit;
- (4) in or towards payment *pari passu* and rateably of amounts due and unpaid in respect of the Class A Notes in priority first to interest and secondly (where applicable) to principal;
- (25) an amount equal to the aggregate amount of Investor Charge-offs allocated to the Series 2015-1 Originator VFN Subordination which have not been previously reimbursed will be credited to the Loan Note Issuer Distribution Account to be applied as Additional Funds and reinstate the Series 2015-1 Originator VFN Subordination portion of the Originator VFN Series;
- (5) in or towards payment *pari passu* and rateably of amounts due and unpaid in respect of the Class B Notes in priority first to interest and secondly (where applicable) to principal;
- (6) in or towards payment *pari passu* and rateably of amounts due and unpaid in respect of the Class C Notes in priority first to interest and secondly (where applicable) to principal;
- (26) on each Transfer Date from and including the Accumulation Reserve Funding Date but prior to the date on which the Series 2015-1 Accumulation Reserve Ledger is closed, an amount up to the positive excess, if any, of the Required Accumulation Reserve Amount over the Available Accumulation Reserve Amount shall be credited to the Receivables Trustee Investment Account to the credit of the Series 2015-1 Accumulation Reserve Ledger;
- (7) in or towards payment *pari passu* and rateably of amounts due and unpaid in respect of the Class D Notes in priority first to interest and secondly (where applicable) to principal;
- (8) in or towards payment *pari passu* and rateably of amounts due and unpaid in respect of the Class E Notes in priority first to interest and secondly (where applicable) to principal;
- (27) an amount equal to the Group One Series Finance Charge Shortfall amount required by each Series in Group One, including the Originator VFN Series, (if any) to make up shortfalls of Available Funds (as defined in the relevant Supplement) shall be distributed to the Loan Note Issuer and shall belong to the Loan Note Issuer absolutely for such purpose, such amounts made so available being known as "Excess Finance Charges";
- (9) in or towards payment *pari passu* and rateably of amounts due and unpaid in respect of the Class F Notes in priority first to interest and secondly (where applicable) to principal;
- (10) in or towards payment of any sums due from (or required to be provided for by) the Issuer to meet its liabilities to any taxation authority (including in respect of corporation tax to HM Revenue & Customs) to the extent not capable of being paid from Issuer Profit



Amounts;

- (11) in or towards payment of any other sums due to Noteholders or sums due to third parties under obligations incurred in the course of the Issuer's business or pursuant to the Subscription Agreement; and
- (12) to the Loan Note Issuer as deferred subscription price for the Series 2015-1 Loan Notes. A8.3.4.6 (Issuer)
- (28) if Series 2015-1 is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Subordinated Termination Payments referable to Series 2015-1 that are due and payable on such Transfer Date to the relevant Qualifying Swap Provider pursuant to the applicable Qualifying Swap Agreement shall be credited to the Loan Note Issuer Distribution Account; and
- (29) the balance, if any, after giving effect to the payments made under paragraphs (1) through (28) above will be applied as Additional Funds and used to pay Deferred Consideration. Please see "*Terms and Conditions of the Notes*" for more information.

Please see "*Series 2015-1 – Available Funds*" for further information.

#### **Cash Management and Bank Accounts**

Collections from Obligor are currently paid to a number of bank accounts with Lloyds in the name of Lloyds (the "**Primary Collection Accounts**") before being transferred on a daily basis or as soon as practicable thereafter to the Transferor Collection Account (without any deductions) and onward to the Receivables Trustee Collection Account on the Business Day following the Date of Processing of such Collections, or as soon as practicable thereafter, until such time in each Collection Period that an amount equal to the Senior Expense Amount has been transferred from the Primary Collection Accounts to the Transferor Collection Account and onward to the Receivables Trustee Collection Account ("**Senior Funding Completion**"), and thereafter such transfers will be made to the Transferor Collection Account and onward to the Receivables Trustee Collection Account after deduction of payments made by Lloyds (or any other person) on behalf of the Originator in respect of: (i) advances on Accounts to payment systems to fund new Receivables; (ii) Obligor's balance transfers; (iii) insurance premiums charged to Obligor's Accounts; and (iv) payments made in cash in respect of Obligor's claims in respect of their Accounts.

The above arrangements are made possible by the terms of the master cash settlement agreement to be dated on or about the Series 2015-1 Closing Date and made between, *inter alios*, the Receivables Trustee, the Transferor, the Transferor Beneficiary and the Investor Beneficiary (the "**Master Cash Settlement Agreement**"), which permits the Transferor to retain Collections which would otherwise be paid back to it by the Receivables Trustee, where such payments represent the direct or indirect proceeds of:

- (a) Finance Charge Collections, in which case such amounts shall constitute "**Finance Charge Advance Payments**" and shall be

retained by the Transferor absolutely, subject only to an obligation to refund an equivalent amount to the extent of any overpayment; or

- (b) Principal Collections, in which case such amounts shall constitute "**Principal Advance Payments**" and shall be held on trust by the Transferor for the Receivables Trustee, subject to an obligation to refund them, until applied by the Transferor for the purpose of funding amounts payable from Cash Available for Investment (including payment for assigned Receivables generated on the Designated Accounts).

Finance Charge Advance Payments will represent sums which it is anticipated that the Transferor (or one of its Affiliates, such as the Servicer or Cash Manager) will receive on the Transfer Date following the Collection Period in which such payments are made. Principal Advance Payments will represent amounts of Cash Available for Investment which would otherwise be retained by the Receivables Trustee, pending application in accordance with the provisions of the Receivables Trust Deed and Servicing Agreement. It is anticipated that Principal Advance Payments will typically be released to the Transferor in consideration for the assignment of new Receivables to the Receivables Trustee.

The arrangements in respect of the Primary Collection Accounts (subject only to the applicable provisions of the Transaction Documents) may change from time to time at the discretion of the Originator and/or Transferor, as applicable, **provided that** the accounts are held with an appropriately rated institution.

All Collections held in the Transferor Collection Account will be held on trust for the Receivables Trustee pending the transfer of such Collections to the Receivables Trustee Collection Account which (prior to Senior Funding Completion) will take place on the Business Day following the Date of Processing of such Collections, or as soon as practicable thereafter. Following Senior Funding Completion, such Collections shall be retained by the Transferor, either as payments of the Finance Charge Collections or Principal Collections due to it or as Finance Charge Advance Payments or Principal Advance Payments (and, if they are Principal Advance Payments, such amounts will continue to be held in the Transferor Collection Account on trust for the Receivables Trustee).

Amounts standing to the credit of the Receivables Trustee Collection Account are applied in accordance with the priority of payments set out in the Receivables Trust Deed and Servicing Agreement and the Supplements thereto on each Transfer Date (see "*The Receivables Trust*" and "*Series 2015-1*" for more detail). The Loan Note Issuer will credit the amount received from the Receivables Trustee in respect of the Class A Monthly Distribution Amounts, the Class B Monthly Distribution Amounts, the Class C Monthly Distribution Amounts, the Class D Monthly Distribution Amounts, the Class E Monthly Distribution Amounts, the Class F Monthly Distribution Amounts and any other amounts relating to Series 2015-1 to the Series 2015-1 Ledger maintained within the Loan Note Issuer Distribution Account on each Transfer Date.

On each Transfer Date, the Loan Note Issuer will apply amounts standing to the credit of the Series 2015-1 Ledger to make the payments due to the Receivables Trustee on such Transfer Date in the order of priority specified under "*The Series 2015-1 Loan Notes*", thus

enabling the Receivables Trustee to make all corresponding payments to be made by it using such funds on such Transfer Date. The Receivables Trustee, the Loan Note Issuer and the Transferor have agreed that such payments will be settled on a net basis and that, as described above, the Transferor is able to retain amounts which would otherwise be paid to it on the following Transfer Date.

On each Transfer Date, the Loan Note Issuer shall (after making the payments due to the Receivables Trustee referred to above and any other prior-ranking payments) apply amounts standing to the credit of the Series 2015-1 Ledger in making payments of interest and, on the Series 2015-1 Scheduled Redemption Date and during the Rapid Amortisation Period, principal on the Series 2015-1 Loan Notes, together with other amounts owed to the Issuer, by transferring such amounts to the Issuer Distribution Account. The Issuer will then utilise such amounts on the subsequent Distribution Date, together with any interest earned on the Issuer Distribution Account since the previous Distribution Date, in making payments of interest and, on the Series 2015-1 Scheduled Redemption Date and during the Rapid Amortisation Period, principal on the Notes and making the other payments to be made by it on such date in the order of priority specified in the Note Conditions.

**"Senior Expense Amount"** means:

- (a) for Series 2015-1, the amount calculated on any given day prior to a Transfer Date as being equal to the expected payments under items 1 to 10, 19, 22, 26 and 28 of the Receivables Trustee priority of payments set out above on the relevant Transfer Date; and
- (b) in respect of any other Series, the amount calculated on any given day prior to a Transfer Date as being equal to the expected payments made under such senior-ranking items of the applicable Receivables Trustee priority of payments in respect of that Series as are specified in the relevant Series supplement on the relevant Transfer Date,

provided that the Reference Rate for such purposes, if applicable, will be at least equal to the Reference Rate on the date of calculation of such expected payments as notified to the Servicer by the Calculation Agent on such date.

The expected payments under items 6(i), 7, 8, 9, 19 and 22, and, if so provided in the relevant Qualifying Swap Agreement, items 5 and 6(ii), of the Receivables Trustee priority of payments and the Senior Expense Amount shall be recalculated for the purposes of Series 2015-1 on the Distribution Date falling during such Collection Period (being, *inter alia*, the date of determination of the LN Rates for payments to be made on the Distribution Date following such Collection Period).

**"LN Rate"** means each of the Class A LN Rate, the Class B LN Rate, the Class C LN Rate, the Class D LN Rate, the Class E LN Rate and the Class F LN Rate.

## TRIGGERS TABLE

### Rating Triggers Table

<b>Transaction Party</b>	<b>Required Ratings/Triggers</b>	<b>Possible effects of trigger being breached include the following</b>
<b>Receivables Trustee Account Bank, Loan Note Issuer Account Bank and Issuer Account Bank</b>	(i) an institution which is a bank within the meaning of section 991 of the Income Tax Act 2007 and for the purposes of section 878 of the Income Tax Act 2007 and which pays any interest under any relevant Transaction Document in the ordinary course of its business and is (ii) an institution which, insofar as the relevant Rating Agency rates any Related Debt or Associated Debt, has (a) a short-term unsecured debt rating of at least F1 by Fitch and a long term unsecured debt rating of at least A by Fitch; (b) a long term senior debt and deposits rating of at least A by DBRS or, in the absence of a rating assigned by DBRS, a DBRS Equivalent Rating at least equal to A by DBRS, or such other rating from time to time notified or published by DBRS replacing any of the above ratings or implementing a rating requirement; and/or (c) such other short-term or long term rating which is otherwise acceptable to the relevant Rating Agency.	<p>The Receivables Trustee Account Bank, Loan Note Issuer Account Bank or Issuer Account Bank (as applicable) shall, as soon as practicable and in any event, within 30 days (in respect of a downgrade by Fitch or DBRS) (or such longer period as may be agreed with the relevant Rating Agencies as not leading to a downgrade of any outstanding Rated Debt), transfer the closing credit balance and all interest accrued on such balances to a new account at a Qualified Institution appointed by the Receivables Trustee, the Loan Note Issuer or the Issuer (as applicable).</p> <p>An institution will be treated as having being downgraded by DBRS: (i) if such institution is or has been rated by DBRS and such rating has been lowered or withdrawn; or (ii) if such institution is not rated by DBRS but ceases to have a DBRS Equivalent Rating.</p>
<b>Primary Collection Accounts</b>	(i) an institution which is a bank within the meaning of section 991 of the Income Tax Act 2007 and for the purposes of section 878 of the Income Tax Act 2007 and which pays any interest under any relevant Transaction Document in the ordinary course of its business and is (ii) an institution which, insofar as the relevant Rating Agency rates any Related Debt or Associated Debt, at all times has (a) a short term unsecured debt rating of at least F2 by Fitch and a long term unsecured debt rating of at least BBB+ by Fitch; (b) a long term senior debt and deposits rating of at least BBB by DBRS or, in the absence of a rating assigned by DBRS, a DBRS Equivalent Rating at least equal to BBB by DBRS, or such other rating from time to time notified or published by DBRS replacing any of the above ratings or implementing a rating requirement; and/or (c) such other short-term or long term rating which is otherwise acceptable to the relevant	<p>The Servicer shall procure that within 30 days of being notified (or such longer period as may be agreed with the relevant Rating Agencies as not leading to a downgrade of any outstanding Rated Debt), the relevant collection account is transferred to an account bank that has the required ratings or the Obligors are notified to make future payments in respect of their Accounts directly to the Transferor Collection Account.</p>

Transaction Party	Required Ratings/Triggers	Possible effects of trigger being breached include the following
<b>Transferor Collection Account</b>	<p data-bbox="491 271 660 297">Rating Agency.</p> <p data-bbox="491 331 916 1120">(i) an institution which is a bank within the meaning of section 991 of the Income Tax Act 2007 and for the purposes of section 878 of the Income Tax Act 2007 and which pays any interest under any relevant Transaction Document in the ordinary course of its business and is (ii) an institution which, insofar as the relevant Rating Agency rates any Related Debt or Associated Debt, at all times has (a) a short-term unsecured debt rating of at least F1 by Fitch and a long term unsecured debt rating of at least A by Fitch; (b) a long term senior debt and deposits rating of at least A by DBRS or, in the absence of a rating assigned by DBRS, a DBRS Equivalent Rating at least equal to A by DBRS, or such other rating from time to time notified or published by DBRS replacing any of the above ratings or implementing a rating requirement; and/or (c) such other short-term or long term rating which is otherwise acceptable to the relevant Rating Agency.</p>	<p data-bbox="943 331 1370 719">The Transferor shall, as soon as practicable and in any event, within 30 days (in respect of a downgrade by Fitch or DBRS) of being notified (or such longer period as may be agreed with the relevant Rating Agencies as not leading to a downgrade of any outstanding Rated Debt) establish a new Transferor Collection Account with a Qualified Institution and shall transfer any cash or any investments to such new Transferor Collection Account.</p> <p data-bbox="943 752 1370 992">An institution will be treated as having being downgraded by DBRS: (i) if such institution is or has been rated by DBRS and such rating has been lowered or withdrawn; or (ii) if such institution is not rated by DBRS but ceases to have a DBRS Equivalent Rating.</p>

## Non-Rating Triggers

<u>Description of trigger</u>	<u>Consequence of trigger</u>
<b><i>Notification Events</i></b>	
<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"><li>• a Pay Out Insolvency Event in relation to the Transferor or the Originator; or</li><li>• the Transferor (or the Servicer on behalf of the Transferor) failing to pay to the Receivables Trustee any sum due to it under the Receivables Securitisation Deed within five Business Days of the due date or (if payable on demand) the demand and such failure continues unremedied for ten Business Days following notice thereof from the Receivables Trustee.</li></ul>	<p>The Receivables Trustee may transfer legal title to the Securitised Portfolio to itself or to a nominee.</p>
<b><i>Servicer Termination Events</i></b>	
<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"><li>• payment default by the Servicer which is not remedied within 5 Business Days;</li><li>• failure by the Servicer to duly perform any of its other obligations which has a Material Adverse Effect on the Beneficiaries of any Outstanding Series and is not remedied within 60 days of notice being given to the Servicer by the Receivables Trustee or to the Servicer and the Receivables Trustee by a majority of the Beneficiaries, which continues to have a Material Adverse Effect on the interest of such Beneficiaries in respect of such Outstanding Series for such period;</li><li>• any relevant representation, warranty or certification being incorrect when made which has a Material Adverse Effect on the interests of the Beneficiaries in respect of any Outstanding Series and is not remedied within 60 days of notice being given to the Servicer by the Receivables Trustee or to the Servicer and the Receivables Trustee by a majority of the Beneficiaries, and continues to have a Material Adverse Effect on the interest of such Beneficiaries in respect of such Outstanding Series for such period;</li><li>• an insolvency event in relation to the Servicer; or</li><li>• delegation by the Servicer of its duties to any other entity except as permitted by the Receivables Trust Deed and Servicing Agreement, which has a Material Adverse Effect on the interest of the Beneficiaries in respect of any Outstanding Series.</li></ul>	<p>Termination of appointment of Servicer.</p> <p>See the sections entitled "<i>Servicing of Receivables – Termination of Appointment of Servicer</i>" for further information.</p>
<b><i>Cash Manager Termination Events</i></b>	
<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"><li>• payment default by the Cash Manager which is not remedied within 5 Business Days;</li><li>• failure by the Cash Manager to comply with any of its other</li></ul>	<p>Termination of appointment of Cash Manager.</p> <p>See the sections entitled "<i>The Security Trust Deed and Cash Management Agreement</i> –</p>

**Description of trigger****Consequence of trigger**

covenants or obligations which has a Material Adverse Effect on the interests of any Loan Note Holders holding Loan Notes with a principal amount outstanding greater than zero and which is not remedied within 60 days of notice being given to the Cash Manager by the Loan Note Issuer or to the Cash Manager and the Loan Note Issuer by Loan Note Holders in respect of more than 50 per cent. or more of the principal amount outstanding of any Loan Notes adversely affected thereby;

*Appointment and Responsibilities of the Cash Manager" for further information.*

- delegation by the Cash Manager of its duties to any other entity, except as permitted by the Security Trust Deed and Cash Management Agreement, which has a Material Adverse Effect on the interest of the Beneficiaries in respect of any Outstanding Series;
- any relevant representation, warranty or certification being incorrect when made which has a Material Adverse Effect on the interests of any Loan Note Holders holding Loan Notes with a principal amount outstanding greater than zero and is not remedied within 60 days of notice being given to the Cash Manager by the Loan Note Issuer or to the Cash Manager and the Loan Note Issuer by Loan Note Holders in respect of more than 50 per cent. or more of the principal amount outstanding of any Loan Notes adversely affected thereby; or
- an insolvency event in relation to the Cash Manager.

***Rapid Amortisation Trigger Event***

The occurrence of a Series Pay Out Event in respect of Series 2015-1 or a Trust Pay Out Event.

Rapid Amortisation Period will begin.

***Trust Pay Out Events***

The occurrence of any of the following:

- a Pay Out Insolvency Event in relation to the Originator or the Transferor;
- the Transferor becomes unable to transfer Receivables on the Designated Accounts to the Receivables Trustee in the manner described in the Receivables Securitisation Deed;
- either the Originator or the Transferor stops being either resident in the United Kingdom for United Kingdom tax purposes or liable for United Kingdom corporation tax; or
- either:
  - a change in law or its interpretation or administration results in the Receivables Trustee becoming liable to make any payment on account of tax which is more than trivial; or
  - any tax authority asserts a tax liability or takes other actions against the Originator or Transferor in relation to the transaction which would have an adverse affect on them which is more than trivial, if

A Series Pay Out Event will occur for each Series and the Transferor Beneficiary (and, in the case of a Pay Out Insolvency Event in relation to the Originator or the Transferor, the Receivables Trustee will have certain additional rights under the Receivables Trust Deed and Servicing Agreement).

**Description of trigger**

**Consequence of trigger**

the Originator or Transferor obtains an opinion of counsel stating that the tax liability would be due. This event will be treated as occurring when the Originator or Transferor gives written notice of it to the Receivables Trustee.

**Series Pay Out Events**

The occurrence of a Trust Pay Out Event or any of the following:

A Series Pay Out Event will occur in respect of Series 2015-1.

- failure on the part of the Transferor:
  - to make any payment or deposit required to be made by it to the Receivables Trustee under the terms of the Receivables Securitisation Deed within five Business Days after the date that the payment or deposit is required to be made, including the payment of Collections into the Receivables Trustee Collection Account (as contemplated under the Transaction Documents); or
  - duly to observe or perform any covenants or agreements of the Transferor in the Receivables Securitisation Deed or the Series 2015-1 Supplement that has a material adverse effect on the interests of the Series 2015-1 Investor Beneficiary and which continues unremedied for a period of 60 days after the date on which written notice of the failure, requiring it to be remedied, is given to the Transferor by the Receivables Trustee, or is given to the Transferor and the Receivables Trustee by the Loan Note Issuer acting on the instructions of persons holding together 50 per cent. or more of the total balance of the Series 2015-1 Loan Notes outstanding at that time, and which continues during that 60 day period to have a material adverse effect on the interests of the Series 2015-1 Investor Beneficiary;
- any representation or warranty made by the Transferor in the Receivables Securitisation Deed or the Series 2015-1 Supplement, or any information contained in any computer file required to be delivered by the Transferor under the Receivables Securitisation Deed, proves to have been incorrect in any material respect when made or when delivered and continues to be incorrect in any material respect for a period of 60 days after the date on which written notice of the error, requiring it to be remedied, is given to the Transferor by the Receivables Trustee, or is given to the Transferor and the Receivables Trustee by the Loan Note Issuer acting on the instructions of persons holding together 50 per cent. or more of the total balance of the Series 2015-1 Loan Notes outstanding at that time and which continues during that 60 day period to have a material adverse effect on the interests of the Series 2015-1 Investor Beneficiary;

Notwithstanding the above, no Series Pay Out Event shall be deemed to have occurred if the Transferor has complied with



**Description of trigger****Consequence of trigger**

- 
- its obligations relating to a breach of representation or warranty as set out in the Receivables Securitisation Deed;
  - the average Portfolio Yield for a period of three consecutive Collection Periods is less than the average Expense Rate for that period;
  - either:
    - the aggregate of the Transferor Interest and the Originator VFN Excess Amount averaged over any period of thirty consecutive days is less than the Minimum Transferor Interest calculated as at the last day of such period and the Transferor Interest and/or the Originator VFN Excess Amount is not increased on or before the tenth Business Day following that thirty day period to an amount such that the average of the aggregate of the Transferor Interest and the Originator VFN Excess Amount for such thirty day period as a percentage of the Average Principal Receivables (computed by assuming that the amount of the increase of the Transferor Interest and/or the Originator VFN Excess Amount by the last day of the ten Business Day period, as compared to the Transferor Interest and/or the Originator VFN Excess Amount on the last day of the thirty day period, existed in the Receivables Trust during each day of the thirty day period), is at least equal to the Minimum Transferor Interest; or
    - on the last day of any Collection Period the Eligible Receivables Balance is less than the Minimum Aggregate Principal Receivables and the Eligible Receivables Balance fails to increase to an amount equal to or greater than the Minimum Aggregate Principal Receivables on or before the tenth Business Day following that last day;
  - any Servicer Default occurs that has a material adverse effect on the Series 2015-1 Investor Beneficiary;
  - the Series 2015-1 Investor Interest is not reduced to zero on the Series 2015-1 Scheduled Redemption Date (which, for the avoidance of doubt, may be subject to an extension of up to 12 months, where a Series Extension Notice is delivered); or
  - the Loan Note Issuer is required to withhold or deduct any amounts for or on account of tax on the payment of any principal or interest in respect of the Series 2015-1 Loan Notes, as a result of any change in the laws of the United Kingdom or any political subdivision or taxing authority thereof which change becomes effective on or after the Series 2015-1 Closing Date.

**Description of trigger****Consequence of trigger*****Issuer Events of Default***

The occurrence of any of the following:

- the Issuer fails to pay any amount of principal in respect of the Notes within 7 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 15 days of the due date for payment thereof; or
- the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Issuer Documents (other than, in any such case, any obligation for the payment of any principal or interest on the Notes) and the Note Trustee upon being notified of such default has given written notice thereof to the Issuer, certifying that such default is, in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders and (except where such default is incapable of remedy) such default remains unremedied for 30 days after such notice; or
- a secured party or encumbrancer takes possession of, or a receiver, administrative receiver, administrator, examiner, manager or other similar officer is legally and validly appointed over, the whole or any part of the business, assets and revenues of the Issuer or execution is levied against any of the assets of the Issuer which is not frivolous or vexatious and, in each case, is not discharged within five business days; or
- an Insolvency Event occurs in relation to the Issuer; or
- any action, condition or thing at any time required to be taken, fulfilled or done in order:
  - to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes and the Issuer Documents; or
  - to ensure that those obligations are legal, valid, binding and enforceable, except as that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally and general principles of equity,

is not taken, fulfilled or done such failure to do so is materially prejudicial to the interests of the Noteholders; or

- it is or becomes unlawful for the Issuer to comply with any of its obligations under or in respect of the Notes or any of the Issuer Documents; or
- (i) all or substantially all of the business, assets and revenues of the Issuer is seized or otherwise appropriated by any person acting under the authority of any national, regional or local government, or (ii) the Issuer is prevented by any person acting under the authority of any national, regional or local government from exercising normal control over all or

An Enforcement Notice may be issued to the Issuer declaring the Notes to be immediately due and payable and the security enforced.

**Description of trigger**

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**Consequence of trigger**

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substantially all of its business, assets and revenues.

## FEES

The table below sets out the principal on-going transaction fees and the expenses related to the admission to trading of the Notes.

<i>Expense</i>	<i>Amount</i>	<i>Priority in cashflow</i>	<i>Frequency</i>
Servicing fee	One-twelfth of the product of 4.0 per cent. and the average of the daily aggregate outstanding amount of Receivables during the relevant Collection Period and any amount agreed, on an arm's length basis, between a successor Servicer and the Receivables Trustee from time to time, less (while NewDay Cards Ltd is the Servicer) any net receipts of insurance commission income received by the Servicer during such Collection Period	In priority to Class A, B, C, D, E and F Monthly Distribution Amounts	Each Transfer Date
Cash management fee	Estimated £4,500 each year	In priority to Class A, B, C, D, E and F Monthly Distribution Amounts	Each Transfer Date
Back-up cash management fee	Estimated £3,500 each year prior to the Back-Up Cash Manager undertaking the role of the cash manager	In priority to Class A, B, C, D, E and F Monthly Distribution Amounts	Each Transfer Date
The aggregate cost of the corporate expenses of the Receivables Trustee, the corporate expenses of the Loan Note Issuer, the corporate expenses of the Issuer, the corporate expenses of Holdings and the Note Trustee and the Security Trustee fees	Estimated £17,000 each year	In priority to Class A, B, C, D, E and F Monthly Distribution Amounts	Each Transfer Date
Expenses relating to admission to trading of the Notes	£7,950	N/A	On or about the Series 2015-1 Closing Date

## THE ISSUER

The Issuer, NewDay Funding 2015-1 Plc, is a public limited liability company which was incorporated as a special purpose vehicle for the issue of asset backed securities in England and Wales, under the Companies Act 2006 (as amended), on 13 January 2015 as Engbright Plc with registered number 9385611. The name of the Issuer was changed to NewDay Funding 2015-1 Plc by a special resolution dated 25 March 2015. Its registered office and principal place of business are located at 35 Great St. Helen's, London EC3A 6AP.

The memorandum and articles of association of the Issuer may be inspected at the registered office of the Issuer (Telephone: +44 (0)20 7398 6300).

### Directors, company secretary and corporate services

The directors of the Issuer and their respective business addresses and principal activities are:

<u>Name</u>	<u>Business Address</u>	<u>Principal Activities</u>
SFM Directors Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
SFM Directors (No.2) Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
J-P Nowacki	35 Great St. Helen's, London EC3A 6AP	Director

The directors of each of SFM Directors Limited and SFM Directors (No.2) Limited and their principal activities are as follows:

<u>Name</u>	<u>Business Address</u>	<u>Principal Activities</u>
Jonathan Keighley	35 Great St. Helen's, London EC3A 6AP	Director
Robert Berry	35 Great St. Helen's, London EC3A 6AP	Director
J-P Nowacki	35 Great St. Helen's, London EC3A 6AP	Director
Claudia Wallace	35 Great St. Helen's, London EC3A 6AP	Director
Vinoy Nursiah	35 Great St. Helen's, London EC3A 6AP	Director
Helena Whitaker	35 Great St. Helen's, London EC3A 6AP	Director
Debra Parsall	35 Great St. Helen's, London EC3A 6AP	Director
Sue Abrahams	35 Great St. Helen's, London EC3A 6AP	Director

The company secretary of the Issuer is SFM Corporate Services Limited whose principal office is at 35 Great St. Helen's, London EC3A 6AP.

The Issuer is organised as a special purpose vehicle and will be largely passive, engaging only in the types of transactions described in this Prospectus. The Issuer will be managed and controlled by its directors in England and Wales; however, it is expected that, once the company is conducting business, it will require only a small amount of active management with respect to its day-to-day activities.

Save as set out in the paragraph below, no potential conflicts of interest exist between the directors of the Issuer (and, in the case of the corporate directors of the Issuer, the directors thereof) and their duties to the Issuer and their private interests and other duties.

In accordance with the terms of a corporate services agreement to be dated on or about the Series 2015-1 Closing Date (the "**Issuer Corporate Services Agreement**"), the Issuer Corporate Services Provider will provide the Issuer with general secretarial, registrar and company administration services. The fees of the Issuer Corporate Services Provider for providing such services are included in the Issuer Costs Amount.

The Issuer is aware that the payment of such fees and the appointment of such directors may result in potential conflicts of interests between the duties owed to it and the private interests of its board of directors.

## **Principal activities**

The Issuer's principal activities are the issue of the Notes, utilisation of the proceeds of the Notes to acquire the Series 2015-1 Loan Notes, the execution and performance of the Transaction Documents to which it is a party, the execution and performance of all documents relating thereto to which it is a party, the exercise of related rights and powers and other activities reasonably incidental thereto.

## **Insolvency matters relating to the Issuer**

The Issuer has been organised, and its activities are limited, to minimise the likelihood of insolvency proceedings being commenced against the Issuer and to minimise the likelihood that there would be claims against the Issuer if insolvency proceedings were commenced against it. The Issuer has not engaged in and will not engage in any activity other than the business and activities described or referred to in this Prospectus and activities incidental thereto.

## **Share capital**

The issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each. One ordinary share was allotted for cash, and fully paid, on incorporation. On 28 April 2015, 49,999 ordinary shares were resolved to be allotted and were each quarter paid. All of the issued shares of the Issuer are held by NewDay Funding Securitisation Holdings Ltd ("**Holdings**"). The entire issued share capital of Holdings is held by SFM Corporate Services Limited (the "**Holdings Share Trustee**") under the terms of a declaration of trust made by the Holdings Share Trustee on 28 April 2015 (the "**Holdings Share Declaration of Trust**"). Any income or capital held by the Holdings Share Trustee under the Holdings Share Declaration of Trust is to be applied for discretionary purposes.

As at the date of this Prospectus, there are no other outstanding securities, loans or subscriptions, allotments or options in respect of the Issuer.

Neither the Originator nor the Transferor owns, directly or indirectly, any of the share capital of the Issuer.

## **Holdings**

In accordance with the terms of a corporate services agreement to be dated on or about the Series 2015-1 Closing Date (the "**Holdings Corporate Services Agreement**"), the Holdings Corporate Services Provider will provide Holdings with general secretarial, registrar and company administration services. The fees of the Holdings Corporate Services Provider for providing such services are included in the Issuer Costs Amount.

## **Financial information regarding the Issuer**

The Issuer has not traded since its incorporation on 13 January 2015. There has been no material adverse change in the financial position or prospects of the Issuer since its date of incorporation. There has been no significant change in the financial or trading position of the Issuer since its date of incorporation. The accounting reference date for the Issuer is 31 December each year.

The Issuer has not commenced operations and no financial statements have been produced as at the date of this Prospectus.

## **Legal proceedings**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), nor have there been any since 13 January 2015 (being the date of incorporation of the Issuer), which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer.

## **Indemnity Deed**

On or around the Series 2015-1 Closing Date, the Loan Note Issuer and Issuer are expected to enter into an indemnity deed made with NewDay Group Holdings S.à r.l. as the provider of the indemnity (the "**Indemnity Deed**"), pursuant to which the Loan Note Issuer and the Issuer – as the indemnified parties –

may request indemnification in relation to the fees, costs and expenses incurred by the Loan Note Issuer in issuing the Series 2015-1 Loan Notes and by the Issuer in issuing the Notes.

## THE LOAN NOTE ISSUER

The Loan Note Issuer, NewDay Funding Loan Note Issuer Ltd, is a private limited company which was incorporated as a special purpose vehicle for the issue of asset backed securities in England and Wales under the Companies Act 2006 (as amended), on 9 January 2015 as Lavatrail Limited with registered number 9381659. The name of the Loan Note Issuer was changed to NewDay Funding Loan Note Issuer Ltd by a special resolution dated 25 March 2015. The registered office of the Loan Note Issuer is at 35 Great St. Helen's, London EC3A 6AP.

The memorandum and articles of association of the Loan Note Issuer may be inspected at the registered office of the Loan Note Issuer (Telephone: +44 (0)20 7398 6300).

The principal purpose of the Loan Note Issuer is, amongst other things to be an Investor Beneficiary of the Receivables Trust, to issue the Loan Notes (including the Series 2015-1 Loan Notes) and all financial arrangements in that connection.

### Directors, company secretary and corporate services

The following table sets out the directors of the Loan Note Issuer and their respective business addresses and principal activities.

<u>Name</u>	<u>Business Address</u>	<u>Principal Activities</u>
SFM Directors Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
SFM Directors (No.2) Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
J-P Nowacki	35 Great St Helen's, London EC3A 6AP	Director

The directors of each of SFM Directors Limited and SFM Directors (No.2) Limited and their principal activities are as follows:

<u>Name</u>	<u>Business Address</u>	<u>Principal Activities</u>
Jonathan Keighley	35 Great St. Helen's, London EC3A 6AP	Director
Robert Berry	35 Great St. Helen's, London EC3A 6AP	Director
J-P Nowacki	35 Great St. Helen's, London EC3A 6AP	Director
Claudia Wallace	35 Great St. Helen's, London EC3A 6AP	Director
Vinoy Nursiah	35 Great St. Helen's, London EC3A 6AP	Director
Helena Whitaker	35 Great St. Helen's, London EC3A 6AP	Director
Debra Parsall	35 Great St. Helen's, London EC3A 6AP	Director
Sue Abrahams	35 Great St. Helen's, London EC3A 6AP	Director

The company secretary of the Loan Note Issuer is SFM Corporate Services Limited whose principal office is at 35 Great St. Helen's, London EC3A 6AP.

The Loan Note Issuer is organised as a special purpose vehicle and is largely passive, engaging only in the types of transactions described in this Prospectus. The Loan Note Issuer is managed and controlled by its directors in England and Wales; however, it is expected that, once the company is conducting business, it will require only a small amount of active management with respect to its day-to-day activities.

Save as set out in the paragraph below, no potential conflicts of interest exist between the directors of the Loan Note Issuer (and, in the case of the corporate directors of the Loan Note Issuer, the directors thereof) and their duties to the Loan Note Issuer and their private interests and other duties.

In accordance with the terms of a corporate services agreement to be dated on or about the Series 2015-1 Closing Date (the "**Loan Note Issuer Corporate Services Agreement**"), the Loan Note Issuer Corporate Services Provider will provide the Loan Note Issuer with general secretarial, registrar and company administration services. The fees of the Loan Note Issuer Corporate Services Provider for providing such services are included in the Loan Note Issuer Costs Amount.



## **Principal activities**

The Loan Note Issuer's principal activities are the issue of Loan Notes (including the Series 2015-1 Loan Notes), the making of Contributions resulting in the granting of beneficial interests (including the Series 2015-1 Investor Interest) in the Receivables Trust, the making of further Contributions in order to increase such beneficial interests, the entering into of all documents relating to each such issue and beneficial interest to which it is expressed to be a party and the exercise of related rights and powers and other activities reasonably incidental thereto.

There are also certain covenants given by the Loan Note Issuer under the terms of the STDCMA (see "*The Security Trust Deed and Cash Management Agreement*").

## **Insolvency matters relating to the Loan Note Issuer**

The Loan Note Issuer has been organised, and its activities are limited, to minimise the likelihood of insolvency proceedings being commenced against the Loan Note Issuer and to minimise the likelihood that there would be claims against the Loan Note Issuer if insolvency proceedings were commenced against it. The Loan Note Issuer has not engaged in and will not engage in any activity other than the business and activities described or referred to in this Prospectus and activities incidental thereto.

## **Share capital**

The issued share capital of the Loan Note Issuer as of the date of the Prospectus is £1, consisting of one fully paid share of £1.00. Such share is held by Crestbridge Corporate Trustees Limited (the "**Loan Note Issuer Share Trustee**") on discretionary trust.

As at the date of this Prospectus, there is no loan capital outstanding, loan capital created but unissued, term loan, other borrowing or indebtedness in the nature of borrowing, contingent liability or guarantee in respect of the Loan Note Issuer.

## **Financial information regarding the Loan Note Issuer**

There has been no material adverse change in the Loan Note Issuer's financial position or prospects since its incorporation. There has been no significant change in the financial or trading position of the Loan Note Issuer since its incorporation on 9 January 2015. The accounting reference date for the Loan Note Issuer is 31 December each year.

The Loan Note Issuer has no commercial operations and no financial statements have been produced as at the date of this Prospectus.

## **Legal proceedings**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Loan Note Issuer is aware), nor have there been any since 9 January 2015 (being the date of incorporation of the Loan Note Issuer) which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Loan Note Issuer.

## **Indemnity Deed**

On or around the Series 2015-1 Closing Date, the Loan Note Issuer and Issuer are expected to enter into an indemnity deed made with NewDay Group Holdings S.à r.l. as the provider of the indemnity (the "**Indemnity Deed**"), pursuant to which the Loan Note Issuer and the Issuer – as the indemnified parties – may request indemnification in relation to the fees, costs and expenses incurred by the Loan Note Issuer in issuing the Series 2015-1 Loan Notes and by the Issuer in issuing the Notes.

## THE RECEIVABLES TRUSTEE

The Receivables Trustee, NewDay Funding Receivables Trustee Ltd, was incorporated in Jersey on 14 April 2015 with company number 118267 as a private company with limited liability under the Companies (Jersey) Law 1991, as amended (which is also the relevant primary legislation under which the Receivables Trustee operates). The registered office of the Receivables Trustee is located at 47 Esplanade, St Helier, Jersey JE1 0BD.

The entire issued share capital of the Receivables Trustee is held by Structured Finance Management Offshore Limited, a company incorporated in Jersey and having its registered office at 47 Esplanade, St Helier, Jersey JE1 0BD (acting solely in its capacity as trustee of The NewDay Funding Charitable Trust) (in such capacity, the "**Jersey Share Trustee**") under the terms of a declaration of trust (the "**Jersey Share Declaration of Trust**") made by the Jersey Share Trustee on 14 April 2015. The Jersey Share Declaration of Trust provides that any income or capital held by the Jersey Share Trustee subject thereto is to be applied to or for the benefit of various charities and charitable purposes.

The memorandum and articles of association of the Receivables Trustee may be inspected at the registered office of the Receivables Trustee.

### Directors, company secretary and corporate services

The directors of the Receivables Trustee and their respective business addresses and principal activities are:

<u>Name</u>	<u>Business Address</u>	<u>Principal Activities</u>
SFM Directors (Jersey) Limited	47 Esplanade, St Helier, Jersey JE1 0BD	Corporate Director
SFM Directors No.2 (Jersey) Limited	47 Esplanade, St Helier, Jersey JE1 0BD	Corporate Director

The Receivables Trustee is organised as a special purpose vehicle and is largely passive, engaging only in the types of transactions described in this Prospectus. The Receivables Trustee is managed and controlled by its directors in Jersey; however, it is expected that, once the Receivables Trustee is conducting business, it will require only a small amount of active management with respect to its day-to-day activities.

The directors of SFM Directors (Jersey) Limited and SFM Directors No.2 (Jersey) Limited are Susan Jill Fossey, David Richard King and Elizabeth Ann Mills, whose business addresses are 47 Esplanade, St Helier, Jersey JE1 0BD and who perform no other principal activities outside the Receivables Trustee which are significant with respect to the Receivables Trustee. Susan Jill Fossey, David Richard King and Elizabeth Ann Mills are also directors of Structured Finance Management Offshore Limited. Fees are payable to Structured Finance Management Offshore Limited pursuant to and in accordance with the terms of the Receivables Trustee Corporate Services Agreement (as defined below). The Receivables Trustee is aware that the payment of such fees and the appointments of such corporate directors and the directors of such corporate directors may result in potential conflicts of interest between the duties owed to it and the private interests of its board of directors.

In accordance with a corporate services agreement to be dated on or around the Series 2015-1 Closing Date (the "**Receivables Trustee Corporate Services Agreement**"), the Receivables Trustee Corporate Services Provider provides the Receivables Trustee with general secretarial, registrar and company administration services. The fees of Structured Finance Management Offshore Limited for providing such services are included in the Trustee Fees (see "*The Receivables Trust — Aggregate Trustee Payment Amount*").

The secretary of the Receivables Trustee is Structured Finance Management Offshore Limited whose registered office is at 47 Esplanade, St Helier, Jersey JE1 0BD.

Structured Finance Management Offshore Limited is a private limited company incorporated in Jersey, Channel Islands with registered number 83135. Structured Finance Management Offshore Limited

undertakes diversified offshore trust administration services and is regulated by the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998, as amended, for the purpose of carrying on trust company business.

### **Principal activities**

The principal activities of the Receivables Trustee are to undertake and perform the office and duty of the Receivables Trustee as described in the Receivables Securitisation Deed, the Receivables Trust Deed and Servicing Agreement, each Supplement and all documents incidental to those documents. Such duties include acting as trustee of the Receivables Trust, purchasing and accepting assignments of the Receivables from the Transferor and entering into documents incidental to or relating to those activities.

The Receivables Trustee has been established specifically to act as trustee of the Receivables Trust. Its activities are restricted by the Receivables Trust Deed and Servicing Agreement and the related supplements.

Since it was formed, the Receivables Trustee has:

- (i) engaged in activities incidental to the declaration of the Receivables Trust;
- (ii) obtained the necessary data protection registrations in the United Kingdom and/or Jersey;
- (iii) authorised and executed the documents that it is a party to in order to establish the Receivables Trust;
- (iv) established the Trust Register to record the entitlements of beneficiaries under the Receivables Trust;
- (v) engaged in activities incidental to the anticipated transfer to it of Receivables under the Designated Accounts; and
- (vi) authorised and executed other documents to which it is party.

The Receivables Trustee has not engaged in any activities since its incorporation other than the above and matters incidental to the above.

The Receivables Trustee has made a number of covenants in the Receivables Trust Deed and Servicing Agreement, including that it will not without the prior written consent of each of the beneficiaries of the Receivables Trust:

- (i) carry on any business other than as trustee of the Receivables Trust and in respect of that business shall not engage in any activity or do anything whatsoever except:
  - (1) hold and exercise its rights in the trust property of the Receivables Trust and perform its obligations in respect of the Receivables Trust's property;
  - (2) preserve, exercise and enforce any of its rights and perform and observe its obligations under the Relevant Documents to which it is expressed to be a party;
  - (3) pay dividends or make other distributions to the extent permitted by applicable law;
  - (4) use, invest or dispose of any of its property or assets in the manner provided in or contemplated by the Relevant Documents to which it is expressed to be a party; and
  - (5) perform any and all acts incidental to or otherwise necessary in connection with (1), (2), (3) or (4) above;
- (ii) incur any indebtedness whatsoever (other than as expressly contemplated in the Receivables Trust Deed and Servicing Agreement or in any Supplement) or give any guarantee or indemnity in respect any indebtedness in any other Relevant Document;

- (iii) give any guarantee or indemnity in respect of any indebtedness, other than a guarantee or indemnity that is described in, incurred under or contemplated by the Receivables Trust Deed and Servicing Agreement and any other Relevant Document;
- (iv) create any encumbrance whatsoever over any of its assets, or use, invest, sell or otherwise dispose of any part of its assets, including any uncalled capital, or undertaking, present or future, other than as expressly contemplated by the Relevant Documents;
- (v) consolidate or merge with any other person or convey or transfer its properties or assets to any person;
- (vi) permit the validity or effectiveness of the Receivables Trust to be supplemented, amended, varied, terminated, postponed or discharged – other than as expressly contemplated in the Receivables Trust Deed and Servicing Agreement or any Series supplement;
- (vii) have an interest in any bank account other than a Trust Account and its own bank account opened for the purpose of receiving and making payments to be made otherwise than in its capacity as Receivables Trustee – including paying the Servicing Fee to the Servicer and the fee due and payable for the provision of corporate services to the Receivables Trustee;
- (viii) register or maintain a branch registration or place of business in the United Kingdom under Part 34 of the Companies Act 2006, as amended;
- (ix) maintain or carry on any business through any office, establishment, branch or agency in the United Kingdom for United Kingdom tax purposes;
- (x) have any employees or premises (other than a sufficient number of employees or premises in light of its contemplated business operations); or
- (xi) engage in any activities other than Permitted Activities.

**"Incorrect Withdrawal"** shall mean any use of monies representing Trust Property by the Transferor or the Servicer or any bank operating the Transferor Collection Account or any other party, whether by way of withdrawal, set-off or otherwise, prior to payment of such monies into the Receivables Trustee Collection Account in accordance with the Relevant Documents.

**"Permitted Activities"** shall mean the primary activities of the Receivables Trustee, which are:

- (i) holding any Receivables transferred by the Transferor and the other Trust Property of the Receivables Trust, such Trust Property to be only that which is permitted under the terms of the Receivables Trust Deed and Servicing Agreement and any Supplement thereto, including passive derivative financial instruments that pertain to beneficial interests in the Receivables Trust;
- (ii) evidencing beneficial interests in the Trust Property by annotating the Trust Register;
- (iii) receiving Collections into the Trust Accounts and making transfers and distributions in accordance with the terms of the Receivables Trust Deed and Servicing Agreement and any Supplement thereto; and
- (iv) engaging in other activities that are necessary or incidental to accomplish the foregoing purposes.

**"Trust Property"** is defined in the Master Framework Agreement as follows:

- (i) until such time as such monies have been applied in accordance with the terms of the Receivables Trust Deed and Servicing Agreement, all monies which may from time to time be provided by the Beneficiaries to the Receivables Trustee;
- (ii) the Eligible Receivables and Ineligible Receivables and any other property acquired by the Receivables Trustee pursuant to the terms and subject to the conditions of the Receivables Securitisation Deed;

- (iii) all monies, investments and property from time to time representing or derived from or to be applied in respect of paragraph (ii) above, including, without limitation:
  - (a) all monies due or to become due with respect to Receivables assigned to the Receivables Trustee;
  - (b) all proceeds of such Receivables and Insurance Proceeds relating to such Receivables;
  - (c) the right to receive Acquired Interchange, Dilution Refunds and any Originator Ring-fenced Credit Balance Surplus as provided for in the Receivables Securitisation Deed;
  - (d) monies deposited from time to time in the Trust Accounts; and
  - (e) the rights to any Enhancement with respect to any Investor Beneficiary;
- (iv) all rights vested by the Relevant Documents or by law in favour of the Receivables Trustee by virtue of an Incorrect Withdrawal in respect of monies representing Trust Property (as set out in paragraph (iii) above);
- (v) without prejudice to the provisions in the Receivables Trust Deed and Servicing Agreement, the benefit of all representations, covenants, indemnities and other contractual provisions in favour of the Receivables Trustee (other than any such made or granted solely for its own benefit) made or granted in or pursuant to any of the Relevant Documents or pursuant to any assignment and all rights to make demands, bring proceedings or take any other action in respect thereof;
- (vi) all other property, other than (for the avoidance of doubt) any amounts standing to the credit of the bank account opened for the purpose of receiving and making payments to be made otherwise than in its capacity as Receivables Trustee and amounts representing its paid up share capital, which may from time to time be held by or on behalf of the Receivables Trustee; and
- (vii) all rights vested by law in the Receivables Trustee by virtue of its holding the Trust Property (as set out in paragraphs (i) to (vi) inclusive above).

"**Trust Register**" shall mean the register maintained pursuant to the Receivables Trust Deed and Servicing Agreement recording the identity of the Beneficiaries of the Receivables Trust from time to time and the amounts of any Contributions by them and repayments thereof.

## **THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

HSBC Corporate Trustee Company (UK) Limited acts as Security Trustee and Note Trustee. The Note Trustee will act as trustee for the Secured Creditors of the Issuer and also will hold the security in respect of the Notes under the terms of the Note Trust Deed (see "*Terms and Conditions of the Notes*" and "*The Note Trust Deed*"). The Security Trustee will act as trustee for the benefit of the secured creditors of the Loan Note Issuer which will include the Issuer (in the Issuer's capacity as holder of the Series 2015-1 Loan Notes) and also, in particular, will hold the security created by the Loan Note Issuer in respect of the Loan Notes (including the Series 2015-1 Loan Notes) under the terms of the STDCMA. See also "*The Security Trust Deed and Cash Management Agreement*" and "*The Series 2015-1 Loan Notes*".

HSBC Corporate Trustee Company (UK) Limited was incorporated on 7 December 2007 under the laws of England and Wales and has its registered office at 8 Canada Square, London E14 5HQ with a company number 6447555.

**THE CALCULATION AGENT, THE PRINCIPAL PAYING AGENT, THE PAYING AGENT  
AND THE AGENT BANK**

**HSBC Bank plc**

HSBC Bank plc acts as the Calculation Agent (under the Security Trust Deed and Cash Management Agreement) and the Principal Paying Agent, the Paying Agent and the Agent Bank (under the terms of the Paying Agency and Agent Bank Agreement).

HSBC Bank plc was incorporated under the laws of England and Wales and has its registered office at 8 Canada Square, London E14 5HQ with a company number 14259.

## **THE BACK-UP CASH MANAGER**

### **Citibank, N.A., London Branch**

Citibank, N.A., London Branch acts as the Back-Up Cash Manager (under the Back-Up Cash Management Agreement).

Citibank, N.A. is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018.



## THE ORIGINATOR, THE SERVICER AND THE NEWDAY GROUP

### The Originator

NewDay Ltd (which, prior to 1 April 2014, was known as Progressive Credit Limited) is a private limited company incorporated in England and Wales under registered number 07297722 which has its registered office at Two Pancras Square, London N1C 4AG, United Kingdom. NewDay Ltd is an authorised payment institution (under the Payment Services Regulations 2009) and acts as the legal title holder and card issuer in respect of the accounts managed by NewDay Group Holdings S.à r.l. and its subsidiaries (the "NewDay Group"), including the accounts within the Securitised Portfolio.

### The Servicer

NewDay Cards Ltd (which, prior to 1 April 2014, was known as SAV Credit Limited) is a private limited company incorporated in England and Wales under registered number 04134880 which has its registered office at Two Pancras Square, London N1C 4AG, United Kingdom. NewDay Cards Ltd is the servicing company within the NewDay Group, and acts as servicer of the Securitised Portfolio pursuant to the Receivables Trust Deed and Servicing Agreement and as cash manager for the Loan Note Issuer pursuant to the Security Trust Deed and Cash Management Agreement.

### The NewDay Group

The NewDay Group is, through NewDay Ltd, a major issuer of specialist own-brand and co-branded credit cards in the UK, and also operates store card and instalment credit accounts. It currently focuses on two key segments of the UK consumer finance market:

- (a) credit cards issued under the aqua brand to customers who generally fall into the 'near prime' segment of the UK credit card market and credit cards issued under the marbles and Opus brands to customers who generally fall into the 'near prime' or 'prime' market segment. As at the date of this Prospectus, approximately 25 per cent. of the NewDay Group's new customers are acquired onto own-brand credit cards; and
- (b) co-branded credit cards, store cards and instalment credit loans issued to customers of well-known high street brands (including Debenhams, House of Fraser, Laura Ashley and the Arcadia Group (which includes the Topshop, Topman, Dorothy Perkins and Burton brands, among others)). As at the date of this Prospectus, approximately 75 per cent. of the NewDay Group's new customers are acquired onto co-branded credit cards and store cards (no new instalment credit finance loans are currently being originated).

NewDay Cards Ltd (then known as SAV Credit Limited) commenced trading in 2002, with the launch of the aqua credit card. The NewDay Group has since grown both organically and through acquisitions. In 2007, it acquired a portfolio of co-branded and own-brand credit card accounts (which are now all operated under the marbles brand) from HSBC. In 2010, it acquired another portfolio of co-branded and own-brand credit card accounts (which are now operated under the Opus brand) from Citibank. Most recently, in May 2013, it acquired a portfolio of co-branded credit card, store card and instalment credit accounts from, *inter alios*, Santander UK plc.

As at 31 March 2015, the NewDay Group operated approximately 6.8 million accounts with an aggregate balance of receivables of approximately £1,251 million.

The NewDay Group is currently majority-owned by funds managed by Värde Partners. Värde Partners is a global investment manager with over US\$9 billion assets under management, which focuses on credit and event driven strategies. Värde Partners was established in 1993 and is headquartered in Minneapolis, USA.

## THE TRANSFEROR

The Transferor, NewDay Funding Transferor Ltd, is a private limited company incorporated in England and Wales, under the Companies Act 2006 (as amended), on 7 September 2012, under the name "Invicta Funding Limited" and with registered number 08206590. The name of the Transferor was changed to "NewDay Funding Ltd" effective as of 1 April 2014 and changed to "NewDay Funding Transferor Ltd" by a special resolution dated 10 June 2015. Its registered office and principal place of business are located at Two Pancras Square, London N1C 4AG, United Kingdom.

The Transferor was originally incorporated in order to hold beneficial title to, and issue debt securities to fund, the Total Portfolio. On the Series 2015-1 Closing Date, a representative cross-section of the Total Portfolio will comprise the Securitised Portfolio. On and from the Series 2015-1 Closing Date, the Transferor's principal activities will comprise the holding of the Transferor Interest and its holding of the Originator VFN Loan Note, together with the ongoing sale of Receivables to the Receivables Trustee, in connection with which it will be involved in the execution and performance of the Transaction Documents to which it is a party, the execution and performance of all documents relating thereto to which it is a party, the exercise of related rights and powers and other activities reasonably incidental thereto.

The Transferor may also be involved in warehouse funding arrangements for credit card (and/or other) receivables which are separate from, and do not form part of, the Securitised Portfolio (the "**Other Receivables**"). This may include the Transferor (i) entering into arrangements for the assignment of Other Receivables to a special purpose warehouse issuer, (ii) holding subordinated interests (including in the form of debt instruments) issued by such warehouse issuer, (iii) entering into servicing, cash management and settlement arrangements in respect of the Other Receivables and (iv) execution and performance of transaction documents, and the exercise of rights and powers, in respect of such warehouse funding arrangements.

The Transferor's activities are limited to minimise the likelihood of insolvency proceedings being commenced against the Transferor and to minimise the likelihood that there would be claims against the Transferor if insolvency proceedings were commenced against it.

## CONSUMER CREDIT CARD FINANCE IN THE UNITED KINGDOM

In the United Kingdom consumer credit card market, there were 268 million credit card purchases in December 2014, with a total value of £14.2 billion. This spending volume was 11% higher than in December 2013, with 9% growth year on year. In full-year 2014, there were 2.5 billion credit card purchases - 8% more than in 2013. The value of these purchases totalled up to £145 billion, which is 4% higher than 2013.<sup>1</sup>

At year-end 2014, total credit card outstanding balances amounted to £61.1 billion, signifying a 5.2% growth year-on-year.<sup>2</sup> In total, 59 million credit cards were in issue, relating to 51 million accounts, of which 67% were active (i.e. carrying a balance relating to card use).<sup>3</sup>

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<sup>1</sup> BBA – High Street Banking – December 2014 (<https://www.bba.org.uk/news/press-releases/december-2014-figures-for-the-high-street-banks/>)

<sup>2</sup> BoE – Statistical Release December 2014 (<http://www.bankofengland.co.uk/prd/Documents/regulatorydata/mlar/2014/q3.pdf>)

<sup>3</sup> BBA – High Street Banking – December 2014 (<https://www.bba.org.uk/news/press-releases/december-2014-figures-for-the-high-street-banks/>)

## THE SECURITISED PORTFOLIO

### General

The Securitised Portfolio comprises Receivables existing and arising from accounts in the NewDay Group's own-brand credit card business. A representative cross-section of the Total Portfolio will comprise the Securitised Portfolio on the Series 2015-1 Closing Date. The accounts within the Securitised Portfolio include, as at the Series 2015-1 Closing Date:

- (a) accounts operated under the aqua brand which were (prior to February 2012) operated by Halifax plc or, subsequently, Bank of Scotland plc on behalf of the NewDay Group (then known as the SAV Credit group) and then, in February 2012, acquired by NewDay Ltd (then known as Progressive Credit Limited) or (from February 2012 onwards) originated by NewDay Ltd;
- (b) accounts operated under the marbles brand which were acquired from HSBC in October 2007 and any accounts operated under the marbles brand which have been originated by NewDay Ltd; and
- (c) accounts operated under the Opus brand which were acquired from Citibank in March 2010.

Following the Series 2015-1 Closing Date, further credit card (and, potentially, charge card) accounts originated or acquired by NewDay Ltd and operated under the above or additional brands will be added to the Securitised Portfolio.

A customer to whom a credit card has been issued may use his or her card for purchases, cash advances and, where available, balance transfers. A purchase is when an Obligor uses his or her credit card to acquire goods or services. A cash advance is when an Obligor uses his or her credit card to get cash from a financial institution or automated teller machine or to purchase travellers' cheques or foreign currency. Cash advances also include certain specified transactions such as gambling transactions and electronic money transfers. A balance transfer is when an Obligor uses his or her credit card to repay another borrowing or to deposit cash into his or her bank account, and thereby transfers the balance to the credit card issued by the Originator.

As at the date of this Prospectus, the credit cards issued in respect of the accounts in the Securitised Portfolio all utilise the MasterCard payment scheme.

### Servicing and Origination

See "*Servicing of Receivables*" for a description of how the Servicer services Receivables included in the securitisation. The Servicer undertakes all the processing and administering of accounts making use of external suppliers as appropriate.

The NewDay Group uses a brand led, value driven marketing strategy to focus new origination campaigns. This process is assisted by the use of financial forecasting models for each method it uses to solicit customers. The NewDay Group markets to near-prime customers across a broad range of distribution channels including direct mail, email, direct response TV, face to face, price comparison websites, display advertising and search channels.

Credit application details are screened by a combination of system based checking, external credit bureau data and, where appropriate, manual verification. Decisions on whether to accept or reject an application are automated to the extent possible.

The Servicer uses a range of application scorecards to assess the credit quality of new account applications. Scorecards assess a range of factors, including previous account history (if relevant), annual income, time at and place of residence, current employment and credit bureau data.

Where an application is accepted, the initial credit limit and pricing of the account are determined using credit score and other applicant characteristics, including income matrices. The NewDay Group utilises a low and grow methodology for credit line management in the own brand credit card business, which has been developed by the NewDay Group over time and which balances business growth with risk management (i.e. higher risk customers are left on lower credit limits).

Credit limits and pricing are adjusted in a controlled and regular manner using behaviour scores and credit bureau data. Behaviour scoring is one of the key tools used by the Servicer in risk management and underpins all risk decisions applied to accounts once they have been opened.

Credit limits are adjusted based upon the Servicer's continuing evaluation of a given customer's credit behaviour and suitability using a range of statistical models and behaviour scores. Under the low and grow methodology specifically, once an account has demonstrated sufficient performance, further assessments are regularly conducted and customers demonstrating that they can successfully manage their credit limit are offered higher limits.

The Servicer sub-contracts the provision of certain services (including information technology, application processing, card production, transaction and payment processing and customer communication services) relating to the Securitised Portfolio to First Data Global Services Limited ("**First Data**"), which has its registered office in Dublin, Ireland and which is not affiliated with the NewDay Group.

The Servicer sub-contracts the provision of certain cash management and settlement services relating to the Securitised Portfolio to Lloyds, which has its registered office in London, England and which is not affiliated with the NewDay Group.

Reference data for the credit scoring process is also provided by Experian Limited ("**Experian**"), a wholly-owned subsidiary of Experian Group Limited, which has its operational headquarters in Nottingham, England and which is not affiliated with the NewDay Group and by Callcredit Limited, which has its operational headquarters in Leeds, England and which is not affiliated with the NewDay Group.

### **Credit Agreements**

Each customer has a "**Credit Agreement**" with the Originator governing the terms and conditions of his or her account. Under each Credit Agreement, the Originator is, subject to compliance with the terms of the Credit Agreement and applicable laws, regulation, guidance and codes, able to add or change certain terms, conditions, services or features of the customer's account. This includes increasing or decreasing Periodic Finance Charges. A customer is entitled to reject interest rate increases, close his or her account and pay down the balance in accordance with the terms of the Credit Agreement. Each Credit Agreement enables the Originator to apply charges to balances outstanding at the time of the change as well as to future transactions.

The Servicer periodically assesses the forms of Credit Agreement used by the Originator in order to determine their compliance with applicable law and regulatory codes and guidance, as well as the suitability of their terms and conditions. Where it considers that changes are required, such changes are implemented on a timetable consistent with the issues identified.

### **Description of Processing**

Pursuant to its arrangements with the Servicer, Lloyds makes settlement payments on behalf of the Originator to MasterCard.

### **Billing, Payment and Charges**

Pursuant to its arrangements with the Servicer, First Data generates an output file which is sent electronically to a third party who produces and mails statements to customers each month that there is movement on their account.

Printed statements are mailed along with marketing (if the customer has agreed to this) and customer service material that may be of interest to customers. Customers also have the option to view their statement online, and may choose to receive online statements only.

Customers may have up to approximately 56 days following purchases before they are required to make a payment, depending on which stage during a billing cycle a purchase is made.

Customers (other than those who are on a repayment plan) must make a monthly minimum payment which currently is at least equal to the greater of:

- (a) in respect of cards operated under the aqua and marbles brands (i) 1 per cent. of the statement balance plus all interest and fees accrued in the preceding month; or (ii) the stated minimum payment, which is currently £5, or the entire amount owed if less than £5; and
- (b) in respect of cards operated under the Opus brand (i) 1 per cent. of the principal outstanding (purchases and cash balances) plus all interest and any late payment fees accrued in the preceding month; (ii) 2.25 per cent. of the statement balance; or (iii) the stated minimum payment, which is currently £5, or the entire amount owed if less than £5.

Any arrears and amounts spent beyond the customer's credit limit are repayable immediately.

The Originator charges a default fee of £12 in the following circumstances:

- (a) late payment;
- (b) on each occasion the relevant credit limit is breached; or
- (c) each time an attempted payment is returned unpaid.

A service charge of £5 is charged for a copy statement, unless these are provided as part of a data subject access request, in which case the maximum aggregate charge is £10.

A cash advance fee of 3 per cent. (with a minimum fee of £3) is charged on all cash advances. Where a card can be used to make transactions in a currency other than Sterling, purchases and cash advances which are not in sterling are additionally subject to a 2.95 per cent. non-sterling transaction fee (with no minimum).

The finance charges on both purchases and cash balances (which may be cash advances and other transactions deemed to be cash) are assessed daily and calculated by multiplying the account's actual daily balance by the applicable daily interest rate, which is itself calculated by dividing the configured annual flat rate by either 365 or 366 depending on how many actual days there are in the then current calendar year. Finance charges are calculated from the transaction posting date. For purchases, any accrued daily interest is deferred until the following statement, and is waived if the full statement balance is cleared on or before the account due date, which falls 25 days after the statement date. Cash balances have finance charges assessed daily, although there is no deferment and interest is accrued immediately. All interest is billed on the next available statement following either the transaction posting date (for cash balances) or the deferred interest period (for purchases).

The interest rates on the Originator's accounts may be changed by the Originator in accordance with the Credit Agreements for such accounts, but subject to applicable laws, regulation, guidance and codes, and such rates are not directly linked to any other rate or index. This is standard industry practice in the United Kingdom. As at the date of this Prospectus, the standard APR based on both purchases and cash advances for over 89 per cent. of the accounts ranges from 24.91 per cent. to 54.90 per cent. (excluding introductory offers). The Originator may offer promotional rates in relation to promotions such as purchase or balance transfer offers.

The Originator currently offers a "cash back" incentive scheme on its aqua reward credit card and an incentive to make required payments on time by offering a reduction in the APR each year for three years on its aqua advance credit card. The Originator may also offer other activation and incentive schemes from time to time.

As well as the risk profile of a customer, pricing decisions are based upon:

- (a) actual and anticipated movements in underlying interest rates;
- (b) marketing strategies and recruitment campaigns;
- (c) regulatory requirements and industry guidance; and

(d) the competitive environment.

English law does not prescribe a maximum rate that may be charged as interest for a debt arising on a credit card or charge card account.

However, the FCA has the power under FSMA to make rules limiting, *inter alia*, the cost of credit applicable to such products, and a very high interest rate might be treated by a court as an indicator of the existence of an "unfair relationship" between the debtor and the creditor for the purposes of the CCA (see "*Risk Factors – Certain Legal, Tax and Regulatory Considerations – Regulation of Consumer Credit by the FCA and the Application of the CCA may Impede Collection Efforts – (a) Authorisation and Regulation by the FCA*" and "*(c) Unfair Relationships*" for more details). The FCA has published rules capping the price on high-cost short-term credit (otherwise known as "payday lending") which came into force on 2 January 2015. At present, however, the FCA has not made any rules regarding the maximum cost of credit that may be charged on credit cards or charge cards and the Originator considers that the interest rates charged across the Securitised Portfolio are not excessive and would not contravene the unfair relationship provisions of the CCA.

### **Delinquency, Collections and Loss Experience**

An account is treated as delinquent if the minimum payment is not received by the due date indicated on the customer's statement and this has not been rectified by the next statement date. Delinquent accounts, and those where the balance on the account exceeds the specified credit limit, will enter the collections process. The collections strategy which will be applied to any given account will be determined according to a variety of risk-based and customer-focused factors, including the product type, the age of the account, the amount outstanding, the past performance and behaviour score, and any information that is available from external credit bureaus. The collections team utilise a strategic decision making process to determine the timing and type of contact that will be made with any customer whose account is in collections but will always comply fully with FCA requirements.

Activities during the collections process include statement messages, telephone calls, formal letters and SMS text messages. Accounts are automatically charged off at 180 days of delinquency unless they are subject to "specialist activity". Specialist activity includes insurance claims, authorised user disputes, voucher disputes and complaints. However, this is rare, and charge-off would not occur more than 210 days after the account became delinquent even under these circumstances. An account may be charged off before it is 180 days delinquent; for example, insolvent accounts and the accounts of deceased customers are charged off within 30 days after notification.

The Servicer may agree, for a customer who is experiencing financial difficulties or is otherwise vulnerable, to place the account on a repayment plan if it is believed that this is appropriate for the customer and would improve the likelihood of returning the account to performing status. This is done by means of a temporary concession rather than a change to the terms and conditions of the account. Before a payment arrangement is entered into, an income and expenditure review is conducted with the customer to understand what level of payments he or she is able to afford.

Customers who are in more significant financial difficulties may, following an income and expenditure review, have the interest, fees and other charges which would otherwise apply to their accounts suspended, in accordance with the Originator's forbearance policy. The Originator suspends accrual of fees and interest charges for accounts which are delinquent for 90 days or more. These forbearance and loss recognition policies of the Originator are subject to regular review by senior credit risk management and may be subject to change in the future.

As part of any recovery activity, accounts may be passed to external debt collection agencies to seek recovery or sold to a third party debt purchaser.

Tables which set forth the delinquency and loss experience of the Total Portfolio as at 31 March 2015 are set out at Appendix A to this Prospectus. A representative cross-section of the Total Portfolio will comprise the Securitised Portfolio on the Series 2015-1 Closing Date. Please note, however, that the information provided in Appendix A is historical and relates to the Total Portfolio and will not be updated and that the statistical information set out therein may vary over time. Newly originated accounts will automatically be held on trust by the Originator for the Transferor and the Transferor will (subject to the restrictions set out in the Receivables Securitisation Deed) automatically assign receivables arising under

Designated Accounts to the Receivables Trustee pursuant to the terms of offers made under the Receivables Securitisation Deed. The Securitised Portfolio will not include American Express or Visa credit card accounts on the Series-2015-1 Closing Date, but it may do so in the future, and may also (subject to the restrictions set out in the Receivables Securitisation Deed) include Receivables arising on charge card accounts in the future.

The delinquency statistics are obtained from month end positions.

"**Securitised Portfolio**" means the portfolio of Designated Accounts, the Receivables arising on which are held by the Receivables Trustee on behalf of the Beneficiaries.

#### **Credit Risk Mitigation**

The Originator has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation. The policies and procedures of the Originator in this regard broadly include the following:

- (a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits (as to which, in relation to the Receivables, please see the information set out in this Prospectus headed "*The Receivables - Eligibility Criteria*" and "*Servicing of Receivables*");
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures (as to which it should be noted that the Securitised Portfolio will be serviced in line with the servicing procedures of the Originator and the Servicer - please see further the section of this Prospectus headed "*Servicing of Receivables*");
- (c) adequate diversification of credit portfolios given the Originator's target market and overall credit strategy (as to which, in relation to the Securitised Portfolio, please see the section of this Prospectus headed "*The Securitised Portfolio*"); and
- (d) policies and procedures in relation to risk mitigation techniques (as to which, please see further the sections of this Prospectus headed "*The Receivables – Eligibility Criteria*" and "*Servicing of Receivables*").



## THE RECEIVABLES

The Originator will hold legal title to all the Accounts in the Securitised Portfolio, meaning that it is the contractual counterparty to all of the underlying Credit Agreements, the creditor to whom all of the debts arising on such Accounts are legally owed and the issuer of the credit cards relating to those Accounts. Pursuant to declarations of trust dated 26 November 2012 (to be amended and restated on or around the Series 2015-1 Closing Date), the Originator holds all of its rights in respect of the Accounts on trust for the Transferor. Accordingly, the Transferor will be the beneficial owner of all of the Receivables arising on the Accounts within the Securitised Portfolio.

### Assignment of Receivables to the Receivables Trustee

Under the terms of a receivables securitisation deed dated on or about the Series 2015-1 Closing Date (the "**Receivables Securitisation Deed**"), the Transferor will, on or about the Series 2015-1 Closing Date (the "**Initial Assignment Date**"), offer to the Receivables Trustee an assignment of all Receivables that have arisen or will arise in the Accounts on designated product lines identified (or to be identified) in the manner described below (the "**Initial Offer**"), and the Receivables Trustee will, by paying the initial purchase price for such assignment, accept such offer (the assignment arising out of such offer and acceptance being the "**Initial Assignment**").

The Receivables which will be assigned pursuant to the Initial Assignment, and those which will be assigned pursuant to any Subsequent Assignment (as defined below), will be those which arise on Designated Accounts. An Account will be designated as a "**Designated Account**" if the Account has been originated or acquired by the Originator, conforms to the eligibility criteria described in this Prospectus, comes within a product line named in an accepted offer and has not been identified on the Originator's System as being excluded from such accepted offer.

Under the terms of the Receivables Securitisation Deed, following the Initial Assignment Date, the Transferor may, from time to time, offer to the Receivables Trustee (each a "**Subsequent Offer**") with effect from a specified date (each a "**Subsequent Assignment Date**") an assignment of all present and future Receivables which arise on certain specified Accounts arising under one or more given product lines. If the Receivables Trustee accepts any such offer by paying the initial purchase price due in respect of such offer, then all Accounts falling within such offer shall (unless such Accounts are otherwise identified on the Originator's System on the account opening date) be Designated Accounts and all Receivables arising on such Accounts shall be assigned to the Receivables Trustee subject to and in accordance with the terms of the Receivables Securitisation Deed (each such assignment being a "**Subsequent Assignment**").

In the case of both the Initial Assignment and any Subsequent Assignment, the Transferor may nominate all future Accounts that come into existence on a specified product line which are not Restricted Accounts (unless and to the extent that such Accounts are individually identified on the Originator's System as being excluded from such nomination from the relevant account creation date) on or after the relevant Assignment Date as Designated Accounts. This is known as a "**Future Receivables Transfer**".

Where a Future Receivables Transfer is made, the Transferor must as soon as reasonably practicable and in any case within five Business Days after the occurrence of an Automatic Addition Trigger deliver to the Receivables Trustee an Automatic Addition Suspension Notice unless a Rating Confirmation is given in respect of the continued designation of all future accounts which are the subject of a Future Receivables Transfer. Upon the delivery of an Automatic Addition Suspension Notice to the Receivables Trustee, future Accounts in respect of a Product Line which come into existence under that Product Line which are the subject of a Future Receivables Transfer will, after the delivery of the Automatic Addition Suspension Notice and pursuant to its terms, no longer be designated as Designated Accounts.

If for any reason there are Receivables from Designated Accounts that cannot be assigned to the Receivables Trustee, the Transferor will hold those Receivables, and any Collections on those Receivables, on trust for the Receivables Trustee. These Collections will be treated as if the Receivables had been properly assigned.

When additional Accounts are nominated to become Designated Accounts pursuant to a Subsequent Offer, the Transferor must, amongst other things provide:

- (a) a Solvency Certificate;
- (b) statements from the Transferor in the relevant offer substantially in the form set out in the Receivables Securitisation Deed confirming satisfaction of the criteria listed therein; and
- (c) a legal opinion addressed to the Receivables Trustee in relation to any Receivables from a jurisdiction outside of the United Kingdom.

Any of these preconditions may be waived by the Receivables Trustee if a Rating Confirmation is provided in respect of such waiver. At the time that it is nominated, each additional Account must also meet the relevant eligibility criteria as at the time of its designation. These criteria are explained in "*Representations*" below. Additional Accounts may have been originated or purchased using underwriting standards that are different from the underwriting standards used in originating the original Designated Accounts. As a result, additional Accounts that are selected in future may not have the same credit quality. The Transferor may choose to add an entire portfolio of accounts from those portfolios which it acquires but which currently do not form part of the Securitised Portfolio (see "*The Securitised Portfolio*" above). In the event that such an addition would be in excess of the Maximum Addition Amount, or would include the addition of Restricted Accounts, a Rating Confirmation would be sought.

"**Accounts**" shall mean each of (a) revolving credit card accounts under the American Express Limited, MasterCard International Incorporated or Visa International Incorporated networks or any other payment system for revolving credit card accounts established pursuant to a Credit Card Agreement, and (b) charge card accounts established pursuant to a Charge Card Agreement.

"**Assignment Date**" shall mean the Initial Assignment Date or a Subsequent Assignment Date.

"**Automatic Addition Suspension Notice**" shall mean a notice stating that, with effect from the date of such notice, either: (i) all future Accounts falling within the scope of an Offer shall not be designated as Designated Accounts or (ii) **provided that** a Rating Confirmation is given in respect of the continued designation of either all, or a specified set of, future Accounts falling within the scope of an Offer, such Accounts (if any) falling within the scope of such Offer as are not within the scope of that Rating Confirmation shall not be designated as Designated Accounts.

"**Automatic Addition Trigger**" shall mean the designation (otherwise than on a Subsequent Assignment Date) of any Accounts as Designated Accounts in excess of the Maximum Addition Amount.

"**Charge Card Account**" shall mean an Account established pursuant to a Charge Card Agreement.

"**Charge Card Agreement**" shall mean an agreement between the Originator and an Obligor, either on one of the Originator's standard forms or (in the case of an account originated otherwise than by the Originator) otherwise, providing for, *inter alia*, the establishment of a revolving credit account pursuant to which the relevant Obligor is required to repay the balance of the credit account in full on a periodic basis, and the terms and conditions of use by such Obligor of a credit card, as such agreement or contractual terms may be amended, modified or otherwise changed from time to time.

"**Collections**" shall mean:

- (i) all payments received by the Transferor or the Servicer in respect of Receivables in the form of cash, cheques, direct debits, bank giro credits or other forms of payment in accordance with the Credit Agreements in effect from time to time in relation thereto;
- (ii) any such payments under guarantees obtained by the Originator in respect of the obligations of Obligors to make payments on the Accounts;
- (iii) any Insurance Proceeds in respect of the Accounts;
- (iv) any amounts paid in cash by the Transferor as a result of a Dilution Loss, Dilution Refund or breach of warranty;
- (v) any amounts paid in cash to the Receivables Trustee as consideration for the re-assignment of Receivables on a Re-designated Account; and

(vi) all Recoveries,

other than, in any case, an Obligor Overpayment.

**"Credit Card Agreement"** shall mean an agreement between the Originator and an Obligor, either on one of the Originator's standard forms or (in the case of an account originated otherwise than by the Originator) otherwise, providing for, *inter alia*, the establishment of a credit card account operated under the American Express<sup>®</sup>, VISA<sup>®</sup> and MasterCard<sup>®</sup> network or any other payment system for revolving credit card accounts, and the terms and conditions of use by an Obligor of a credit card, as such agreement or contractual terms may be amended, modified or otherwise changed from time to time.

**"Insurance Proceeds"** shall mean any amounts recovered by the Originator or the Servicer pursuant to any credit insurance policies covering any Obligor with respect to Receivables under that Obligor's Designated Account.

**"Maximum Addition Amount"** shall mean the maximum number of Accounts which may be nominated by the Transferor as Designated Accounts in a given period, which shall (unless otherwise provided in a Supplement or a Rating Confirmation) be:

- (a) with respect to any period of three consecutive Monthly Periods (the first of such periods beginning with the Monthly Period commencing on the first day of the Monthly Period immediately following that in which the Initial Assignment Date falls), be equal to 15 per cent. of the number of Designated Accounts as of the later of (i) the first day of the calendar year during which such period of three Monthly Periods commences (or, in respect of any such period commencing in the calendar year in which the Initial Assignment Date falls, the Initial Assignment Date) and (ii) the first day of the first Monthly Period following the most recent date on which each Rating Agency issued or confirmed the ratings of all classes of Rated Debt; and
- (b) with respect to any period of twelve consecutive Monthly Periods (the first of such periods beginning with the Monthly Period commencing on the first day of the Monthly Period immediately following that in which the Initial Assignment Date falls), be equal to 20 per cent. of the number of Designated Accounts as of the later of (i) the first day of such period (or, in respect of the first such period following the Initial Assignment Date, the Initial Assignment Date) and (ii) the first day of the first Monthly Period following the most recent date on which each Rating Agency issued or confirmed the ratings of all classes of Rated Debt,

**provided, however, that:**

- (i) the aggregate principal balance in the nominated Designated Accounts (determined as at the date each such Account becomes a Designated Account) in any period of three consecutive Monthly Periods (the first of such periods beginning with the Monthly Period immediately following that in which the Initial Assignment Date falls) may not exceed 15 per cent. of the aggregate amount of Eligible Receivables, determined as of the later of (A) the first day of the first such period and (B) the first day of the first Monthly Period following the most recent date on which each Rating Agency issued or confirmed the ratings of all classes of Rated Debt, in all of the Accounts beneficially owned by the Transferor that have been designated as Designated Accounts; and
- (ii) the aggregate principal balance in the nominated Designated Accounts (determined as at the date each such Account becomes a Designated Account) in any period of 12 consecutive Monthly Periods (the first of such periods beginning with the Monthly Period immediately following the Monthly Period in which the Initial Assignment Date falls) may not exceed 20 per cent. of the aggregate amount of Eligible Receivables, determined as of the later of (A) the first day of the calendar year in which the first such Monthly Period falls (or, in respect of the first such period following the Initial Assignment Date, the Initial Assignment Date) and (B) the first day of the first Monthly Period following the most recent date on which each Rating Agency issued or confirmed the ratings of all classes of Rated Debt, in all of the Accounts beneficially owned by the Transferor that have been designated as Designated Accounts.

"**Monthly Period**" shall mean the period from and including the first day of a calendar month to and including the last day of the same calendar month.

"**Obligor**" or "**Obligors**" shall mean, with respect to any Account, the person or persons obliged directly or indirectly to make payments in respect of Receivables generated on that Account.

"**Obligor Overpayment**" shall mean a Collection received on a Designated Account in excess of the aggregate amount of Receivables which have then arisen on that Account.

"**Originator Ring-fenced Account**" shall mean the bank account maintained by the Originator for the purposes of safeguarding amounts in respect of credit balances on Accounts which are in excess of £50 pursuant to regulation 19 of the Payment Services Regulations 2009.

"**Originator Ring-fenced Credit Balance Surplus**" shall mean, on any Transfer Date, such amount (if any) of the balance standing to the credit of the Originator Ring-fenced Account and which relates to the Designated Accounts as exceeds the amount which, taking into account periodic fluctuations in the credit balances on the Designated Accounts, the Originator determines is necessary (in accordance with its usual policies and procedures) to ensure its compliance with regulation 19 of the Payment Services Regulations 2009 in respect of the Designated Accounts.

"**Originator's System**" shall mean the IT system or systems maintained for the Originator by or on behalf of the Servicer on which information relating to, *inter alia*, each of the Accounts is recorded and updated.

"**Rated Debt**" shall mean, in respect of any Series, any Related Debt or Associated Debt which is rated by one or more Rating Agencies where such rating was procured by the Loan Note Issuer and/or the issuer of the relevant Associated Debt and, in respect of a VFN Series only, which is expressly designated as being Rated Debt for the purposes of the transaction.

"**Rating Agency**" shall mean, with respect to each Series, the rating agency or agencies, if any, selected by the Loan Note Issuer and/or the issuer of the relevant Associated Debt to provide a rating for any Associated Debt and/or Related Debt, as applicable, as specified in the related Supplement.

"**Recoveries**" shall mean all amounts, excluding Insurance Proceeds, recovered in respect of Defaulted Receivables, including, for the avoidance of doubt, the proceeds of any sale of Defaulted Receivables to a third party.

"**Restricted Accounts**" shall mean, until the inclusion of such Accounts within the scope of a Subsequent Offer has been subject to a Rating Confirmation, any Charge Card Accounts.

"**Solvency Certificate**" shall mean a certificate of a duly authorised officer substantially in the form set out in the Receivables Securitisation Deed.

"**Transaction Documents**" shall mean the following documents:

#### **Trust Documentation**

- (a) Master Framework Agreement;
- (b) Receivables Securitisation Deed;
- (c) Receivables Trust Deed and Servicing Agreement;
- (d) any Supplement to the Receivables Trust Deed and Servicing Agreement;
- (e) Master Cash Settlement Agreement;
- (f) Beneficiaries Deed;
- (g) the Receivables Trustee Account Bank Agreement; and
- (h) any other document designated as such by the Transferor and the Receivables Trustee.

### **Loan Note Documentation**

- (a) Security Trust Deed and Cash Management Agreement;
- (b) any Loan Note Supplement;
- (c) any swap agreement;
- (d) the Back-Up Cash Management Agreement;
- (e) any Indemnity Deed;
- (f) the Loan Note Issuer Account Bank Agreement;
- (g) the Loan Note Issuer Corporate Services Agreement; and
- (h) any other document designated as such by the Loan Note Issuer and Security Trustee.

"**VFN Series**" shall mean a Series in which the Related Debt comprises Loan Notes which may, in accordance with their terms, periodically have their Principal Amount Outstanding (as defined in the Security Trust Deed and Cash Management Agreement) increased or decreased at the option of the Loan Note Issuer.

Every offer of Receivables to the Receivables Trustee under the Receivables Securitisation Deed will comprise offers of the following:

- (i) all existing Receivables in the Designated Accounts;
- (ii) all future Principal Receivables under the Designated Accounts, until the first to occur of (1) the time a Designated Account becomes a Re-designated Account, or (2) the Receivables Trust is terminated;
- (iii) all future Finance Charge Receivables under those Designated Accounts that have accrued on Receivables that have been assigned to the Receivables Trustee as described in paragraphs (i) and (ii) above;
- (iv) if capable of being assigned, the benefit of any guarantee or insurance policy obtained by the Originator for any obligations of an Obligor in respect of Receivables that have been assigned to the Receivables Trustee as described in paragraphs (i), (ii) and (iii) above; and
- (v) the benefit of all amounts representing Acquired Interchange, Dilution Refunds and Originator Ring-fenced Credit Balance Surplus in respect of the Designated Accounts.

Following the Initial Assignment Date, any designation of Accounts as Designated Accounts which would otherwise be Restricted Accounts or exceed the Maximum Addition Amount will require a prior Rating Confirmation.

The Transferor will ensure that each Re-designated Account is identified on the Originator's System on the date that a Designated Account becomes a Re-designated Account (see "*Re-designation of Accounts*" below).

Throughout the term of the Receivables Trust, the Designated Accounts from which the Receivables will arise will be the Accounts designated by the Transferor pursuant to the Initial Assignment *plus* any additional Accounts designated by the Transferor from time to time pursuant to any Subsequent Assignment, *minus* any Re-designated Accounts.

Existing Receivables and future Receivables arising under the Designated Accounts are either Principal Receivables or Finance Charge Receivables. "**Principal Receivables**" are, broadly, amounts owing by Obligors for the purchase of merchandise or services, balance transfers and cash advances (other than, in each case, Discount Option Receivables). They are reduced by any credit balance on the Designated Account on that day.

**"Finance Charge Receivables"** (together with Principal Receivables, the **"Receivables"**) are, broadly, amounts owing from Obligors for transaction fees, Periodic Finance Charges, special fees and annual fees (see *"Special Fees and Annual Fees"* below) and Discount Option Receivables (see *"Discount Option Receivables"* below).

Under the Receivables Securitisation Deed, each offer of Receivables made by the Transferor may be accepted by paying the purchase price for the offered Receivables. If the Receivables Trustee chooses to accept the offer, payment for existing Receivables has to be made no later than the Business Day following the date on which the offer is made or such longer period as the parties may agree.

A **"Business Day"** shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in London, England or Jersey, Channel Islands are authorised or obliged by law or executive order to be closed.

For the purposes of the Transaction Documents, it is necessary to allocate Collections between the outstanding Finance Charge Receivables and the outstanding Principal Receivables. This is done by reference to the amount of **"Billed Finance Charge Receivables"** in respect of the immediately preceding Collection Period, which are, broadly, the amount of Finance Charge Receivables billed to Designated Accounts in respect of that preceding Collection Period, plus any Discount Option Receivables arising on Designated Accounts in respect of that Collection Period, less any Receivables arising on Accounts which have already become, or prior to the end of such Collection Period became, Defaulted Accounts. Each month, Collections up to the amount of the preceding month's Billed Finance Charge Receivables are treated as being in respect of Finance Charge Receivables (such Collections being **"Finance Charge Collections"**), and any further Collections are treated as being in respect of Principal Receivables (such Collections being **"Principal Collections"**). The foregoing calculations are set out in more detail in *"The Receivables Trust – Allocation and Application of Collections"*.

#### **Re-designation of Accounts**

Each Designated Account will continue to be a Designated Account until such time as the Transferor reclassifies it as being no longer a Designated Account, following which it will be a **"Re-designated Account"**.

A Designated Account becomes a Re-designated Account on the **"Re-designation Date"**, being:

- (i) in the case of a Cancelled Account, the day on which the relevant Designated Account is recorded by the Servicer as a Cancelled Account on the Originator's System;
- (ii) in the case of a Defaulted Account, the day on which the relevant Designated Account becomes a Defaulted Account. Notwithstanding any other provision hereof, any Receivables on a Defaulted Account that are Ineligible Receivables prior to such date shall be treated as Ineligible Receivables rather than as Receivables on a Defaulted Account; and
- (iii) in the case of a Designated Account to which a Re-designation Notice relates and which is not a Cancelled Account or a Defaulted Account, the date specified by the Transferor.

No Designated Account will become a Re-designated Account which is not a Cancelled Account, a Zero Balance Account, a Defaulted Account, an Ineligible Account or an Account which is being re-designated due to a breach of representation in respect of such Account this way unless the following conditions are satisfied:

- (i) save in relation to Third Party Re-designated Accounts, the re-designation will not cause, in the reasonable opinion of the Transferor, (a) a Pay Out Event to occur, (b) the aggregate of the Transferor Interest and the Originator VFN Excess Amount to be less than the Minimum Transferor Interest on the relevant Re-designation Date or (c) the Eligible Receivables Balance to be less than the Minimum Aggregate Principal Receivables on the relevant Re-designation Date;
- (ii) on or before the tenth Business Day prior to the Re-designation Date, each Rating Agency and the Receivables Trustee shall have received notice in writing from the Transferor of the proposed re-designation and, save in relation to Third Party Re-designated Accounts, a Rating Confirmation shall have been provided in respect of such re-designation;

- (iii) save in relation to Third Party Re-designated Accounts, no selection procedures believed by the Transferor to be materially adverse to the interests of the Investor Beneficiaries or any Enhancement Provider were utilised in selecting the Designated Accounts which are to be Re-designated Accounts;
- (iv) the Servicer shall certify to the Receivables Trustee that Collections equal to the Outstanding Face Amount of each Principal Receivable have been (or will be) received by the Receivables Trustee in respect of every Principal Receivable which has been assigned to or held on trust for the Receivables Trustee in respect of that Account, other than Receivables which have been charged-off as uncollectible in accordance with the Credit Guidelines on the computer master file of Accounts used by the Servicer, or which have been the subject of a Credit Adjustment or Reduction, **provided, however, that** the maintenance of such records shall be without prejudice to the beneficial ownership of the Receivables in question;
- (v) in the case of Third Party Re-designated Accounts, the Beneficiaries have consented in writing to the removal of such Third Party Re-designated Accounts (which they will do in accordance with the Beneficiaries Deed); and
- (vi) the Transferor has delivered to the Receivables Trustee a solvency certificate and an officer's certificate confirming that the conditions set out at (i) to (v) above have been satisfied.

A "**Cancelled Account**" is a Designated Account (which is not a Defaulted Account or a Debt Recovery Account) which has had its charging privileges permanently withdrawn either (a) at the instigation of the Servicer or (b) at the request of the relevant Obligor, and, in either case, which has been designated by the Servicer as a "Cancelled Account" in accordance with the Credit Guidelines or the Servicer's usual servicing procedures. A "**Defaulted Account**" is a Designated Account where the Receivables have been charged off by the Servicer as uncollectible in line with the Credit Guidelines or the usual servicing procedures of the Servicer for similar consumer finance accounts. A "**Zero Balance Account**" is a Designated Account that has had a nil balance of Receivables for a considerable period of time and has been identified by the Servicer as a Zero Balance Account under the Credit Guidelines or the usual servicing procedures of the Servicer. A "**Debt Recovery Account**" is a Designated Account (which is not a Defaulted Account) where the relevant Obligor has been sent a notice of default in respect of such Account or is otherwise on a payment plan. An "**Ineligible Account**" is a Designated Account on which all Principal Receivables that arise under such Account are Ineligible Receivables which the Transferor wishes to cease to be a Designated Account.

Re-designated Accounts include all accounts that become Cancelled Accounts, Defaulted Accounts, Zero Balance Accounts, Debt Recovery Accounts or Ineligible Accounts from the date on which they are re-designated in any of these ways. The Principal Receivables that exist before the date of re-designation will be paid for by the Receivables Trustee (except in respect of Ineligible Accounts). Any future Receivables that come into existence after that time (other than Finance Charge Receivables in respect of Receivables which are in existence prior to such Re-designation Date which come into existence on or following such Re-designation Date) will not be assigned to the Receivables Trustee as set out in the Receivables Securitisation Deed.

Until money has been received for the assigned Receivables (which are Eligible Receivables), the Receivables arising on a Re-designated Account will not be re-assigned. Save in respect of Defaulted Accounts or Debt Recovery Accounts (where the amount payable shall be calculated in accordance with the terms of the applicable Call Option, as outlined below) or, in respect of Ineligible Accounts (where, subject to any payment for breach of warranty, only a nominal amount shall be payable), the amount payable will be equal to the Outstanding Face Amount of each outstanding Principal Receivable which is to be re-assigned.

"**Outstanding Face Amount**" shall mean, in respect of any Receivable on any date, the amount which is the outstanding balance due in respect thereof at the close of business in London on the last Business Day (which term shall, for this purpose only, include any day which would be a Business Day but for the closure of banking institutions in any jurisdiction other than London) immediately preceding such date.

## Call Options

Pursuant to the Receivables Securitisation Deed, the Receivables Trustee has granted to the Transferor a call option in respect of Defaulted Receivables and a call option in respect of Debt Recovery Receivables.

The Transferor may exercise either of these options by sending an assignment agreement (an "**Option Assignment**") for the Receivables Trustee to execute, stating that at the opening of business (the "**Option Exercise Time**") on a specified date (the "**Option Exercise Date**") it shall require the Receivables Trustee to re-assign to it all Defaulted Receivables on the Defaulted Accounts (or any specified Defaulted Accounts) or the Debt Recovery Receivables on the Debt Recovery Accounts (or any specified Debt Recovery Accounts), as applicable (in each case as are in existence at the Option Exercise Time) and stating the amount of Defaulted Receivables or Debt Recovery Receivables, as applicable, to be re-assigned and released to the Transferor at the related Option Exercise Time.

The consideration payable by the Transferor for such re-assignment shall, in the case of Defaulted Receivables, be the aggregate of (a) £1 (payable on the Option Exercise Date), (b) any amount received from the relevant Obligor (directly or indirectly), for the avoidance of doubt excluding Insurance Proceeds, by the Transferor with respect to such Re-assigned Defaulted Receivables and (c) any consideration payable by any third party to the Transferor, including debt collection agents, for the assignment of such Re-assigned Defaulted Receivables (net of any costs of the Transferor in connection with such sale and any retention in respect of provisions), (b) and (c) together being the "**Sale Recoveries**" and being payable on the Transfer Date relating to the Collection Period during which the Sale Recoveries were realised.

The consideration payable by the Transferor for such re-assignment shall, in the case of Debt Recovery Receivables, be an amount equal to the aggregate balance of the Eligible Receivables relating to such Debt Recovery Accounts as at the Option Exercise Date and stated in the Option Assignment.

"**Defaulted Receivables**" means any Receivables in a Defaulted Account.

"**Debt Recovery Receivables**" means all present and future Receivables arising on Debt Recovery Accounts.

A "**Re-assigned Defaulted Receivable**" is a Defaulted Receivable existing on the Defaulted Accounts which is re-assigned and released to the Transferor in accordance with the applicable provisions in the Receivables Securitisation Deed.

## Discount Option Receivables

The Transferor may, by giving at least thirty days' prior notice to the Servicer, the Receivables Trustee and the Rating Agencies, nominate a fixed or variable percentage ("**Discount Percentage**") of Principal Receivables in the Designated Accounts. If a Discount Percentage has been nominated previously, an extension to the period for which it applies can be specified in the same way. From the date and for the length of time stated in the notice:

- (i) the amount payable by the Receivables Trustee to accept an offer of Receivables will be reduced by a percentage amount equal to the Discount Percentage; and
- (ii) a percentage of the Principal Receivables equal to the Discount Percentage will be treated by the Receivables Trustee as Finance Charge Receivables. These are called "**Discount Option Receivables**".

The nomination of a Discount Percentage or increase in the time it is in place will be effective only if:

- (i) a Rating Confirmation has been provided;
- (ii) the Servicer has provided the Receivables Trustee with an officer's certificate confirming that the performance of the Securitised Portfolio of Designated Accounts is such that in the reasonable opinion of the Servicer the yield of Finance Charge Collections is not generating adequate cashflows for the Beneficiaries of the Receivables Trust; and



- (iii) the Transferor has provided the Receivables Trustee with a solvency certificate confirming that the Transferor is able to pay its debts within the meaning of section 123(1) of the Insolvency Act 1986 and will not become unable to pay its debts within the meaning of that section in consequence of such Discount Percentage coming into effect or being in effect for an additional period, as at the date on which the Discount Percentage or additional period is to take effect.

The Transferor may have different reasons to designate a Discount Percentage. For example, the Finance Charge Collections on the Designated Accounts may decline for various reasons or may stay constant, whilst the Notes have interest rates that are variable and that could increase. This could cause a Series Pay Out Event to occur based in part on the amount of Finance Charge Collections and the interest rate on the Notes. The Transferor could avoid the occurrence of this Series Pay Out Event by designating a Discount Percentage, causing an increase in the amount of Finance Charge Collections. The Transferor, however, is under no obligation to designate a Discount Percentage and the Issuer can make no assurance that the Transferor would designate a Discount Percentage to avoid a Series Pay Out Event.

### **Special Fees and Annual Fees**

The Originator may charge special fees – including late, over limit and non-sufficient funds fees – on credit card or charge card accounts. These special fees as well as additional special fees may be assessed at one time or on an ongoing basis. Certain of the Receivables assigned or to be assigned to the Receivables Trustee may include annual fees on Designated Accounts. Any special fees and annual fees that are charged on Designated Accounts are generally regarded as Finance Charge Receivables (and will therefore be taken into account in the calculation of Billed Finance Charge Receivables). The Transferor may, however, decide that these special fees or annual fees will be viewed as Principal Receivables (and will therefore not be taken into account in the calculation of Billed Finance Charge Receivables).

### **Interchange**

Members participating in the American Express<sup>®</sup>, VISA<sup>®</sup> and MasterCard<sup>®</sup> associations receive fees as partial compensation for, amongst other things, taking credit risk and absorbing fraud losses. Under the American Express<sup>®</sup>, VISA<sup>®</sup> and MasterCard<sup>®</sup> systems, such fees are passed from the banks that clear the transactions for merchants to card issuing banks. Such fees are calculated as a percentage of the amount of a credit or charge card transaction for the purchase of goods or services. This percentage varies from time to time. The fees received as a result of participation in the American Express<sup>®</sup>, VISA<sup>®</sup> and MasterCard<sup>®</sup> systems, are referred to in this Prospectus as "**Interchange**".

On each Transfer Date, the Transferor will deposit into the Receivables Trustee Collection Account an amount equal to the Interchange received in respect of the Designated Accounts for the preceding Collection Period. This amount is called the "**Acquired Interchange**". Interchange is received on a daily basis and is identified on the Originator's System with a flag identifying the product to which it relates. The amount of Acquired Interchange applicable to the Receivables in the trust is arrived at monthly by interrogation of the Originator's System. Interchange relating to Designated Accounts will be deposited in the Receivables Trustee Collection Account.

A "**Transfer Date**" means, in relation to any Monthly Period or Collection Period, the Business Day immediately prior to the Distribution Date immediately following the end of such Monthly Period or Collection Period.

### **Reductions in Receivables, Early Collections and Credit Adjustments**

If the outstanding amount of a Principal Receivable that has been assigned to the Receivables Trustee is reduced (a "**Reduction**") – for reasons other than because of a Credit Adjustment – after the date on which it was assigned because of set off, counterclaim or any other matter between the Obligor and the Originator, and the Transferor has received a benefit, then that Receivable will be considered a Dilution Receivable and the associated loss a Dilution Loss. If an existing Receivable has purportedly been assigned to, or held on trust for, the Receivables Trustee and the Transferor has received full or partial payment of that receivable before the date that the receivable was purportedly assigned or a trust declared in respect of it, then the Transferor will pay the amount of that collection to the Receivables Trustee.

If any Principal Receivable assigned to the Receivables Trustee is reduced by way of a Credit Adjustment after the relevant Assignment Date, then that Receivable will also be considered a Dilution Receivable

and the associated loss a Dilution Loss. A "**Credit Adjustment**" is the outstanding face amount of a Principal Receivable that:

- (i) was created by virtue of a sale of merchandise that was subsequently refused or returned by an Obligor or against which the Obligor has asserted any defence, dispute, set off or counterclaim;
- (ii) is reduced because the Obligor had received a rebate, refund, charge back or adjustment;
- (iii) is fraudulent or counterfeit; or
- (iv) is an Obligor Claim and is recorded as a reduction on the Principal Collections Ledger.

"**Obligor Claims**" shall mean complaints, claims, requests for refunds or entitlements of Obligors (or former Obligors) arising out of or in connection with a Credit Agreement in respect of a Designated Account which result in the making of cash payments to Obligors (or former Obligors) by or on behalf of the Originator, including (without limitation):

- (i) all Obligor claims against the Originator, to the extent that such claims are satisfied by a cash payment and not credited to an Obligor's Account;
- (ii) entitlements of Obligors pursuant to any incentive scheme relating to an Account, to the extent that such entitlements are satisfied by a cash payment and not by a credit to an Obligor's Account; and
- (iii) complaints, claims or requests for refunds which result in the making of ex gratia payments or other payments or refunds to Obligors (or former Obligors) by or on behalf of the Originator, to the extent that such complaints, claims or requests for refunds are satisfied by a cash payment and not by a credit to an Obligor's Account,

but excluding any Obligor Claims relating to mis-selling of payment protection insurance, any unfair relationship arising in relation to payment protection insurance or any failure to remediate any such issues, to the extent such claims are satisfied by a cash payment and not credited to an Obligor's account and provided that the complaints, claims, requests for refunds or entitlements of Obligors (or former Obligors) that are treated as relating to the Designated Accounts for such purpose during any Collection Period shall be deemed to be equal to the product of:

- (i) the total amount of any such complaints, claims, requests for refunds or entitlements of Obligors (or former Obligors) that arise during such Collection Period in respect of the Portfolio; and
- (ii) a fraction, the numerator of which is the aggregate outstanding amount of Receivables in respect of the Designated Accounts at the end of such Collection Period and the denominator of which is the aggregate outstanding amount of Receivables in respect of all Accounts (including Designated Accounts) at the end of such Collection Period.

If the Servicer determines that a Credit Adjustment or Reduction has occurred in respect of a Receivable, such Receivable will be considered a "**Dilution Receivable**" and to have suffered a "**Dilution Loss**".

Dilution Losses will first be allocated to the Transferor Interest until the Transferor Interest is reduced to zero and thereafter to the Originator VFN Investor Interest until the Originator VFN Excess Amount is zero. Once the Originator VFN Excess Amount is reduced to zero, any excess Dilution Loss which has not been allocated to the Transferor Interest or the Originator VFN Excess Amount will be allocated to the other Investor Interests (including the Available Originator VFN Subordination for each Series) as set out in "*Series 2015-1*" below.

The Transferor or the Servicer may subsequently receive amounts (including via a payment system) in respect of Dilution Losses (such amounts, "**Dilution Refunds**"). Dilution Refunds have been assigned to the Receivables Trustee as set out under "*Assignment of Receivables to the Receivables Trustee*" above.

#### **Acquired Interchange, Dilution Refunds and Originator Ring-fenced Credit Balance Surplus**

On each Transfer Date, the Transferor shall notify, or procure that the Servicer notifies, the Receivables Trustee of the amount of Acquired Interchange and Dilution Refunds received by the Originator in

respect of the preceding Collection Period and the Originator Ring-fenced Credit Balance Surplus as at that Transfer Date, and shall pay to the Receivables Trustee an amount equal to the aggregate of the Acquired Interchange, Dilution Refunds and the Originator Ring-fenced Credit Balance Surplus for that Transfer Date.

## **Representations**

Each offer of Receivables to the Receivables Trustee under the Receivables Securitisation Deed includes representations by the Transferor about the existing Principal Receivables and the future Principal Receivables. The representations for the existing Principal Receivables are given as of the relevant Assignment Date, and the representations for the future Principal Receivables are given on the date they are processed, and include, in each case, that:

- (i) unless identified as an Ineligible Receivable, the Principal Receivable is an Eligible Receivable and has arisen from an Eligible Account in the amount specified in the offer or daily activity report, as applicable;
- (ii) each assignment passes good and marketable title for that Principal Receivable to the Receivables Trustee, together with the benefit of all Collections and other rights in connection with it, free from encumbrances of any person claiming through the Originator or any of its affiliates, subject to any limitations arising on enforcement in the jurisdiction of the relevant Obligor, and no further act, condition or thing will be required to be done in connection therewith to enable the Receivables Trustee to require payment of any such Receivable or to enforce any such right in the courts of England and Wales, Scotland or Northern Ireland or any Permitted Additional Jurisdiction without the participation of the Originator and the Transferor other than:
  - (a) the execution of a legal assignment of such Receivable in favour of the Receivables Trustee and notification of such assignment to the relevant Obligor; and
  - (b) the joining of the Originator and/or the Transferor as a party to proceedings by the Receivables Trustee against the relevant Obligor;
- (iii) the assignment complies with all applicable laws on the date of assignment, save where any such non-compliance would not have a material adverse effect on the ability of the Originator or the Transferor (as applicable) to conduct its business; and
- (iv) the Originator holds legal title to the Designated Accounts.

If a representation relating to the eligibility criteria given in connection with any Principal Receivable proves to be incorrect when made, then the Transferor is obliged to pay the Receivables Trustee an amount equal to the face value of that Receivable by no later than the Transfer Date following the end of the Collection Period during which such representation becomes known to the Transferor to be incorrect. A Principal Receivable of this type will afterwards be treated as an Ineligible Receivable.

The Transferor's obligation to pay amounts due as a result of any breach of a representation can be fulfilled, in whole or in part, by a reduction in the amount of the Transferor Interest, or the Originator VFN Excess Amount of the Originator VFN Investor Interest. The Transferor Interest and the Originator VFN Excess Amount, however, may not be reduced below zero. If the Transferor meets a payment obligation in this way, the Receivables Trustee will have no further claim against the Transferor for the breached representation. However, a breach of a representation may result in a Series Pay Out Event (see "*Series 2015-1 – Series Pay Out Event*").

If:

- (i) all Principal Receivables arising under a Designated Account become ineligible as a result of incorrect representations;
- (ii) that account has become a Re-designated Account; and
- (iii) the Transferor has complied with the payment obligations for the Principal Receivables,

then the Transferor can require the Receivables Trustee to reassign or release all those Receivables to the Transferor.

The Receivables Trustee has not made and will not make any initial or periodic examination of the Receivables to determine if they arise on Eligible Accounts or if the Transferor's representations and warranties in respect of them are true.

An Account will be an "**Eligible Account**" if, as at the beginning of the day on the date on which it becomes a Designated Account, it is an Account:

- (a) where the Obligor is an individual;
- (b) which is governed by English law or by the law of another country in the United Kingdom or a Permitted Additional Jurisdiction in respect of which the Servicer has received a legal opinion confirming the assignability or transferability of the receivables arising thereon and in respect of which a Rating Confirmation has been provided;
- (c) which was in existence and maintained with the Originator prior to or at the time of its designation as a Designated Account;
- (d) which is payable in pounds sterling or the lawful currency of a Permitted Additional Jurisdiction (if the Account is in a Permitted Additional Jurisdiction);
- (e) which is governed by a Credit Agreement as amended from time to time, **provided that** no amendments may be made which would alter the governing law of the agreement or adversely affect the assignability thereof or the ability of the Originator to provide, or consent to the provision of, information regarding the relevant Obligor to any person assuming the Originator's rights under the agreement, and, if acquired by the Originator, the contractual terms of such Credit Agreement are not materially different from one or more of the Originator's standard forms in relation to such matters;
- (f) which is governed in whole or in part by the Consumer Credit Act 1974 and creates legal, valid and binding obligations between the Originator and the relevant Obligor and is enforceable against the relevant Obligor in accordance with the Credit Agreement and the Consumer Credit Act 1974, subject to applicable bankruptcy laws, other similar laws affecting creditors' rights, general equitable principles and other limitations on enforcement in the jurisdiction of the relevant Obligor and was created and otherwise complies in all material respects with all other applicable laws;
- (g) where the Obligor's most recent billing address is located in either England, Wales, Scotland, Northern Ireland or in a Permitted Additional Jurisdiction;
- (h) which has not been classified by the Originator as a Cancelled Account or as counterfeit, fraudulent, stolen or lost;
- (i) which has been originated or purchased by the Originator;
- (j) which has been operated by the Originator in all material respects in accordance with the Credit Guidelines; and
- (k) the Receivables in respect of which have not been classified by the Originator as having been charged-off,

**provided, however, that,** notwithstanding (a) to (k) above, an Account will be an Eligible Account if a Rating Confirmation is provided in respect of the designation of such an Account as an Eligible Account.

A "**Permitted Additional Jurisdiction**" is a jurisdiction – other than England, Wales, Scotland and Northern Ireland – agreed by the Transferor and the Receivables Trustee as being acceptable as a Permitted Additional Jurisdiction, **provided that** a Rating Confirmation is provided in respect of designating such jurisdiction as a Permitted Additional Jurisdiction.

A Principal Receivable will be an "**Eligible Receivable**" if it complies with the following criteria as at: (i) in the case of any existing Receivable which is the subject of an Offer made by the Transferor, the relevant Assignment Date in respect of that Offer; or (ii) in the case of any future Receivable, the Date of Processing with respect to the transaction which gives rise to that Receivable:

- (i) it has arisen under an Eligible Account;
- (ii) it was created and otherwise complies in all material respects with all other applicable laws;
- (iii) it (a) was originated by the Originator (or any predecessor in title) in accordance with and is governed by a Credit Agreement without waiver or amendment in any material respect of the following matters: governing law, assignment and disclosure of information to persons who may assume rights under the Credit Agreement, or else, it was originated by the Originator or another originator in all material respects in accordance with and is governed by contractual terms not materially different from those contained in the Credit Agreements in relation to those matters listed previously; (b) is governed in whole or in part by the Consumer Credit Act 1974, and creates legal, valid and binding obligations between the Originator and the relevant Obligor and is enforceable against the relevant Obligor in accordance with the Credit Agreement and the Consumer Credit Act 1974, subject to applicable bankruptcy laws, other similar laws affecting creditor's rights, general equitable principles and other limitations on enforcement in the jurisdiction of the relevant Obligor; and (c) was originated in all material respects in accordance with the Credit Guidelines (or, in respect of a Receivable which has arisen on an Account acquired by the Originator prior to the date of acquisition by the Receivables Trustee, it was, to the best of the Originator's knowledge and belief, originated in all material respects in accordance with the credit guidelines of the originator of such Account);
- (iv) it is free and clear of any encumbrances exercisable against the Originator, the Transferor or the Receivables Trustee arising under or through the Originator or the Transferor (or any of their respective affiliates) and to which, at the time of its creation (or at the time of its acquisition by the Originator if such Receivable was originated by any person other than the Originator) and at all times thereafter, the Originator, the Transferor or the Receivables Trustee (as applicable) had good and marketable title;
- (v) it constitutes the legal, valid, and binding obligations of the relevant Obligor, enforceable in accordance with the terms of the relevant Credit Agreement, subject only to (a) applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting the rights of creditors generally and (b) general equitable principles and other limitations on enforcement in the jurisdiction of the relevant Obligor;
- (vi) it is not currently subject to any right of rescission, defence, dispute, set-off, counterclaim or enforcement order; and
- (vii) it has not been waived or modified except as permitted in accordance with the terms of the Receivables Securitisation Deed.

The "**Date of Processing**" shall mean, in respect of any transaction (including, for the avoidance of doubt, receipt of any Collections) in respect of an Account (and, in the case of a transaction relating to Interchange, in respect of all Accounts), the Business Day after the overnight processing which resulted in that transaction being first recorded on the Originator's System (without regard to the effective date of such recording). Any reference to the date on which any Collections or transactions are processed shall be taken as referring to the Date of Processing relative to such Collections or (as the case may be) transactions.

As is market practice in the United Kingdom for credit and charge card securitisation transactions, Principal Receivables that are delinquent will still constitute Eligible Receivables if they comply with the eligibility requirements. See the table captioned "*Delinquency Experience – Total Portfolio*" in "*The Portfolio – Delinquency and Loss Experience*" in Appendix A to this Prospectus for data showing the historical percentage of delinquent Receivables.

**"Ineligible Receivables"** means Principal Receivables which arise under a Designated Account but which do not comply with all the criteria set out in the definition of Eligible Receivables as at the relevant date specified therein.

#### **Amendments to Credit Agreements and Credit Guidelines**

The Originator may amend the terms and conditions of its standard form credit agreements or change its policies and procedures and usual practices for its general credit business (insofar as the Originator is permitted to do so by relevant consumer credit legislation, regulation and guidance). These amendments may (insofar as the Originator is permitted to do so by relevant consumer credit legislation, regulation and guidance) include reducing or increasing the amount of monthly minimum required payments or involve changes to Periodic Finance Charges or other charges that would apply to the Designated Accounts. See *"Risk Factors – A Change in the Terms of the Designated Accounts May Adversely Affect the Amount or Timing of Collections and May Cause an Early Redemption of the Notes or a Downgrade of the Notes"*.

## MATURITY ASSUMPTIONS

On each Transfer Date during the Controlled Accumulation Period, an amount equal to the Controlled Deposit Amount will, to the extent funds are available for such purpose, be deposited in the Series 2015-1 Principal Funding Ledger of the Receivables Trustee Investment Account and identified as referable to Series 2015-1 until the balance of the Series 2015-1 Principal Funding Ledger equals the Series 2015-1 Investor Interest. Although it is anticipated that Principal Collections will be available on each Transfer Date during the Controlled Accumulation Period to make a deposit of the applicable Controlled Deposit Amount and that an amount equal to the Series 2015-1 Investor Interest will be paid to the Loan Note Issuer on or immediately prior to the Series 2015-1 Scheduled Redemption Date, allowing the Loan Note Issuer to redeem the Series 2015-1 Loan Notes in full, no assurance can be given that sufficient Principal Collections will be available. If the amount required to repay the Series 2015-1 Investor Interest in full is not available on the Series 2015-1 Scheduled Redemption Date, a Series Pay Out Event will occur and the Rapid Amortisation Period will begin in respect of Series 2015-1.

If a Pay Out Event occurs during the Controlled Accumulation Period, the Rapid Amortisation Period will begin. In each case, any amount on deposit in the Series 2015-1 Principal Funding Ledger and referable to Series 2015-1 will be paid to the Loan Note Issuer in respect of the Series 2015-1 Investor Interest on the first Transfer Date relating to the Rapid Amortisation Period. In addition, to the extent that the Series 2015-1 Investor Interest for each class has not been distributed in full, the Loan Note Issuer will be entitled to monthly distributions of Principal Collections during the Rapid Amortisation Period equal to the Available Retained Principal Collections until the Series 2015-1 Investor Interest has been distributed in full. A Pay Out Event occurs when either a Trust Pay Out Event or a Series Pay Out Event occurs. See "*The Receivables Trust - Trust Pay Out Events*" and "*Series 2015-1 – Series 2015-1 Pay Out Events*". If a Pay Out Event occurs, it will automatically trigger an early redemption event under the Series 2015-1 Loan Notes.

Appendix A contains a table that presents the highest and lowest Obligor monthly payment rates for the Organic Portfolio and the Total Portfolio (each as defined therein) during 2009, 2010, 2011, 2012, 2013, 2014 and the three months to 31 March 2015 and the average Obligor monthly payment rates for each such period. These are calculated as a percentage of total opening Receivables balances during the periods shown. The payment rates are based on amounts which would be deemed payments of Principal Collections and Finance Charge Collections for the related Accounts.

Collections may vary from month to month due to:

- (i) seasonal variations;
- (ii) promotional offerings – such as payment holidays;
- (iii) general economic conditions; and
- (iv) payment habits of individual Obligors.

There is no guarantee that the future monthly payment rates for the Securitised Portfolio will be similar to the historical experience set forth in Appendix A or that there will be enough Principal Collections to deposit the Controlled Deposit Amount into the Series 2015-1 Principal Funding Ledger each month to fully redeem the Notes by the Series 2015-1 Scheduled Redemption Date. If a Pay Out Event occurs, the average life and maturity of the Notes could be significantly reduced, since Noteholders may start receiving principal distributions before the Series 2015-1 Scheduled Redemption Date.

Because a slowdown in the payment rate below the payment rates used to determine the Controlled Deposit Amount or a Pay Out Event may occur which would start the Rapid Amortisation Period, there is no guarantee that the actual number of months elapsed from the Series 2015-1 Closing Date to the final Distribution Date for the Notes will equal the expected number of months. As described under "*Credit Structure and Cashflows*", if the Servicer shortens the Controlled Accumulation Period, there is no guarantee that there will be enough time to accumulate all amounts necessary to fully repay the Series 2015-1 Investor Interest on the Series 2015-1 Scheduled Redemption Date. See "*Risk Factors - Principal on the Notes May be Paid Earlier or Later than Expected if the Transferor Cannot Finance the Creation of New Receivables – Creating a Re-investment Risk to Noteholders*".

## RECEIVABLES YIELD CONSIDERATIONS

The gross revenues from finance charges billed to accounts in the Total Portfolio for the most recent available periods are presented in Appendix A.

Yield information is calculated by allocating cash in priority against finance charges ahead of principal in line with the manner in which the amount of Finance Charge Collections will be calculated under the Transaction Documents. The yield will be affected by many factors, including changes in the delinquency rate on the Receivables and (in the case of credit card accounts) changes in the monthly Periodic Finance Charges on the Receivables and the percentage of Obligor who pay their balances in full each month and do not incur monthly Periodic Finance Charges and (in the case of credit card and charge card accounts) the amount of the annual fees and other fees. The Transferor is only required to exercise a limited amount of control over the ability of the Originator to change the monthly interest rate applied to the accounts or reduce or eliminate fees on the accounts. See "*Risk Factors - A Change in the Terms of the Designated Accounts May Adversely Affect the Amount or Timing of Collections and May Cause an Early Redemption or a Downgrade of the Notes*".

The table presented in Appendix A sets forth the revenue for the Total Portfolio. The revenue is comprised of monthly Periodic Finance Charges, card fees, special fees, annual fees and Interchange. These revenues vary for each account based on the type and volume of activity for each account. See "*The Securitised Portfolio*".



## THE RECEIVABLES TRUST

### General Legal Structure

A receivables trust (the "**Receivables Trust**") will be constituted pursuant to a receivables trust deed and servicing agreement to be dated on or about the Series 2015-1 Closing Date (as supplemented, amended and/or restated from time to time, the "**Receivables Trust Deed and Servicing Agreement**") between the Receivables Trustee, the Transferor, the Servicer and the Loan Note Issuer and will consist of trusts declared under English law by the Receivables Trustee in favour of the initial beneficiaries. The Loan Note Issuer (in its capacity as an "**Investor Beneficiary**") and NewDay Funding Transferor Ltd (in its capacity as Transferor Beneficiary) will be the initial beneficiaries (together, the "**Beneficiaries**") of the Receivables Trust. The Receivables Trust will be declared for the purposes of the structure described in this Prospectus.

The terms and conditions of the Receivables Trust are set out in the Receivables Trust Deed and Servicing Agreement (the principal contents of which are described in this section of this Prospectus), as varied and supplemented from time to time by the execution of a supplement thereto relating to each Series (a "**Supplement**"). Under the Receivables Trust Deed and Servicing Agreement, which is governed by English law, the Receivables Trustee declares that it will hold all Trust Property upon the trusts set out in the Receivables Trust Deed and Servicing Agreement for the Transferor Beneficiary and the Investor Beneficiary as the initial Beneficiaries, and for each other person which from time to time becomes an additional beneficiary (an "**Additional Beneficiary**") in accordance with the terms of the Receivables Trust Deed and Servicing Agreement. As of the Series 2015-1 Closing Date, there will be no Additional Beneficiaries.

Each Beneficiary (other than the Transferor Beneficiary) will belong to either of two categories of Beneficiary, namely: (i) any person in its capacity as an Investor Beneficiary, or (ii) an Enhancement Provider if the related Supplement provides for that Enhancement Provider to be a Beneficiary. NewDay Funding Transferor Ltd, its successors and permitted assignees, in its capacity as holder of the Transferor Interest in the Receivables Trust (the "**Transferor Beneficiary**"), belongs to its own unique category of Beneficiary. Each Series in respect of the Receivables Trust will be established pursuant to a Supplement to the Receivables Trust Deed and Servicing Agreement. Such Supplement will also specify the Enhancement Provider, if any, with respect to the relevant Series and whether such Enhancement Provider is to be a Beneficiary.

"**Enhancement**" means, with respect to any Series or any class within such Series, the subordination, cash collateral guarantee or account, collateral interest, letter of credit, surety bond, insurance policy, spread account, reserve account, cross-support feature or other contract or agreement for the benefit of such Series or class (if any) which is designated as such in the applicable Supplement.

"**Enhancement Provider**" means, with respect to any Series, the person, if any, designated as such in the related Supplement.

In addition to the Receivables Trust Deed and Servicing Agreement, the initial Beneficiaries are expected to enter into a deed to be dated on or about the Series 2015-1 Closing Date (as supplemented, amended and/or restated from time to time, the "**Beneficiaries Deed**") that sets out the contractual arrangement amongst them in respect of certain commercial decisions (relating to authorisations, consents, waivers or other acts of the Beneficiaries) to be made from time to time in respect of the Receivables Trust Deed and Servicing Agreement and any Supplement thereto. However the terms of the Beneficiaries Deed make clear that it is in no way intended to prejudice the absolute entitlement that each Beneficiary has to Trust Property as described in this Prospectus and as set out under the terms of the Receivables Trust Deed and Servicing Agreement and each Supplement nor does it alter or amend the terms of the Receivables Trust.

"**Series**" shall mean, as the context requires:

- (a) with respect to an Investor Beneficiary (and, where appropriate, an Enhancement Provider), the relevant beneficial entitlement acquired by it under the Receivables Trust (as a result of making a Contribution funded by the issue of a Loan Note or as otherwise specified in the relevant Supplement); and/or

- (b) the Related Debt and/or Associated Debt which is referred to in the applicable Supplement as appertaining to the relevant Series.

### **Contributions to Trust Property and Disposals of Beneficial Entitlement**

An existing Investor Beneficiary may increase its existing beneficial interest in the Receivables Trust (or, with the prior written consent of all existing Beneficiaries, a person may become an Additional Beneficiary of the Receivables Trust):

- by making a payment to the Receivables Trustee as a contribution to Trust Property; or
- by such other method (subject to the provision of a Rating Confirmation) as the existing Beneficiaries may agree between themselves and jointly direct the Receivables Trustee to implement,

(in each case, a "**Contribution**", **provided that** no payment of Additional Funds shall be regarded as a Contribution) (the Beneficiaries Deed provides that the Investor Beneficiaries shall promptly give consent to a Contribution in accordance with the terms of any request from the Transferor Beneficiary). In addition, an existing Investor Beneficiary (or an Additional Beneficiary, with the prior written consent of all existing Beneficiaries), may increase its existing beneficial interest in the Receivables Trust by acquiring a portion or all of a Beneficiary's beneficial interest in the Receivables Trust from that Beneficiary.

Special rules apply to any Contribution (a "**VFN Contribution**") which is funded by a further drawing under any Related Debt that forms part of a VFN Series in accordance with the terms of the relevant Supplement. A "**VFN Series**" is a Series in which the Related Debt comprises Loan Notes which may, in accordance with their terms, periodically have their Principal Amount Outstanding (as defined in the Security Trust Deed and Cash Management Agreement) increased or decreased at the option of the Loan Note Issuer.

The beneficial interest in the Receivables Trust created by each Contribution or disposal shall be evidenced in the Trust Register.

If a Contribution (other than a VFN Contribution) is to take place, a new Supplement to the Receivables Trust Deed and Servicing Agreement will govern the beneficial entitlement in the Receivables Trust (the "**Investor Interest**") that will be created by such Contribution and will set out the related set of financial calculations that will be required in relation to the relevant Series.

An Investor Beneficiary or Enhancement Provider may be a beneficiary in respect of more than one Series. If an Investor Beneficiary is to become a beneficiary in respect of more than one Series, it shall do so by, from time to time, making a further Contribution to the Receivables Trust and entering into a new Supplement, in respect of the new Series, which will have the effect of increasing its Investor Interest. Such increase shall be evidenced in the Trust Register and the aggregate amount of such Investor Beneficiary's increased interest in the Receivables Trust is referred to as the "**Aggregate Investor Interest**". On the Series 2015-1 Closing Date, it is anticipated that the Loan Note Issuer will become the Investor Beneficiary in respect of Series 2015-1 and two other Series: Series 2015-VFN and the Originator VFN Series (see "*Other Series Issued*").

No Investor Beneficiary may transfer, assign, exchange, place in any custodial arrangement for security purposes or otherwise convey or dispose of its beneficial entitlement (including any Investor Interest comprised therein) in the Receivables Trust (each a "**Disposal**") or create or grant any encumbrance thereover (save as specified otherwise in any Supplement) unless (i) the person to whom the Disposal is made is already a Beneficiary immediately prior to the making of such Disposal or (ii) the Receivables Trustee shall have received prior written confirmation from the person to which such Disposal is to be made, or in whose favour an encumbrance is to be granted or created, that such person (A) is resident for United Kingdom tax purposes in the United Kingdom or (B) such Additional Beneficiary is a bank as defined for the purposes of Section 879 of the Income Tax Act 2007, and, in each case, such Additional Beneficiary will be within the charge to United Kingdom corporation tax as respects all amounts regarded as interest for United Kingdom Tax purposes received by it in respect of the relevant Investor Interest, **provided, however, that**, where such Disposal or creation or grant of an encumbrance by an Investor Beneficiary is for the purpose of any security assignment or security interest granted to a security trustee

under a supplement to the Security Trust Deed and Cash Management Agreement, the provisions of (i) and (ii) above shall not apply and the relevant Investor Beneficiary shall continue to be considered the Beneficiary of the Receivables Trust regardless of such assignment or interest until an Enforcement Notice is served by the Security Trustee under the terms of the relevant supplement to the Security Trust Deed and Cash Management Agreement.

The Transferor Beneficiary may make a Disposal of or create or grant any encumbrance over, the whole or any part of the Transferor Interest, **provided, however, that:** (i) any such encumbrance is granted for the purpose of securing inter-company indebtedness arrangements entered into by the Transferor with any of its affiliates; or (ii) a Rating Confirmation is provided in respect of such Disposal or encumbrance.

The Transferor Beneficiary may also make a Disposal of the Transferor Interest pursuant to a transfer of the whole or substantially the whole of its properties and assets to any person, **provided, however that** such person shall also expressly assume the duties and obligations of the Transferor and Transferor Beneficiary (as applicable) under the Relevant Documents and shall be the relevant person in respect of which the occurrence of any Pay Out Insolvency Event in respect of the "Transferor" shall be determined.

The Receivables Trustee will annotate the Trust Register in respect of any new Series only when the Receivables Trustee has first received:

- (i) a Supplement specifying the principal terms of the Series executed by the parties thereto (including the Transferor Beneficiary, all Investor Beneficiaries and the Receivables Trustee). Each Supplement shall specify the principal terms for the Series which it constitutes. The principal terms of a Series will be defined such that each Series has an accumulation period and/or amortisation period for the payment of principal which may have a different length and begin on a different date than such period for any other Series. One or more Series may be in their amortisation or accumulation periods when other Series are not. Moreover, each Series may have the benefit of Enhancement which is available only to such Series. The Receivables Trustee shall hold any such form of Enhancement only on behalf of the Series with respect to which it relates. For the purposes of calculation, certain Series may be subordinated to other Series and notional classes established for calculation purposes within a Series may have different priorities. Whether or not a Series, or any notional class within a Series, is subordinated will be set out in the related Supplement. There will be no limit on the number of Contributions that may be made to the Receivables Trust or the number of Additional Beneficiaries that may be added;
- (ii) any funds or assets forming part of the applicable Enhancement, if any;
- (iii) the agreement, if any, pursuant to which the Enhancement Provider, if any, agrees to provide Enhancement;
- (iv) a solvency certificate from the Transferor;
- (v) written confirmation from each relevant Rating Agency that the Contribution will not result in such Rating Agency reducing or withdrawing its then current rating on any outstanding Rated Debt (which confirmation shall be deemed to have been given by any Rating Agency which provides a rating of any Rated Debt issued to fund the new Contribution); and
- (vi) written confirmation from each Additional Beneficiary and Enhancement Provider, if any, that either (A) such Additional Beneficiary or Enhancement Provider is resident in the United Kingdom for United Kingdom tax purposes or (B) such Additional Beneficiary or Enhancement Provider is a bank as defined for the purposes of Section 879 of the Income Tax Act 2007, and, in each case, such Additional Beneficiary or Enhancement Provider will be within the charge to United Kingdom corporation tax as respects all amounts regarded as interest for United Kingdom tax purposes received by it in respect of its Contribution or Enhancement (as appropriate).

The Receivables Trustee will be entitled to execute a Supplement if it obtains the consent of all the Beneficiaries to the Receivables Trust (such consent to be evidenced by each Beneficiary executing such Supplement).

A further drawing in respect of any Series that is a VFN Series in accordance with its terms will result in the making of a Contribution but shall not be subject to the requirements set out above in respect of new Series.

## General Entitlement of Beneficiaries to Trust Property

By making Contributions to the Receivables Trust, the Transferor Beneficiary and each Investor Beneficiary will have an undivided interest in the Receivables Trust, as referred to above. However, in addition to Trust Property that is held by the Receivables Trustee on an undivided basis for all Beneficiaries, certain Trust Property (including amounts of cash) may be held in bank accounts or ledgers within bank accounts on a segregated basis for a particular Beneficiary only and may be held in respect of a particular Series only.

Broadly, Trust Property comprises:

- a pool of Eligible Receivables and Finance Charge Receivables together with Collections in respect thereof, any unutilised Cash Available for Investment and any amounts paid by a Beneficiary as a Contribution (the "**Undivided Bare Trust**" and Trust Property therein being "**Undivided Bare Trust Property**") held on an undivided basis for each Investor Beneficiary and the Transferor Beneficiary in accordance with their respective beneficial interests as determined by the Receivables Trust Deed and Servicing Agreement and each Supplement thereto;
- a pool of Ineligible Receivables and Ineligible Collections related to such Ineligible Receivables (the "**Ineligibles Bare Trust**" and Trust Property therein being "**Ineligibles Bare Trust Property**") held on a segregated basis for the sole benefit of the Transferor Beneficiary;
- property specifically allocated in accordance with the Receivables Trust Deed and Servicing Agreement and each Supplement thereto to be held on a segregated basis for each Investor Beneficiary or the Transferor Beneficiary (as the case may be) (the "**Segregated Bare Trust**" and Trust Property therein being "**Segregated Bare Trust Property**") held on a segregated basis for the sole benefit of the relevant Beneficiary in accordance with the Receivables Trust Deed and Servicing Agreement or the relevant Supplement;
- property which derives from Additional Funds (other than Additional Funds "Trustee Payments" and Additional Funds "Loss Make-Up") received by the Receivables Trustee as additional funds and paid by an Investor Beneficiary as further consideration for the grant of its Investor Interest pursuant to the terms of each relevant Supplement (the "**Deferred Payment Bare Trust**" and Trust Property therein being "**Deferred Payment Bare Trust Property**"), which will be held on a segregated basis for the sole purpose of paying Deferred Consideration to the Transferor in accordance with the terms of the Receivables Securitisation Deed and each relevant Supplement; and
- other property which is expressly segregated by the Receivables Trustee for the benefit of any other Beneficiary according to the terms of any Supplement (each an "**Other Trust**" and Trust Property therein being "**Other Trust Property**") held on a segregated basis for the relevant Beneficiary.

"**Additional Funds "Loss Make-Up"**" shall mean all amounts of Additional Funds which are so characterised pursuant to any Supplement (including all amounts of Additional Funds which are characterised pursuant to any Supplement as "**Refunded Utilised Principal Collections**"), in each case as more particularly specified in the relevant Supplement.

"**Additional Funds "Trustee Payments"**" shall mean all amounts of Additional Funds which are paid to the Receivables Trustee and which fall within any of the following categories (each as defined in the relevant Supplement): "Investor Aggregate Trustee Payment Amount", "Investor Servicing Fee Amount" and any other categories of a similar nature.

See "*Series 2015-1*" for a description of the beneficial entitlement of the Loan Note Issuer as the Series 2015-1 Investor Beneficiary to Receivables and for a description of the manner in which calculations will be made and Collections will be distributed to the Loan Note Issuer in such capacity.

The Transferor in its capacity as such will have no beneficial entitlement under the Receivables Trust to Excess Spread but will be contractually entitled, in its capacity as Transferor, to receive payment of amounts from the Receivables Trustee equal to amounts of Excess Spread paid by the Investor

Beneficiaries to the Receivables Trustee as additional consideration for the granting of their Investor Interests. The Transferor will receive such payments from the Receivables Trustee as "**Deferred Consideration**" under the terms of the Receivables Securitisation Deed.

The beneficial entitlement of the Transferor Beneficiary at any time is:

- (i) in respect of Undivided Bare Trust Property, excluding Finance Charge Collections, Acquired Interchange and income on Permitted Investments, that proportion which the Adjusted Transferor Interest bears to the sum of the Combined Aggregate Adjusted Investor Interest and the Adjusted Transferor Interest, except that, if at any time the Adjusted Transferor Interest is zero or would, when aggregated with the Originator VFN Excess Amount, if reduced further be below the Minimum Transferor Interest, and the Undivided Bare Trust Property at that time includes Principal Collections which would otherwise be distributed to the Transferor, such Principal Collections shall be identified as Unavailable Principal Collections and shall be retained by the Receivables Trustee until such time as either they can be utilised in accordance with the provisions of the Receivables Trust Deed and Servicing Agreement (or in accordance with the terms of any Supplement) or the Transferor Interest is greater than zero and can be reduced without, when aggregated with the Originator VFN Excess Amount, falling below the Minimum Transferor Interest;
- (ii) in respect of Undivided Bare Trust Property which consists of Finance Charge Collections, Acquired Interchange and income on Permitted Investments, the Floating Transferor Percentage for that Collection Period in which such Finance Charge Collections, Acquired Interchange and income on Permitted Investments arise;
- (iii) all Ineligibles Bare Trust Property comprised of the Ineligible Receivables and all Ineligible Collections related to such Ineligible Receivables; and
- (iv) in respect of Deferred Payment Bare Trust Property, any Trust Property held in the Deferred Payment Bare Trust.

"**Adjusted Transferor Interest**" means in relation to the Transferor Beneficiary at any time the sum of:

- (i) the amount of any cash contribution by the Transferor Beneficiary to the Receivables Trust (excluding, for the avoidance of doubt, any Transferor Servicing Fee Amount); and
- (ii) the aggregate of the Outstanding Face Amount (as at the time of assignment) of Receivables that are Principal Receivables assigned by the Transferor as Eligible Receivables to the Receivables Trustee as reduced by the aggregate of:
  - (a) the total consideration received by the Transferor in cash for the Eligible Receivables (excluding any amount received as Deferred Consideration);
  - (b) Principal Collections distributed to the Transferor Beneficiary and other principal amounts distributed to the Transferor Beneficiary from the Receivables Trustee Investment Account, in each case in respect of Eligible Receivables;
  - (c) the proportionate share of Eligible Receivables that are Defaulted Receivables allocated to the Transferor Beneficiary pursuant to the terms of the Receivables Trust Deed and Servicing Agreement and any Supplement; and
  - (d) reductions of the Transferor Interest to satisfy the payment obligations of the Transferor Beneficiary (in its capacity as Transferor), being payment obligations which arise from Ineligible Receivables or in respect of a Credit Adjustment or Reduction,

and as increased by the aggregate of any Dilution Refunds paid into the Receivables Trustee Collection Account, **provided that**, for the avoidance of doubt, in calculating the amount of the Adjusted Transferor Interest, the amount of any given payment shall not be deducted more than once.

"**Aggregate Adjusted Investor Interest**" means, at any time, in respect of an Investor Beneficiary, the sum of the Adjusted Investor Interests of all Outstanding Series in respect of such Investor Beneficiary

and "**Combined Aggregate Adjusted Investor Interest**" shall mean at any time, the sum of the Aggregate Adjusted Investor Interests for all Investor Beneficiaries. For the definition of Adjusted Investor Interest in respect of Series 2015-1, see "*Series 2015-1*".

"**Floating Transferor Percentage**" means, in respect of any Collection Period and in respect of the Transferor, the percentage resulting from the calculation of (1) 100 per cent. *minus* (2) the aggregate of the Floating Investor Percentages of each Investor Beneficiary.

The Transferor is not beneficially entitled to investment earnings on Permitted Investments made using monies deposited in the Trust Accounts (and ledgers therein) held on segregated trust on a segregated basis for a particular Investor Beneficiary only. However, the Transferor will have the right to payments of Deferred Consideration from the Receivables Trustee. The payments of Deferred Consideration will include, *inter alia*, amounts equal to monies distributed by the Receivables Trustee to the Investor Beneficiaries as earnings on Permitted Investments, made using monies deposited in the Trust Accounts, unless the relevant Supplement for a particular Series states otherwise; the Supplement for Series 2015-1 does not state otherwise. See "*Series 2015-1*".

"**Outstanding Series**" shall mean, with respect to any date of determination, a Series with an Investor Interest of greater than zero.

"**Permitted Investments**" means any one or more of the following:

- (a) demand or time deposits made with, or certificates of deposit and other short-term unsecured debt obligations issued by, a financial institution, **provided that**, in each case, at the time the deposit is made or the certificate or obligation is acquired, the then current rating from each Rating Agency which then rates any outstanding Rated Debt of the unsecured and unguaranteed debt obligations of that institution (or, where the investment in question is guaranteed, of the guaranteeing institution) is (i) at least A-1 short-term or (where no short-term rating is available) at least A+ long-term from S&P, at least P-1 short-term or (where no short-term rating is available) at least A1 long-term from Moody's, at least F1 short-term or (where no short-term rating is available) at least A long-term from Fitch, at least A or R-1 (middle) by DBRS, or (ii) consistent with such other rating as is consistent with the then prevailing published rating criteria of the relevant Rating Agency; or
- (b) short-term unsecured debt obligations (including commercial paper) issued by a body corporate, **provided that**, in each case, at the time the obligation is acquired, the then current rating from each Rating Agency which then rates any outstanding Rated Debt of the unsecured and unguaranteed debt obligations of that body corporate (or, where the debt obligations in question are guaranteed, of the guaranteeing institution) is (i) at least A-1 short-term or (where no short-term rating is available) at least A+ long-term from S&P, at least P-1 short-term or (where no short-term rating is available) at least A1 long-term from Moody's, at least F1 short-term or (where no short-term rating is available) at least A long-term from Fitch, at least A or R-1 (middle) by DBRS, or (ii) consistent with such other rating as is consistent with the then prevailing published rating criteria of the relevant Rating Agency,

**provided that** no withholding or deduction for or on account of Tax will be made on any payments of interest or principal in respect of any such investment (except that, where any withholding or deduction on interest results in a net amount of interest being paid which the Servicer considers is a reasonable return for the amount of principal invested, such an investment would not result in a breach of this proviso), and **provided further that** no such instrument will be a volatile instrument (as specified in the Rating Agencies' published criteria) and/or an instrument issued by a mutual fund or similar investment vehicle, and **provided further that** each such instrument shall mature, or be capable of realisation, at the latest on the Business Day preceding the following Transfer Date so that such funds will be available for withdrawal on or prior to the following Transfer Date.

"**Transferor Interest**" shall mean, on any date of determination, the Adjusted Transferor Interest for the Transferor Beneficiary.

Without prejudice to the above, each Beneficiary will be entitled to all Trust Property from time to time which is expressly held on bare trust for the sole benefit of such Beneficiary.

## **Allocation and Application of Collections**

Pursuant to an account bank agreement to be dated on or about the Series 2015-1 Closing Date with, amongst others, the Receivables Trustee Account Bank (the "**Receivables Trustee Account Bank Agreement**"), the Receivables Trustee has opened and will maintain an account (the "**Receivables Trustee Collection Account**") at a Qualified Institution (currently HSBC Bank plc) in which there is established a Principal Collections Ledger and a Finance Charge Collections Ledger to which Principal Collections and Finance Charge Collections are credited respectively. The Receivables Trustee has also established a "**Receivables Trustee Consideration Ledger**" in the Receivables Trustee Collection Account to which are credited all amounts of Additional Funds (other than Additional Funds "Loss Make-Up" and Additional Funds "Trustee Payments") payable to the Receivables Trustee and any amounts due to be applied as Deferred Consideration.

Pursuant to the Receivables Trustee Account Bank Agreement, the Receivables Trustee has opened and will maintain an account (the "**Receivables Trustee Investment Account**") at a Qualified Institution (currently HSBC Bank plc). How this functions in relation to Series 2015-1 is set out below in the section "*Series 2015-1*".

The Receivables Trustee may also open additional trust accounts from time to time at a Qualified Institution for the benefit of specific Beneficiaries (each an "**Additional Trust Account**").

The Receivables Trustee Collection Account, the Receivables Trustee Investment Account and any Additional Trust Accounts are collectively referred to as the "**Trust Accounts**". The Receivables Trustee, as trustee of the Receivables Trust, possesses all legal right, title and interest in all funds on deposit from time to time in each Trust Account and in all proceeds thereof. The Trust Accounts are located in the United Kingdom.

The Receivables Trustee has directed the Transferor that (subject to the provisions of certain monthly cash settlement arrangements between the Transferor and the Receivables Trustee) Finance Charge Collections and Principal Collections held on trust in the Transferor Collection Account for the benefit of the Receivables Trustee are to be transferred to the Receivables Trustee Collection Account on the Business Day following the Date of Processing of such Collections, or as soon as practicable thereafter. The Receivables Trustee must regard all monies in the Receivables Trustee Collection Account as Collections in respect of Receivables assigned to the Receivables Trust unless the Servicer has notified the Receivables Trustee that part or all of such monies have been incorrectly paid into such account ("**Incorrect Payments**"). Following any deduction of an amount of Incorrect Payments incorrectly allocated as Finance Charge Collections from Finance Charge Collections, such amount of Incorrect Payments incorrectly allocated as Finance Charge Collections, if any, shall be treated as having been repaid.

If from time to time any Dilution Refund is received by the Receivables Trustee, the size of the Undivided Bare Trust and the Transferor Interest in the Undivided Bare Trust shall be increased by such amount and such Dilution Refund shall be treated as a Principal Collection and distributed accordingly in accordance with the terms the Receivables Trust Deed and Servicing Agreement and the relevant Supplements.

The amount of any Obligor Overpayments transferred to the Receivables Trustee shall be transferred to the Transferor Receipts Account at which point they will cease to be Trust Property. The Outstanding Face Amount of all Eligible Receivables taken into account for the purposes of calculating the Eligible Receivables Balance will be reduced by the amount of any credit balances on Designated Accounts (including those arising from Obligor Overpayments), but the Eligible Receivables Balance will be increased to the extent of any amounts held by the Originator in the Originator Ring-fenced Account in respect of such credit balances. Obligor Overpayments will not be Collections.

"**Billed Finance Charge Receivables**" shall mean, in respect of a Collection Period, Finance Charge Receivables reported as being billed in respect of all Designated Accounts during such Collection Period, plus any Discount Option Receivables arising on any Designated Accounts during such Collection Period, less, in each case, any such Receivables arising on an Account which was already or, prior to the end of that Collection Period, became a Defaulted Account.

**"Dilution Refunds"** shall mean all amounts received by the Transferor or the Servicer (including via a payment system) in respect of a Dilution Loss.

**"Finance Charge Collections"**, in respect of any Collection Period, shall mean an amount equal to:

- (a) the lesser of (i) Billed Finance Charge Receivables for the immediately preceding Collection Period; and (ii) the amount of Collections received during the Collection Period (such that, on any Relevant Date during such Collection Period, the amount of Finance Charge Collections received during that Collection Period as at such date shall be equal to all Collections received during such Collection Period up to such date until an amount of Collections equal to the Billed Finance Charge Receivables has been received and, thereafter, all further Collections shall be Principal Collections); and
- (b) such other amount of Collections received in such Collection Period as may be specified as being Finance Charge Collections in relation to a particular Series,

**provided that** the amount of Finance Charge Collections shall be reduced for the purposes of any calculation hereunder or in respect of any Supplement on any date of determination by the amount of any Incorrect Payments previously incorrectly allocated as Finance Charge Collections which are to be repaid on such date of determination.

**"Ineligible Receivables Pool"** shall mean the Outstanding Face Amount of all Ineligible Receivables assigned or purported to be assigned to the Receivables Trustee (or other property which is deemed to represent such Receivables) which constitute part of the Trust Property subject to any reduction from time to time under the Receivables Trust Deed and Servicing Agreement.

**"Principal Collections"** means Collections in respect of Eligible Receivables other than Finance Charge Collections, but, for the avoidance of doubt, shall not include Collections in respect of Defaulted Receivables.

**"Transferor Collection Account"** shall mean the account held for the purposes of receiving Collections in accordance with the terms of the Receivables Securitisation Deed.

**"Transferor Ineligible Interest"** shall mean, on any date of determination, the aggregate amount of the Ineligible Receivables Pool.

If from time to time Collections paid into the Receivables Trustee Collection Account representing Collections in respect of Ineligible Receivables ("**Ineligible Collections**") have been initially considered to be Principal Collections in respect of Eligible Receivables ("**Allocated Ineligible Collections**") and incorrectly allocated in accordance with the terms of the Receivables Trust Deed and Servicing Agreement (and any Supplement thereto) then, upon prompt notification to the Receivables Trustee by the Servicer that Allocated Ineligible Collections have been so allocated as Principal Collections in respect of Eligible Receivables, the Receivables Trustee shall apply Trust Property in a manner consistent with the principles set out in the Receivables Trust Deed and Servicing Agreement (as amended by any Supplement) to reapply such Allocated Ineligible Collections correctly and amend its records so that the Ineligible Receivables Pool is decreased by the amount of adjustments in respect of Incorrect Payments previously allocated as Collections and Allocated Ineligible Collections. The Transferor Ineligible Interest in the Ineligibles Bare Trust Property and the Transferor Interest in the Undivided Bare Trust Property shall each be adjusted by the amount of such adjustments with respect to Incorrect Payments, Ineligible Collections and Ineligible Receivables.

Principal Receivables which are Eligible Receivables and which become Receivables in a Defaulted Account are allocated between the Transferor Beneficiary and each Investor Beneficiary in respect of each Series in accordance with their respective Floating Percentages at that time. Credit Adjustments and Reductions in respect of Principal Receivables are allocated to the Transferor Beneficiary as a reduction of the Transferor Interest until such time as the Transferor Interest reaches zero (but only to the extent that the Transferor does not make payment in respect of such Credit Adjustments and Reductions) and thereafter reduces the Originator VFN Excess Amount (see "*The Receivables – Reductions in Receivables, Early Collections and Credit Adjustments*"). Principal Receivables which are Ineligible Receivables and which become Receivables in Defaulted Accounts reduce the Transferor Ineligible Interest until such time as the Transferor Ineligible Interest reaches zero.



Collections representing Trust Property are allocated as Principal Collections, Finance Charge Collections or Ineligible Collections. If a Discount Percentage is nominated by the Transferor (see "*The Receivables - Discount Option Receivables*"), the resulting Discount Option Receivables will be treated as Finance Charge Receivables, and the resulting increase in Billed Finance Charge Receivables will result in a corresponding amount of Collections which would otherwise be treated as Principal Collections being treated as Finance Charge Collections.

If specified by a Supplement, the Investor Beneficiary in respect of the relevant Series will be entitled to a portion of Acquired Interchange. If so specified, the Transferor Beneficiary will also be entitled to a portion of Acquired Interchange. In respect of Series 2015-1, the Loan Note Issuer, as Series 2015-1 Investor Beneficiary, will be entitled to a portion of the Investor Acquired Interchange Amount as further described in "*Series 2015-1*".

Unless specified otherwise in the related Supplement, each Series is or will be entitled to varying percentages of Principal Collections and Finance Charge Collections and will be allocated percentages of losses in respect of Default Amounts in Defaulted Accounts, in each case calculated in accordance with the Supplement applicable to such Series, on a *pari passu* basis with each other Series and the Transferor Beneficiary. Also, as noted above, if so specified in the related Supplement, each Series is or will be entitled to a portion of Acquired Interchange in respect of each Collection Period. To the extent that any Acquired Interchange is not allocated to all such Series, such Acquired Interchange will be allocated to the Transferor Beneficiary.

The Transferor is entitled to receive, as Deferred Consideration from the Receivables Trustee, amounts equal to those amounts of Finance Charge Collections and Acquired Interchange distributed in respect of a Series that are not utilised by the relevant Investor Beneficiary (whether or not such Investor Beneficiary is the Investor Beneficiary in relation to such Series) or any Enhancement Provider as specified pursuant to the related Supplement but which are paid to the Receivables Trustee by such Investor Beneficiary or Enhancement Provider as Additional Funds (other than Additional Funds "Trustee Payments" and Additional Funds "Loss Make-Up"). The entitlement of the Investor Beneficiary (in respect of its Investor Interest relating to a Series) to Principal Collections, Finance Charge Collections and Acquired Interchange is or will be specified in the related Supplement.

Certain obligations on the part of the Transferor to make a payment to the Receivables Trustee pursuant to the Receivables Securitisation Deed, in respect of Principal Receivables in respect of which a breach of warranty has occurred, may be fulfilled by a reduction of the Transferor Interest and, in addition, where appropriate, by an increase in the Transferor Ineligible Interest; **provided, however, that**, in the event and to the extent the Transferor Interest would be reduced below zero, the Transferor must make a corresponding payment to the Receivables Trustee in accordance with the provisions of the Receivables Trust Deed and Servicing Agreement and the Receivables Securitisation Deed.

The Servicing Fee is payable by the Receivables Trustee to the Servicer. The Receivables Trustee is entitled to be reimbursed for its payments to the Servicer from payments made by the Beneficiaries to the Receivables Trustee. Each Beneficiary may utilise Trust Property allocated to such Beneficiary to make such payment.

In accordance with the preceding summary of general principles, the Receivables Trustee makes the following daily (unless otherwise stated) transfers of monies from, or on a daily basis identifies and credits to separate ledgers in, the Receivables Trustee Collection Account as follows:

- (i) *Incorrect Payments*: the amount of any Incorrect Payments notified to the Receivables Trustee not previously allocated as Collections representing Trust Property shall be transferred to an account in the name of the Transferor utilised to receive amounts owing to the Transferor from the Receivables Trustee (the "**Transferor Receipts Account**"), whereupon such monies cease to be Trust Property and are owned by the Transferor absolutely;
- (ii) *Obligor Claims*: the amount of any Obligor Claims paid in cash by or on behalf of the Originator, as notified to the Receivables Trustee, shall be transferred to the Transferor Receipts Account, whereupon such monies shall cease to be Trust Property and shall be owned by the Transferor Beneficiary absolutely (and a corresponding adjustment shall be made to the Finance Charge Collections Ledger in the Receivables Trustee Collection Account until such time as no amounts are recorded on the Finance Charge Collections Ledger and thereafter a corresponding

adjustment shall be made to the Principal Collections Ledger in the Receivables Trustee Collection Account, **provided that** no such adjustments shall be in an amount greater than the amount of any Obligor Claims and neither the Finance Charge Collections Ledger nor the Principal Collections Ledger shall have a balance of less than zero recorded);

- (iii) *Obligor Overpayments*: the amount of any Obligor Overpayments, as notified to the Receivables Trustee, shall be transferred to the Transferor Receipts Account, whereupon such monies shall cease to be Trust Property and shall be owned by the Transferor Beneficiary absolutely (and a corresponding adjustment shall be made to the Principal Collections Ledger in the Receivables Trustee Collection Account, **provided that** no such adjustments shall be in an amount greater than the amount of any Obligor Overpayments and the Principal Collections Ledger shall not have a balance of less than zero recorded);
- (iv) *Ineligible Collections*: the amount of Ineligible Collections notified to the Receivables Trustee not previously allocated as Principal Collections shall be transferred to the Transferor Receipts Account, whereupon such monies shall cease to be Trust Property and shall be owned by the Transferor Beneficiary absolutely;
- (v) *Series Principal Collections*: the relevant amount of Principal Collections to be credited to the Principal Collections Ledger, as specified in or pursuant to the related Supplement for the applicable Series, shall be retained in the Receivables Trustee Collection Account (and a corresponding adjustment shall be made to the Principal Collections Ledger in the Receivables Trustee Collection Account);
- (vi) *Cash Available for Investment*: subject to any provisions of any Supplement which require any amounts to be retained in the Principal Collections Ledger (whether on account of Required Retained Principal Collections (as defined in the related Supplement for each Series) or otherwise), or, as the case may be, distributed from the Principal Collections Ledger (other than to the Receivables Trustee Investment Account), the amount of any Principal Collections remaining after the application of (i) to (v) above (which remaining amount shall constitute Cash Available for Investment) shall be credited to the Receivables Trustee Investment Account (and a corresponding adjustment shall be made to the Principal Collections Ledger in the Receivables Trustee Collection Account);
- (vii) *Transferor Finance Charge Amount*: an amount equal to the product of (1) the Floating Transferor Percentage for the Collection Period in which such Finance Charge Collections arise, and (2) the aggregate amount of Finance Charge Collections in respect of the relevant Date of Processing (the "**Transferor Finance Charge Amount**") shall be credited to the Transferor Receipts Account or as the Transferor Beneficiary may direct (and a corresponding adjustment shall be made to the Finance Charge Collections Ledger in the Receivables Trustee Collection Account), whereupon such monies shall cease to be Trust Property and shall be owned by the Transferor Beneficiary absolutely;
- (viii) *Transferor Acquired Interchange Amount*: on each Transfer Date, an amount equal to the product of (1) the Floating Transferor Percentage for the Collection Period preceding such Transfer Date, and (2) the aggregate amount of Acquired Interchange deposited by the Transferor in the Receivables Trustee Collection Account in respect of the relevant Collection Period (the "**Transferor Acquired Interchange Amount**") shall be credited to the Transferor Receipts Account or as the Transferor Beneficiary may direct (and a corresponding adjustment shall be made to the Finance Charge Collections Ledger in the Receivables Trustee Collection Account), whereupon such monies shall cease to be Trust Property and shall be owned by the Transferor Beneficiary absolutely;
- (ix) *Investor Finance Charge Amount*: in respect of each Investor Beneficiary, an amount equal to the product of:
  - (1) the sum of the Floating Investor Percentages in respect of all Outstanding Series for the relevant Investor Beneficiary for the Collection Period in which such Finance Charge Collections arise, and

- (2) the aggregate amount of Finance Charge Collections in respect of the relevant Date of Processing,

(the "**Investor Finance Charge Amount**") shall be transferred in accordance with the relevant Supplement in relation to the amounts thereof referable to the Series in respect of which the relevant Investor Beneficiary is the Investor Beneficiary (and a corresponding adjustment shall be made to the Finance Charge Collections Ledger in the Receivables Trustee Collection Account), whereupon such monies shall cease to be Undivided Bare Trust Property and shall be owned by the relevant Investor Beneficiary absolutely;

- (x) *Investor Acquired Interchange Amount*: on each Transfer Date, in respect of each Investor Beneficiary, an amount equal to the product of:

- (1) the sum of the Floating Investor Percentages in respect of all Outstanding Series for the relevant Investor Beneficiary for the Collection Period preceding the Transfer Date; and
- (2) the aggregate amount of Acquired Interchange deposited by the Transferor in the Receivables Trustee Collection Account in respect of the relevant Collection Period,

(the "**Investor Acquired Interchange Amount**"), shall be transferred in accordance with the relevant Supplement, in relation to the amounts thereof referable to the Series in respect of which that relevant Investor Beneficiary is the Investor Beneficiary (and a corresponding adjustment shall be made to the Finance Charge Collections Ledger in the Receivables Trustee Collection Account), whereupon such monies shall cease to be Undivided Bare Trust Property and shall be owned by the relevant Investor Beneficiary absolutely; and

- (xi) *Amounts remaining*: amounts remaining in the Receivables Trustee Collection Account after the application of monies referred to above and in any Supplement shall either (1) remain deposited in the Receivables Trustee Collection Account until such time as they are utilised on succeeding Business Days in accordance with the Receivables Trust Deed and Servicing Agreement and any Supplement, or (2) be invested in Permitted Investments.

#### **Application of Cash Available for Investment, Initial Payments, Payment for Future Receivables**

During each Revolving Period, Accumulation Period or Amortisation Period applicable to a Series as further specified in the related Supplement (see "*Series 2015-1 – Distributions of Principal Collections to the Loan Note Issuer*"), the Receivables Trustee will each day (subject to (a)(ii) below) utilise a portion of Principal Collections allocated to the Beneficiaries in respect of each Outstanding Series to fund the payment of purchase price for Receivables (such amounts being "**Cash Available for Investment**") (however no amounts of Investor Cash Available for Investment are used to pay for Receivables notified by the Transferor to be Ineligible Receivables). Such amounts shall be applied in the following order:

- (a) on each Assignment Date, either:
- (i) the amount equal to the funds required to meet the obligation of the Receivables Trustee to pay an amount (the "**Initial Payment**") equal to (a) the outstanding face amount of the existing Receivables which are Principal Receivables and which are the subject of the assignment made on such Assignment Date (excluding any Receivables which have prior to the time of acceptance been identified by the Transferor or the Servicer as being Ineligible Receivables) plus (b) the balance, if any, standing to the credit of the Originator Ring-fenced Account in respect of the existing Accounts under which the Receivables which are the subject of that assignment arise; or
- (ii) if the Servicer is unable to determine the amount of the Initial Payment, the obligation to pay such amount shall be deferred to a day falling no later than the Transfer Date falling in the immediately succeeding Collection Period;
- (b) either:
- (i) an amount required to meet the obligation of the Receivables Trustee to make payments in respect of, *inter alia*, future Receivables in accordance with the terms of the Receivables Securitisation Deed; or

- (ii) if the Servicer is unable to determine the amount of purchase price to be paid for such future Receivables, the obligation to pay such amount shall be deferred to a day falling no later than the Transfer Date falling in the immediately succeeding Collection Period;
- (c) on behalf of the Investor Beneficiary of any Series in accordance with the related Supplement, the amount of Investor Cash Available for Investment that is required to be applied to fund the effective acquisition of all or part of the Transferor Interest in order to increase the proportion of the beneficial interest of such Investor Beneficiary for such Series in the Eligible Receivables Balance and decrease the Transferor Interest accordingly shall be transferred to the Transferor Receipts Account, whereupon such monies shall cease to be Trust Property and shall be owned by the Transferor Beneficiary absolutely; and
- (d) the amount of unutilised Transferor Cash Available for Investment shall be transferred to the Transferor Receipts Account, whereupon such monies shall cease to be Trust Property and shall be owned by the Transferor Beneficiary absolutely and the Transferor Interest shall accordingly be decreased by such amount,

**provided that**, to the extent that on any day (A) the Transferor Interest is zero or would, if reduced further, when aggregated with the Originator VFN Excess Amount, be below the Minimum Transferor Interest, and (B) a Principal Collection which would otherwise be paid to the Transferor pursuant to paragraph (c) or (d) above (an "**Unavailable Principal Collection**") is held in the Receivables Trustee Investment Account, such amount shall remain credited to the Receivables Trustee Investment Account until such time as either it can be utilised in accordance with paragraph (a) or (b) above (or in accordance with the terms of any Supplement) or the Transferor Interest is greater than zero and can be reduced without, when aggregated with the Originator VFN Excess Amount, falling below the Minimum Transferor Interest, and **provided that** any unused Cash Available for Investment in respect of any Collection Period shall be retained in the Receivables Trustee Investment Account and applied in accordance with the terms of the Receivables Trust Deed and Servicing Agreement and the relevant Supplements.

Payments for future Receivables and Acquired Interchange required to be made by the Receivables Trustee can either be made in cash, by deposit of the relevant payment into the Transferor Receipts Account or, to the extent such payment is not made by cash, an increase in the Transferor Interest.

The Transferor Interest is also decreased or increased by other adjustments thereto as referred to in "*Allocation and Application of Collections*" above.

The Investor Interest in respect of each Series and the beneficial interest in the Receivables Trust of each Additional Beneficiary is or will be increased or decreased in the manner specified in the related Supplement. In relation to Series 2015-1, see further "*Series 2015-1*".

"**Investor Cash Available for Investment**" shall mean, with respect to each Investor Beneficiary on any date of determination, the amount of the undivided share of Cash Available for Investment calculated as referable to such Investor Beneficiary (being all Cash Available for Investment which represents Principal Collections allocated to such Investor Beneficiary), as determined on such date in accordance with the terms of the Receivables Trust Deed and Servicing Agreement.

#### **Application of Monies in the Receivables Trustee Consideration Ledger – Deferred Consideration payable by the Receivables Trustee to the Transferor**

Under the terms of the Receivables Securitisation Deed, the Receivables Trustee has an obligation to make payments of Deferred Consideration to the Transferor in respect of any assignments of Eligible Receivables. These payments will be funded by amounts accumulating in the Receivables Trustee Consideration Ledger. See Further "*The Receivables - Assignment of Receivables to Receivables Trustee*" and, in respect of Series 2015-1, see also "*Series 2015-1 – Available Funds*".

#### **Non-Petition Undertaking of Beneficiaries**

It is a condition of the Receivables Trust (to which each Beneficiary must consent upon its execution of a Supplement) that each Beneficiary of the Receivables Trust (including the Transferor Beneficiary), the Transferor, the Servicer and (if appointed) any Successor Servicer undertakes or will undertake to the Receivables Trustee for itself and as trustee for each Beneficiary that such party will not take any steps

for the purposes of recovering any of the amounts owing to it by the Receivables Trustee or enforcing any rights arising under or in connection with any of the Transaction Documents against the Receivables Trustee or other steps or legal proceedings seeking the winding up, administration, bankruptcy or liquidation of the Receivables Trustee or any successor trustee of the Receivables Trust or of any or all of the revenues and assets of any of them. This does not prevent any party from proving in any winding-up or other bankruptcy proceedings of the Receivables Trustee started by another person.

### **Limited Recourse**

If the resources available to the Receivables Trustee at any time are insufficient to pay any liability in full, after payment of all other liabilities ranking in priority to it in accordance with the provisions of the Receivables Trust Deed and Servicing Agreement and any Supplement, any transaction party to which that liability is owed shall have no further claim against the Receivables Trustee at that time in respect of that unpaid amount and shall not then exercise any remedies against the Receivables Trustee in respect of that unpaid amount and the Receivables Trustee shall not have any further obligation with respect to that unpaid amount until and to the extent that it has sufficient resources to pay it.

### **Trust Pay Out Events**

If any one of the following events (each a "**Trust Pay Out Event**") occurs:

- (a) the Originator or the Transferor consents to the appointment of, or takes any corporate action to appoint, a receiver, administrator, administrative receiver, liquidator, trustee in bankruptcy or similar officer of it or over all or substantially all of its revenues and assets;
- (b) proceedings are started against the Originator or the Transferor under any applicable liquidation, insolvency, composition or re-organisation or similar laws for its winding up, dissolution, administration or reorganisation (other than a solvent re-organisation) and the proceedings are not frivolous or vexatious or discharged within 60 days, or a receiver, administrator, administrative receiver, liquidator, trustee in bankruptcy or similar officer of it or relating to all or substantially all of its revenues and assets is legally and validly appointed and is not discharged within 30 days;
- (c) a duly authorised officer of either the Originator or the Transferor admits in writing that the Originator or the Transferor is unable to pay its debts when they fall due within the meaning of Section 123(1) of the Insolvency Act 1986 or either the Originator or the Transferor makes a general assignment or trust for the benefit of or a composition with its creditors or voluntarily suspends payment of its obligations;
- (d) the Transferor becomes unable to transfer Receivables on the Designated Accounts to the Receivables Trustee in the manner described in the Receivables Securitisation Deed;
- (e) either the Originator or the Transferor stops being either resident in the United Kingdom for United Kingdom tax purposes or liable for United Kingdom corporation tax; or
- (f) either:
  - (i) a change in law or its interpretation or administration results in the Receivables Trustee becoming liable to make any payment on account of tax (other than in respect of the Trustee Fee) which is more than trivial; or
  - (ii) any tax authority asserts a tax liability or takes other actions against the Originator or Transferor in relation to the transaction which would have an adverse affect on them which is more than trivial, if the Originator or Transferor obtains an opinion of counsel stating that the tax liability would be due. This event will be treated as occurring when the Originator or Transferor gives written notice of it to the Receivables Trustee,

then a Series Pay Out Event will occur in respect of each Series and each Beneficiary within such Series and the Transferor Beneficiary without any notice or other action on the part of the Receivables Trustee or any Beneficiary immediately upon the occurrence of such event. A Trust Pay Out Event under paragraphs (a), (b) or (c) is a "**Pay Out Insolvency Event**" in respect of the Originator or the Transferor.

The Series Pay Out Events applicable to Series 2015-1 include the Trust Pay Out Events and those events referred to in "*Series 2015-1 – Pay Out Events*". In respect of Series 2015-1, "**Pay Out Event**" means a Trust Pay Out Event or a Series 2015-1 Pay Out Event.

The Transferor must give immediate notice to the Receivables Trustee of a Pay Out Insolvency Event. Where a Pay Out Insolvency Event occurs, the Receivables Trustee shall not be permitted to receive further assignments of Receivables, save that Finance Charge Receivables accruing in respect of Receivables which have been assigned to the Receivables Trustee shall form part of the Trust Property and Collections, whenever received, relating thereto shall continue to be allocated and applied in accordance with the Receivables Trust Deed and Servicing Agreement and each related Supplement.

#### **Termination of the Receivables Trust**

Subject to obtaining the written consent of each existing Beneficiary of the Receivables Trust, on any day on which (i) the Aggregate Investor Interest in respect of each Investor Beneficiary is reduced to zero, (ii) there are no Finance Charge Collections or other Trust Property allocated to any Beneficiaries other than the Transferor Beneficiary and (iii) no Beneficiary is committed to make contributions to meet payments in respect of the assignment of Receivables to or for the Receivables Trustee, then the Transferor Beneficiary may, by written notice, direct the Receivables Trustee to dissolve the Receivables Trust. On dissolution of the Receivables Trust, the Receivables Trustee shall distribute the Trust Property to the Transferor Beneficiary or any other Beneficiary according to their respective beneficial entitlements at that time. Following such conveyance of the Trust Property to each Beneficiary, the Receivables Trust shall be dissolved.

The perpetuity period of the Receivables Trust shall be a period of 125 years from the date of execution of the Receivables Trust Deed and Servicing Agreement. Any property which remains on trust for the benefit of Beneficiaries at the end of the perpetuity period will vest in the then Beneficiaries in accordance with their respective beneficial entitlements to Trust Property at that date.

#### **Beneficiaries Deed**

Notwithstanding that the Receivables Trust Deed and Servicing Agreement contains references to the Beneficiaries giving their consent, vote, direction or agreement in relation to certain actions or provisions relating to the Receivables Trust, the Beneficiaries have contractually agreed between themselves, pursuant to the Beneficiaries Deed, that any such consent, vote, direction or agreement may only be given in accordance with the Beneficiaries Deed. The effect of the Beneficiaries Deed is that, where the terms of the Receivables Trust Deed and Servicing Agreement are such that the giving of a consent, vote, direction or agreement by some or all of the Beneficiaries is required, the Beneficiaries have agreed amongst themselves pursuant to the Beneficiaries Deed that either:

- (i) the Investor Beneficiaries will act in accordance with a written request from the Transferor Beneficiary; or
- (ii) a specific criterion, test or standard, for example that the relevant action would not adversely affect the beneficial entitlement of any Investor Beneficiary in respect of a Series with outstanding Related Debt, will have to be met before the Investor Beneficiaries may be required to give such consent, vote, direction or agreement.

The Receivables Trustee is not a party to the Beneficiaries Deed and is not bound by its provisions.

#### **Amendments to the Receivables Trust Deed and Servicing Agreement**

The Receivables Trust Deed and Servicing Agreement and any Supplement may (i) be amended in writing from time to time by the Servicer, the Transferor Beneficiary and the Receivables Trustee, only with the prior written consent of each person who is a Beneficiary at the time of such amendment and/or (ii) be amended in writing from time to time by (insofar as any amendment relates only to the provisions of the Receivables Trust and not to the rights, obligations, protections or interests of the Servicer) the Receivables Trustee at the direction of the Transferor Beneficiary and with the prior written consent of each person who is a Beneficiary at the time of such amendment:

- (i) to provide for additional Enhancement or substitute Enhancement with respect to a Series (so long as the amount of such substitute Enhancement, unless otherwise provided in any related Supplement, is equal or greater to the original Enhancement for such Series);
- (ii) to change the definition of Eligible Account or Eligible Receivable or to provide for the addition to the Receivables Trust of a Participation; **provided that** any change to the definition of Eligible Account or Eligible Receivable shall have no effect in relation to any Receivables which have been acquired by the Receivables Trustee before such change takes effect and **provided that** the Servicer certifies in an officer's certificate that, in its opinion, formed on the basis of due consideration, such change or addition would not have a Material Adverse Effect on the interest of any Investor Beneficiary and a Rating Confirmation is provided; or
- (iii) for any purpose other than those specified in paragraphs (i) and (ii) above, **provided, however,** in each case, that (A) a Rating Confirmation is provided and (B) such amendment will not result in a material change in the permitted activities of the Receivables Trustee.

The Receivables Trust Deed and Servicing Agreement and any Supplement may also be amended in writing from time to time by the Servicer, the Transferor Beneficiary and the Receivables Trustee with the prior written consent of all of the Beneficiaries for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Receivables Trust Deed and Servicing Agreement or any Supplement or modifying in any manner the rights of any Investor Beneficiary of any Outstanding Series.

"**Associated Debt**" shall mean any notes (including the Notes) issued by a Loan Note Holder to fund its subscription for a Loan Note, as more particularly specified in the relevant Supplement.

"**Participations**" shall mean participations representing undivided interests in a pool of assets primarily consisting of receivables arising under credit card or charge card accounts beneficially owned by the Transferor and collections thereon. The addition of Participations as Trust Property shall be effected by an amendment to the Receivables Trust Deed and Servicing Agreement.

"**Related Debt**" shall mean, with respect to an Investor Interest in any Series, any Loan Note issued by the Investor Beneficiary holding such Investor Interest, or other debt described as such in the related Supplement in respect of such Series (if any), in each case as further specified in the related Supplement for such Series.

"**Relevant Documents**" shall mean:

- (a) the Receivables Trust Deed and Servicing Agreement;
- (b) the Receivables Securitisation Deed;
- (c) the master framework agreement to be dated on or about the Series 2015-1 Closing Date between, *inter alios*, the Receivables Trustee, NewDay Funding Transferor Ltd, NewDay Cards Ltd, the Loan Note Issuer and the Security Trustee (the "**Master Framework Agreement**");
- (d) each Offer;
- (e) each Supplement and each other document executed in connection with a Contribution (including any documents executed in connection with Related Debt);
- (f) any mandate and other agreement relating to a Trust Account or a bank account in respect of which the Receivables Trustee has a beneficial interest;
- (g) the Beneficiaries Deed;
- (h) the Back-Up Cash Management Agreement; and
- (i) any other document, other than a Credit Agreement or other arrangement with an Obligor or guarantor of any Obligor, contemplated by and executed in connection with any of the preceding documents.

### **Aggregate Trustee Payment Amount**

As full compensation for any fees, costs and expenses incurred by the Receivables Trustee in connection with its duties and activities as Receivables Trustee (including amounts in respect of stamp duty, if applicable, but excluding amounts in respect of the Servicing Fee and any tax on profits), the Receivables Trustee is entitled to be reimbursed by the Beneficiaries for such amounts as provided in the Receivables Trust Deed and Servicing Agreement and any Supplement with respect to each Collection Period on the related Transfer Date (each such payment on the related Transfer Date being the "**Trustee Payment Amount**"). The aggregate reimbursement of such fees, costs and expenses payable on a Transfer Date together with any Trustee Fee payable on such date (as described below) is described as the "**Aggregate Trustee Payment Amount**".

In consideration of the undertaking and performance by the Receivables Trustee of its fiduciary duties under the Receivables Trust Deed and Servicing Agreement and any Supplement thereto, the Beneficiaries shall pay to the Receivables Trustee a Trustee Fee. "**Trustee Fee**" means a per annum fee calculated in accordance with each Supplement. The actual fee payable in respect of Series 2015-1 is payable in 12 equal instalments on each Transfer Date commencing with the first Transfer Date after the Series 2015-1 Closing Date and shall be included in the Aggregate Trustee Payment Amount on each Transfer Date. See "*Series 2015-1 – Investor Aggregate Trustee Payment Amount*".

The share of the Aggregate Trustee Payment Amount allocable to and borne by the Loan Note Issuer (as an Investor Beneficiary) in respect of Series 2015-1 is described in "*Series 2015-1 – Investor Aggregate Trustee Payment Amount*".



## SERVICING OF RECEIVABLES

### General

NewDay Cards Ltd has been appointed by the Receivables Trustee as initial Servicer under the terms of the Receivables Trust Deed and Servicing Agreement. NewDay Cards Ltd has appointed Lloyds to perform certain cash management and settlement services in respect of the Securitised Portfolio and has appointed First Data Global Services Limited to perform certain technical and operational services in respect of the Securitised Portfolio. The Servicer may also, in the ordinary course of business, delegate any or all of its duties as Servicer under the Receivables Trust Deed and Servicing Agreement to any other person who agrees to conduct such duties where applicable in accordance with the Credit Guidelines, **provided that**, if such delegation is to a party other than the Originator or any affiliate thereof, the Servicer shall notify each Rating Agency of such delegation. Regardless of any such delegation, NewDay Cards Ltd will remain fully liable for all obligations of the Servicer under the Receivables Trust Deed and Servicing Agreement.

To aid the administration and settlement of certain cash payments relating to the Servicer's existing delegation agreements, the Servicer, the Receivables Trustee, the Loan Note Issuer and the Transferor have entered into the Master Cash Settlement Agreement, the terms of which allow certain payments to and from the Transferor to be set off against each other and permit the Transferor to retain Collections which would otherwise be paid back to it by the Receivables Trustee (either as payments due to it or as refundable advance principal payments).

The Servicer (which term, for the purposes of the description of its servicing functions and obligations in this Prospectus and unless the context requires otherwise, includes any delegate appointed by it in relation to such servicing functions and obligations) services and administers the Receivables and collects payments due in respect of the Receivables in accordance with its customary and usual servicing procedures for servicing receivables comparable to the Receivables and in accordance with the Credit Guidelines.

Without limiting the generality of the foregoing, the Servicer's duties include:

- advising the Receivables Trustee to direct the Transferor in making withdrawals from the Transferor Collection Account, as described in this Prospectus;
- advising the Receivables Trustee to make withdrawals and payments from the Trust Accounts, as described in this Prospectus, and providing other advice as described in this Prospectus;
- executing and delivering instruments of satisfaction or cancellation, or of partial or full release or discharge, with respect to the Receivables and commencing enforcement proceedings with respect to delinquent Receivables; and
- making any filings, reports, notices, applications, registrations with, and seeking consents or authorisations from, any relevant securities or other authority as may be necessary or advisable to comply with any securities or reporting requirements (whether in relation to the Beneficiaries or the Receivables Trust).

NewDay Cards Ltd as Servicer will indemnify the Receivables Trustee, its agents and the Receivables Trust from and against all reasonable loss, liability, expense, damage or injury suffered or sustained by reason of any fraud, wilful misconduct or grossly negligent acts or omissions of the Servicer with respect to the activities of the Receivables Trustee or the Receivables Trust. However, the Servicer will not:

- indemnify the Receivables Trust, the Receivables Trustee and its agents or any Investor Beneficiary if such acts or omissions or alleged acts or omissions constitute or are caused by fraud, wilful misconduct, bad faith or negligence by the Receivables Trustee or its agents;
- indemnify the Receivables Trust, the Receivables Trustee and its agents or any Investor Beneficiary for any liabilities, costs or expenses of the Receivables Trust incurred with respect to any action taken by the Receivables Trustee at the request of any Investor Beneficiary (including in respect of any issuance of Related Debt and/or Associated Debt), otherwise than as a

consequence of fraud, wilful misconduct, bad faith or gross negligence of the Servicer in the performance of its duties under the Receivables Trust Deed and Servicing Agreement;

- indemnify the Receivables Trust, the Receivables Trustee and its agents or any Investor Beneficiary for any losses, claims or damages incurred by any of them in respect of the Receivables Trust including, without limitation, losses incurred as a result of Receivables in Defaulted Accounts; or
- indemnify the Receivables Trust, the Receivables Trustee and its agents or any Investor Beneficiary for any liabilities, costs or expenses of any of them arising under any tax law (or any interest or penalties with respect thereto or arising from a failure to comply therewith).

Any such indemnification shall be payable by the Servicer itself and not be payable from the Trust Property of the Receivables Trust.

Other than as described above, the Servicer will not be under any liability to the Receivables Trust, the Receivables Trustee and its agents, any Beneficiary, or any other person under the Receivables Trust Deed and Servicing Agreement or any Supplement, except in the case of fraud, wilful default, bad faith or gross negligence of the Servicer in the performance of its duties or reckless disregard of its obligations and duties under the Receivables Trust Deed and Servicing Agreement or under any Supplement.

In the event that the Servicer is unable to carry out its obligations under the Receivables Trust Deed and Servicing Agreement due to the practical circumstances beyond its control specified in the Receivables Trust Deed and Servicing Agreement (e.g. electricity power cuts, computer failure, earthquakes, riots and war), it will incur no liability under the Receivables Trust Deed and Servicing Agreement in respect of any such failure to carry out its obligations unless the event arose as a result of the fraud, wilful default or gross negligence of the Servicer or its failure to take certain specified precautions. However, the Servicer shall take all reasonable steps available to it to procure that such events cease to exist and take all practical steps to minimise any loss resulting from any such event.

Any person into which, in accordance with the Receivables Trust Deed and Servicing Agreement, the Servicer may be merged or consolidated or any person resulting from any merger or consolidation to which the Servicer is a party, or any person succeeding to the business of the Servicer, upon execution of a supplemental agreement to the Receivables Trust Deed and Servicing Agreement and delivery of a legal opinion with respect to the compliance of the succession with the applicable provisions of the Receivables Trust Deed and Servicing Agreement, will be the successor to the Servicer under the Receivables Trust Deed and Servicing Agreement.

The Servicer will not resign from its obligations and duties as Servicer under the Receivables Trust Deed and Servicing Agreement, except upon determination that performance of its duties is no longer permissible under applicable law and there is no reasonable action which the Servicer could take to make the performance of its duties permissible by law. No such resignation will become effective until a Successor Servicer (see "*Termination of Appointment of Servicer*" below) has assumed the Servicer's responsibilities and obligations under the Receivables Trust Deed and Servicing Agreement.

### **Servicing Compensation**

As full compensation for its servicing duties and activities and as reimbursement for any expense incurred by it in connection therewith, NewDay Cards Ltd as Servicer is entitled to receive a fee (the "**Servicing Fee**") from the Receivables Trustee (solely to the extent to which it is reimbursed or entitled to be reimbursed therefor by the Beneficiaries for that purpose as provided in the Receivables Trust Deed and Servicing Agreement and any Supplement thereto) with respect to each Collection Period. The Servicing Fee (which is inclusive of value added tax thereon, if any) is payable monthly on the Transfer Date relating to each Collection Period and will be the sum of:

- (i) one twelfth of the product of (x) 4.0 per cent.; and (y) the average of the daily aggregate outstanding amount of Receivables during the relevant Collection Period; and
- (ii) any amount agreed, on an arm's length basis, from time to time between a successor Servicer and the Receivables Trustee,

less, for so long as NewDay Cards Ltd is the Servicer, any net receipts of insurance commission income received by the Servicer in respect of Designated Accounts during such Collection Period.

The amount of net receipts of insurance commission income in respect of Designated Accounts shall be deemed to be equal to the product of:

- (a) the total net receipts of insurance commission income received by the Servicer during such Collection Period in respect of the Portfolio; and
- (b) a fraction, the numerator of which is the aggregate outstanding amount of Receivables in respect of the Designated Accounts at the end of such Collection Period and the denominator of which is the aggregate outstanding amount of Receivables in respect of all Accounts (including Designated Accounts) at the end of such Collection Period.

An amount equal to the portion of the Servicing Fee payable by the Receivables Trustee to the Servicer in respect of which the Receivables Trustee is to be reimbursed from payments made by the Investor Beneficiaries in respect of a particular Series (with respect to each Collection Period) is called the "**Investor Servicing Fee Amount**" and will be determined in accordance with each relevant Supplement. See also "*Limits on Liability for Servicing Fees*" below. The Investor Beneficiaries will pay the Investor Servicing Fee Amount to the Receivables Trustee, in respect of each Series, by way of Additional Funds in consideration for the grant of the relevant Investor Interest. If provided in the relevant Supplement, all or part of the Investor Servicing Fee Amount may be met from amounts of Acquired Interchange allocated to an Investor Beneficiary.

An amount equal to the portion of the Servicing Fee (with respect to any Collection Period) in respect of which the Receivables Trustee is not reimbursed from payments made by the Investor Beneficiaries in respect of each Outstanding Series is called the "**Transferor Servicing Fee Amount**". The Transferor Servicing Fee Amount shall be paid to the Receivables Trustee by the Transferor Beneficiary using amounts from the Transferor Finance Charge Amount and the Transferor Acquired Interchange Amount or other Trust Property allocable to the Transferor Beneficiary (or from any other property of the Transferor Beneficiary which may be available for such purpose) on the related Transfer Date. In no event shall any Investor Beneficiary or any Enhancement Provider be liable to reimburse the Receivables Trustee for the share of the Servicing Fee (with respect to any Collection Period) in respect of which the Receivables Trustee was to be reimbursed from payments to be made by the Transferor Beneficiary. The Receivables Trustee is only liable to pay the Servicing Fee to the extent to which it is reimbursed by the Beneficiaries thereafter. The Beneficiaries may utilise Trust Property as provided in the Receivables Trust Deed and Servicing Agreement and Supplement for the purposes of making such reimbursement.

#### **Series 2015-1 Investor Servicing Fee**

The Investor Servicing Fee Amount to be met by the Series 2015-1 Investor Beneficiary with respect to any Transfer Date (the "**Series 2015-1 Investor Servicing Fee Amount**") is specified in the Series 2015-1 Supplement and will be equal to the product of (A) the Floating Investor Percentage as of the first day of the Collection Period preceding such Transfer Date and (B) the Servicing Fee payable on such Transfer Date. The amount of the Series 2015-1 Investor Servicing Fee Amount is inclusive of value added tax thereon, if any. A portion of the Investor Acquired Interchange Amount referable to Series 2015-1 on a Transfer Date equal to the product of (A) the Servicer Interchange Percentage, and (B) the Servicing Fee payable on such Transfer Date (the "**Servicer Interchange Amount**") shall be applied as Additional Funds and used to meet a portion of the Investor Servicing Fee Amount and, to the extent such funds available are less than the Servicer Interchange Amount, the Investor Servicing Fee Amount shall be reduced by the shortfall. For further detail on the Series 2015-1 Investor Interest, see "*Series 2015-1*". See also "*Limits on Liability for Servicing Fees*" below.

"**Servicer Interchange Percentage**" shall mean (a) with respect to any Transfer Date where NewDay Cards Ltd is the Servicer, 7.5 per cent. or (b) such other percentage as may otherwise be agreed between NewDay Cards Ltd and the Receivables Trustee and, with respect to any Transfer Date where NewDay Cards Ltd is not the Servicer, such percentage (if any) as may be agreed between the Receivables Trustee and the then Servicer.

### **Limits on Liability for Servicing Fees**

Except as specifically described above, to the extent that the amounts payable by the Receivables Trustee to the Servicer in respect of Servicing Fees exceed amounts which are reimbursable as provided above, the Receivables Trustee shall be liable to pay such further Servicing Fees only if and to the extent that it is entitled to be reimbursed therefor by the Transferor Beneficiary and Investor Beneficiaries of other Outstanding Series using cash flows from the Receivables Trust allocated to the Transferor Beneficiary and such other Outstanding Series (as provided in the related Supplements). In no event shall either the Series 2015-1 Investor Beneficiary, the Receivables Trust or the Receivables Trustee be liable for any Servicing Fees in amounts exceeding those described above.

### **Termination of Appointment of Servicer**

The appointment of NCL as Servicer under the Receivables Trust Deed and Servicing Agreement, and the appointment of any person as servicer of the Receivables in succession to NCL (a "**Successor Servicer**"), may only be terminated upon the occurrence of a Servicer Default (as defined below). Where a Servicer Default has occurred and is continuing, the Receivables Trustee may terminate all of the rights and obligations of the Servicer as Servicer under the Receivables Trust Deed and Servicing Agreement by serving a notice in writing to that effect (a "**Servicer Termination Notice**") on the Servicer. If the Receivables Trustee at any time becomes entitled to give a Servicer Termination Notice, it shall give such a notice if requested to do so by a majority of the Investor Beneficiaries (and shall not give the Servicer Termination Notice without the prior agreement of a majority of the Investor Beneficiaries). Pursuant to the Beneficiaries Deed, the Beneficiaries have agreed to request the service of such a notice in the circumstances described in this section below.

The Successor Servicer shall have no liability in respect of:

- any breach by any previous Servicer of the Receivables Trust Deed and Servicing Agreement or any other Relevant Document;
- any failure to comply with the terms of the Receivables Trust Deed and Servicing Agreement (having used its reasonable endeavours to comply) insofar as the same results from any breach referred to above or any necessary information, documents, deeds, computer tapes or other data not being made freely available to it in good order in good time for it to assume its obligations as Successor Servicer; or
- anything which the Receivables Trust Deed and Servicing Agreement anticipates will be done that cannot be done as a result of non co-operation by the Receivables Trustee, **provided that** the Successor Servicer has notified the Transferor of such non co-operation.

The Successor Servicer may require a period of up to three months (the "**Transfer Period**") to put itself in a position to perform all the services required to be performed by it under the terms of the Receivables Trust Deed and Servicing Agreement (including the obtaining of all necessary licences, registrations and consents) and, whilst it will take every step reasonably open to it to minimise any delay, it shall not be liable for failure to perform fully in the manner contemplated by the Receivables Trust Deed and Servicing Agreement during the Transfer Period.

If the Servicer's appointment has been terminated as a result of a Servicer Default in circumstances where a Delegate Servicer has been appointed, the Transferor or the Receivables Trustee (as the case may be) may require the Delegate Servicer to continue performing its duties until a Successor Servicer has been appointed and the Receivables Trustee may utilise amounts that would otherwise be available to pay the Servicing Fee to pay the fees of the Delegate Servicer.

"**Servicer Default**" means any one of the following events:

- (a) any failure by the Servicer to give advice or notice to the Receivables Trustee pursuant to an agreed schedule of collections and allocations or to advise the Receivables Trustee to make any required drawing, withdrawal, or payment pursuant to the Relevant Documents including under the documents governing any Enhancement on or before the date occurring five Business Days after the date such drawing, withdrawal or payment or such advice or notice is required to be

made or given, as the case may be, under the terms of the Receivables Trust Deed and Servicing Agreement or any Relevant Document;

- (b) failure on the part of the Servicer duly to observe or perform in any respect any other covenants or agreements of the Servicer set forth in the Receivables Trust Deed and Servicing Agreement or any Relevant Document which has a Material Adverse Effect on the interests of the Investor Beneficiaries of any Outstanding Series and which continues unremedied for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Receivables Trustee, or to the Servicer and the Receivables Trustee by a majority of the Beneficiaries, and continues to have a Material Adverse Effect on the interests of such Beneficiaries in respect of such Outstanding Series for such period;
- (c) any relevant representation, warranty or certification made by the Servicer in the Receivables Trust Deed and Servicing Agreement or in any certificate delivered pursuant thereto proves to have been incorrect when made, which has a Material Adverse Effect on the interests of the Beneficiaries in respect of any Outstanding Series and continues to be incorrect in any material respect for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Receivables Trustee or to the Servicer and the Receivables Trustee by a majority of the Beneficiaries, and continues to have a Material Adverse Effect on the interests of such Beneficiaries in respect of any such Outstanding Series for such period;
- (d) an order of the court is made for the winding-up, dissolution, administration or reorganisation (except for a solvent re-organisation) of the Servicer and such order shall have remained in force undischarged or unstayed for a period of 60 days;
- (e) a receiver, administrator, administrative receiver, liquidator, trustee or similar officer is legally and validly appointed over the Servicer or relating to all of the Servicer's revenues and assets;
- (f) the Servicer shall consent to or take any corporate action relating to the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or relating to all or substantially all of its revenues and assets or an order of the court is made for its winding-up, dissolution, administration or re-organisation (except for a solvent re-organisation) and such order shall have remained in force undischarged or unstayed for a period of 60 days;
- (g) a duly authorised officer of the Servicer shall admit in writing that the Servicer is unable to pay its debts as they fall due within the meaning of Section 123(1) of the Insolvency Act 1986 or the Servicer makes a general assignment for the benefit of or a composition with its creditors or voluntarily suspends payment of its obligations with a view to the general readjustment or rescheduling of its indebtedness; or
- (h) delegation by the Servicer of its duties under the Receivables Trust Deed and Servicing Agreement except as permitted therein which has a Material Adverse Effect on the interests of the Beneficiary in respect of any Outstanding Series.

However, a delay or failure to perform (i) the matters referred to in (a) above for a period of 5 Business Days or (ii) the matters referred to in (b) or (c) above for a period of 60 days, will not be a Servicer Default if such delay or failure is caused by an event amounting to force majeure (as listed in the Receivables Trust Deed and Servicing Agreement) and that delay or failure could not have been prevented by the exercise of reasonable diligence by the Servicer.

Within two Business Days after the Servicer becomes aware of any Servicer Default, the Servicer must give prompt written notice thereof to the Receivables Trustee, each Beneficiary, each Rating Agency and any Enhancement Provider. The Receivables Trustee must give each Beneficiary notification of any termination of the Servicer or appointment of a Successor Servicer. The Receivables Trustee must notify each Rating Agency of any removal of the Servicer.

Under the terms of the Receivables Trust Deed and Servicing Agreement and the Beneficiaries Deed, the Beneficiaries in respect of any Outstanding Series adversely affected by any default by the Servicer or Transferor may, with the prior written consent of a majority of the Beneficiaries (it is agreed as a matter of contract that consent will be achieved in accordance with the Beneficiaries Deed, as to which see "*The*

*Receivables Trust – Amendments to the Receivables Trust Deed and Servicing Agreement – Beneficiaries Deed*" above and the following paragraph below), instruct the Receivables Trustee to waive in writing any default by the Servicer or Transferor in the performance of its obligations thereunder or in any other Relevant Document and its consequences. However, a default which results directly in a failure by the Receivables Trustee to make any required deposits or distributions of Finance Charge Collections or Principal Collections relating to the Series adversely affected will not be permitted to be waived in this manner. Upon any such waiver of a past default, such default shall be deemed not to have occurred. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon except to the extent expressly so waived.

After receipt of a Servicer Termination Notice and the appointment of a Successor Servicer (as referred to below), the function of acting as Servicer of the Receivables under the Receivables Trust Deed and Servicing Agreement will pass from the Servicer to the Successor Servicer. The Receivables Trust Deed and Servicing Agreement sets out certain requirements in respect of such transfer of the servicing role including (without limitation) as to the transfer of authority over Collections, the transfer of electronic records and as to the disclosure of information.

Following its receipt of a Servicer Termination Notice, the Servicer will continue to act as Servicer until a date specified in the Servicer Termination Notice, or, if no such date is specified, the date specified by the Receivables Trustee or such other date agreed by the Receivables Trustee and the Servicer. The Receivables Trustee must appoint a Successor Servicer as promptly as possible after the giving of a Servicer Termination Notice which must, at the time of its appointment, be an Eligible Servicer.

**"Eligible Servicer"** means an entity which, at the time of its appointment as Servicer, (a) is providing servicing in relation to a portfolio of credit card or charge card accounts, (b) is legally qualified and has the capacity to provide servicing in relation to the Accounts and (c) is qualified (or licensed) to use the software that the Servicer is then currently using to service the Accounts or obtains the right to use, or has its own, software which is adequate to perform its duties under the Receivables Trust Deed and Servicing Agreement.

**"Material Adverse Effect"** shall mean, as the context specifies, a material adverse effect on the interests of a transaction party, an Investor Beneficiary which has a beneficial interest in an Outstanding Series or in any Enhancement Provider, in each case as may be more particularly specified in any related Supplement.

## SERIES 2015-1

### General

The Loan Note Issuer is an Investor Beneficiary of the Receivables Trust. The Loan Note Issuer's beneficial entitlement under the terms of the Receivables Trust will be increased by making Contributions in respect of Series, as set out in Supplements, and will be decreased to the extent such Series are repaid. The parties to each Supplement will be the Receivables Trustee, NCL as the Servicer, NewDay Funding Transferor Ltd (herein referred to as "**NFT**") as the Transferor and the Transferor Beneficiary, the Loan Note Issuer as an Investor Beneficiary, any other Investor Beneficiary which becomes a beneficiary of the Receivables Trust and any Enhancement Provider in respect of the relevant Series.

The proceeds from the issue of the Series 2015-1 Loan Notes to the Issuer on the Series 2015-1 Closing Date will be used by the Loan Note Issuer on the Series 2015-1 Closing Date to increase its Aggregate Investor Interest in the Trust Property by making a Contribution of £282,900,000 to the Trust Property of the Receivables Trust. The increase in the beneficial entitlement of the Loan Note Issuer will be documented in a Supplement designated the "**Series 2015-1 Supplement**" and the additional portion of the sum of the Aggregate Investor Interests of all Investor Beneficiaries (the "**Combined Aggregate Investor Interest**") will be known as the "**Series 2015-1 Investor Interest**", with the associated Series being "**Series 2015-1**". See "*The Receivables - Assignment of the Receivables to the Receivables Trustee*" and "*The Receivables Trust – Contributions to Trust Property and Disposal of Beneficial Entitlement*".

The parties to the Series 2015-1 Supplement are the Receivables Trustee, NFT as Transferor and Transferor Beneficiary, NCL as Servicer and the Loan Note Issuer, in its capacity as Investor Beneficiary in respect of, *inter alia*, the Series 2015-1 Investor Interest (the "**Series 2015-1 Investor Beneficiary**").

Upon the Contribution to the Receivables Trust in respect of Series 2015-1 occurring, the Receivables Trustee will annotate the Trust Register to evidence such Contribution.

Series 2015-1 will be included in Group One and will not be subordinated to any other Series. "**Group One**" means Series 2015-1, Series 2015-VFN and the Originator VFN Series, as well as each other Series subsequently specified in the related Supplement to be included in Group One.

The Originator VFN Series will provide credit enhancement to Series 2015-1 by reference to the Series Originator VFN Subordination, see "*The Originator VFN and the Series Originator VFN Subordination*" below.

For the purpose of making calculations about the performance of the undivided beneficial interest of each series in the Receivables Trust, the Series 2015-1 Investor Interest will be referable to notional classes called "**Class A**", "**Class B**", "**Class C**", "**Class D**", "**Class E**" and "**Class F**" which correspond to each class of Series 2015-1 Loan Notes issued by the Loan Note Issuer.

### Additional Funds Payable by the Series 2015-1 Investor Beneficiary

In addition to the Contribution described above, the Series 2015-1 Investor Beneficiary will be obliged each month to make a further contribution (as calculated by the Receivables Trustee on the advice of the Servicer in accordance with the Series 2015-1 Supplement). This further payment will be paid by the Series 2015-1 Investor Beneficiary to the Receivables Trustee by way of a further contribution in respect of its interest in the Receivables Trust and is described in this Prospectus as "**Additional Funds**".

Additional Funds are made up of a number of different elements, with the different possible categories identified each time a payment is made being as follows:

1. "Investor Aggregate Trustee Payment Amount";
2. "Investor Servicing Fee Amount";
3. "Loss Make-Up (Default)";
4. "Loss Make-Up (Charge-off)";
5. "Refunded Utilised Principal Collections" (a sub-category of Loss Make-Up (Charge-off));

6. "Excess Spread";
7. "Accumulation Reserve Ledger Surplus Amount";
8. "Liquidity Reserve Ledger Surplus Release Amount"; and
9. "Investment Proceeds" (to the extent not included in Excess Spread).

To the extent an Investor Charge-off resulting from Reallocated Principal Collections is reinstated by way of any Loss Make-Up (Charge-off), such Loss Make-Up (Charge-off) will be treated as Refunded Utilised Principal Collections.

Each constituent element of any payment of Additional Funds shall be paid, when due, by the Series 2015-1 Investor Beneficiary to the Receivables Trustee, in the following manner:

- (a) in respect of Loss Make-Up (Default) and Loss Make-Up (Charge-off), by depositing such amounts in the Receivables Trustee Investment Account;
- (b) in respect of Investor Aggregate Trustee Payment Amounts and Investor Servicing Fee Amounts, following the deposit of such amounts in the Loan Note Issuer Distribution Account, by transferring such amounts to the Receivables Trustee as it shall direct; and
- (c) in respect of Excess Spread, Investment Proceeds, Liquidity Reserve Ledger Surplus Release Amounts and Accumulation Reserve Ledger Surplus Amounts, by depositing such amounts in the Receivables Trustee Collection Account, whereby such funds shall be credited to the Receivables Trustee Consideration Ledger and shall be used to make payments of Deferred Consideration.

Amounts of Loss Make-Up (Default) and Loss Make-Up (Charge-off) paid in accordance with paragraph (a) above shall be applied in the following manner:

- (a) *first*, subject to paragraph (b) below, such amount shall constitute Cash Available for Investment and be applied as set out in the section "*The Receivables Trust*" above;
- (b) *second*, to the extent that such amounts cannot be utilised as provided in paragraph (a) above because the Transferor Interest is zero, or the application of such amounts would cause the Transferor Interest together with the Originator VFN Excess Amount to fall below the Minimum Transferor Interest, amounts shall be allocated to the Originator VFN Excess Amount until such time as the Originator VFN Excess Amount is zero, or the application of such funds would cause the Transferor Interest together with the Originator VFN Excess Amount to fall below the Minimum Transferor Interest, and the amount so allocated shall be treated as a Principal Collection and paid to the Originator VFN Investor Beneficiary and used to make a repayment of principal under the Originator VFN Loan Note; and
- (c) *third*, to the extent of any remaining Additional Funds, such amount of Additional Funds designated as "Loss Make-Up (Default)" or "Loss Make-Up (Charge-off)" shall instead be credited to and retained in the Receivables Trustee Investment Account as Cash Available for Investment.

**"Investment Proceeds"** shall mean a constituent element of any payment of Additional Funds paid by the Series 2015-1 Investor Beneficiary to the Receivables Trustee in respect of amounts equal to any payment it receives in respect of investment earnings (to the extent not included in Excess Spread) from Permitted Investments in the Receivables Trust.

**"Liquidity Reserve Ledger Surplus Release Amount"** shall mean a constituent element of any payment of Additional Funds identified as such paid by the Series 2015-1 Investor Beneficiary to the Receivables Trustee in respect of surplus amounts released from the Series 2015-1 Liquidity Reserve Ledger in the circumstances and manner set out in the Series 2015-1 Supplement.

**"Loss Make-Up (Charge-off)"** shall mean a constituent element of any payment of Additional Funds paid by the Series 2015-1 Investor Beneficiary to the Receivables Trustee in accordance with the Series 2015-1 Supplement (and with reference to the calculations described below), **provided, however**, for the



avoidance of doubt such term shall not include any amount of Principal Loss Make-Up (Charge-off) distributed to the Series 2015-1 Investor Beneficiary.

"**Loss Make-Up (Default)**" shall mean a constituent element of any payment of Additional Funds paid by the Series 2015-1 Investor Beneficiary to the Receivables Trustee in accordance with the Series 2015-1 Supplement (and with reference to the calculations described below), **provided, however**, for the avoidance of doubt such term shall not include any amount of Principal Loss Make-Up (Default) distributed to the Series 2015-1 Investor Beneficiary.

#### **Beneficial Entitlement of the Loan Note Issuer to Trust Property, Rights of the Investor Beneficiary in Respect of Series 2015-1**

The part of the Loan Note Issuer's beneficial entitlement to different categories of Trust Property in the Receivables Trust referable to Series 2015-1 on each day up to and including the Series 2015-1 Termination Date, shall be as set out below:

- (i) in respect of Undivided Bare Trust Property other than Finance Charge Collections, Acquired Interchange and income on Permitted Investments, that proportion which the Series 2015-1 Adjusted Investor Interest bears on any day to the sum of the Combined Aggregate Adjusted Investor Interest and the Adjusted Transferor Interest on that day;
- (ii) in respect of Undivided Bare Trust Property which consists of Finance Charge Collections, Acquired Interchange and income on Permitted Investments, received during any Collection Period, the Floating Investor Percentage for that Collection Period; and
- (iii) in relation to Segregated Bare Trust Property, the Segregated Bare Trust Property held absolutely for the Series 2015-1 Investor Beneficiary from time to time.

However, the allocation of Principal Collections and Finance Charge Collections, among other things, received during a Collection Period and referable to each Series Investor Interest is determined on the basis of the Investor Percentage. For further explanation of the Floating Investor Percentage as well as the Fixed Investor Percentage which governs the Loan Note Issuer's entitlement to Principal Collections in the Controlled Accumulation Period and the Rapid Amortisation Period, see "*Calculation and Distribution of Finance Charge Collections and Acquired Interchange to the Loan Note Issuer*" below.

The beneficial entitlement of the Series 2015-1 Investor Beneficiary to Trust Property shall terminate on the day immediately following the Series 2015-1 Termination Date.

The following definitions are necessary to understand the calculations described above.

"**Collection Period**" shall mean, unless otherwise defined in any Supplement, the period from and including the first day of a calendar month to and including the last day of the same calendar month.

"**Default Amount**" means, with respect to any Defaulted Account, the amount of Principal Receivables (other than Ineligible Receivables) in such Defaulted Account on the day such Account became a Defaulted Account.

"**Determination Date**" means, unless otherwise specified in a Supplement, the the fifth Business Day prior to each Distribution Date.

"**Investor Charge-off**" means a Class A Investor Charge-off, a Class B Investor Charge-off, a Class C Investor Charge-off, a Class D Investor Charge-off, a Class E Investor Charge-off and a Class F Investor Charge-off or any of them. See "*Defaulted and Dilution Receivables; Investor Charge-offs Allocation to Series 2015-1 and the Originator VFN*" below.

"**Investor Default Amount**" shall mean, in respect of Series 2015-1, the Series 2015-1 Investor Default Amount and, in respect of any other Series, the term defined in the relevant Supplement.

"**Principal Loss Make-Up (Charge-off)**" shall mean the amount calculated pursuant to the Series 2015-1 Supplement which will be considered to form part of Available Retained Principal Collections for the purposes of calculation and distributed to the Series 2015-1 Investor Beneficiary from the Series 2015-1

Finance Charge Collections Ledger on a Transfer Date during the Rapid Amortisation Period pursuant to the Series 2015-1 Supplement in respect of Investor Charge-offs.

**"Principal Loss Make-Up (Default)"** shall mean the amount calculated pursuant to the Series 2015-1 Supplement which will be considered to form part of Available Retained Principal Collections for the purposes of calculation and distributed to the Series 2015-1 Investor Beneficiary from the Series 2015-1 Finance Charge Collections Ledger on a Transfer Date during the Rapid Amortisation Period pursuant to the Series 2015-1 Supplement in respect of Investor Defaults.

**"Refunded Utilised Principal Collections"** shall mean a constituent element of any payment of Additional Funds paid by the Series 2015-1 Investor Beneficiary to the Receivables Trustee in accordance with the Series 2015-1 Supplement (and with reference to the calculations described below).

**"Series 2015-1 Adjusted Investor Interest"** shall mean, with respect to any date of determination, an amount equal to the Series 2015-1 Investor Interest minus the Series 2015-1 Principal Funding Ledger Balance (in an amount not to exceed the Series 2015-1 Investor Interest) on such date of determination.

**"Series 2015-1 Closing Date"** means on or about 24 June 2015.

**"Series 2015-1 Initial Investor Interest"** shall mean £282,900,000.

**"Series 2015-1 Investor Default Amount"** shall mean, with respect to any Receivable in a Defaulted Account on the Transfer Date following the Collection Period in which such Account became a Defaulted Account, an amount equal to the product of: (a) such Default Amounts; and (b) the Floating Investor Percentage for such Collection Period.

**"Series 2015-1 Investor Interest"** shall mean, on any date of determination, an amount equal to the Series 2015-1 Initial Investor Interest as reduced by the aggregate of:

- (i) Principal Collections distributed to the Loan Note Issuer in respect of Series 2015-1 (with the effect that the aggregate amount of the Loan Note Issuer's beneficial entitlement in the Undivided Bare Trust in respect of Series 2015-1 is reduced) prior to such date; and
- (ii) Investor Charge-offs as reduced by the aggregate of that part of the Additional Funds paid by the Loan Note Issuer and identified as "Loss Make-Up (Charge-off)" referable to Series 2015-1,

all calculated as at that date.

**"Series 2015-1 Principal Funding Ledger Balance"** shall mean, with respect to any date of determination, the principal amount, if any, on deposit in the Receivables Trustee Investment Account and credited to the Series 2015-1 Principal Funding Ledger on such date of determination.

The maximum amount of Finance Charge Collections that can be distributed to the Loan Note Issuer in respect of Series 2015-1 during any Collection Period will be determined by reference to the Floating Investor Percentage.

The maximum amount of Principal Collections that can be distributed to the Loan Note Issuer in respect of Series 2015-1 during any Collection Period will be determined by reference to the Floating Investor Percentage during the Revolving Period and by reference to the Fixed Investor Percentage during the Controlled Accumulation Period or the Rapid Amortisation Period.

#### **Beneficial Entitlement of the Loan Note Issuer to Collections**

- (i) During the Revolving Period, the Receivables Trustee, acting on the advice of the Servicer, shall, prior to the close of business on each Relevant Date (including, for the avoidance of doubt, each Transfer Date) on which amounts are deposited in the Receivables Trustee Collection Account, effect the calculations and transfers detailed below:
  - (a) Distribute to the Series 2015-1 Investor Beneficiary by crediting to the Series 2015-1 Finance Charge Collections Ledger an amount equal to the sum of (1) the product of (A) the Floating Investor Percentage for the Collection Period in which such Finance Charge Collections arise and (B) the aggregate amount of Finance Charge Collections processed

on the related Date of Processing, to be applied as Available Funds *plus*, where the Relevant Date is also a Transfer Date, (2) the product of (A) the Floating Investor Percentage for the Collection Period preceding that in which the relevant Transfer Date falls and (B) the aggregate amount of Acquired Interchange transferred to the Receivables Trustee Collection Account on such Transfer Date, to be applied as Available Funds. In relation to (1) above all such amounts credited to the Series 2015-1 Finance Charge Collections Ledger shall (if so advised by the Servicer) be invested by the Receivables Trustee in Permitted Investments.

(b) In respect of amounts standing to the credit of the undivided Principal Collections Ledger, an amount equal to the product of (A) the Floating Investor Percentage for the Collection Period in which such Principal Collections arise and (B) the aggregate amount of Principal Collections in respect of the relevant Date of Processing shall be applied as follows:

(1) *first*, an amount equal to the product of (A) the Required Retained Principal Collections Percentage for the Collection Period in which such Principal Collections arise, (B) the Floating Investor Percentage and (C) the aggregate amount of Principal Collections in respect of the relevant Date of Processing shall be retained in the undivided Principal Collections Ledger and shall (if so advised by the Servicer) be invested by the Receivables Trustee in Permitted Investments, so as to be available for application as Reallocated Principal Collections;

(2) *secondly*, up to an amount equal to Series 2015-1's *pro rata* share of the Daily Principal Shortfall on the Relevant Date shall be retained in the undivided Principal Collections Ledger as Group One Retained Principal Collections representing Series 2015-1's *pro rata* share of the Daily Principal Shortfall to be utilised as Available Retained Principal Collections; and

(3) *thirdly*, any remaining amount shall be utilised as Cash Available for Investment.

(c) On each Transfer Date, amounts deposited in the Receivables Trustee Collection Account and credited to and retained in the undivided Principal Collections Ledger during the related Collection Period shall be applied as follows:

(1) an amount equal to the Required Retained Principal Collections (if any) not utilised as Reallocated Principal Collections or as Shared Principal Collections shall be utilised as Cash Available for Investment on such Transfer Date; and

(2) an amount equal to amounts credited to the undivided Principal Collections Ledger as Group One Retained Principal Collections not utilised as Shared Principal Collections shall be utilised as Cash Available for Investment on such Transfer Date.

(ii) During the Controlled Accumulation Period, the Receivables Trustee, acting on the advice of the Servicer, shall, prior to the close of business on each Relevant Date (including, for the avoidance of doubt, each Transfer Date) on which amounts are deposited in the Receivables Trustee Collection Account, effect the calculations and transfers detailed below:

(a) Distribute to the Series 2015-1 Investor Beneficiary by crediting to the Series 2015-1 Finance Charge Collections Ledger an amount equal to the sum of (1) the product of (A) the Floating Investor Percentage for the Collection Period in which such Finance Charge Collections arise and (B) the aggregate amount of Finance Charge Collections processed on the relevant Date of Processing, to be applied as Available Funds *plus*, where the Relevant Date is also a Transfer Date, (2) the product of (A) the Floating Investor Percentage for the Collection Period preceding that in which the relevant Transfer Date falls and (B) the aggregate amount of Acquired Interchange transferred to the Receivables Trustee Collection Account on such Transfer Date, to be applied as Available Funds. In relation to (1) above all such amounts credited to the Series 2015-1

Finance Charge Collections Ledger shall (if so advised by the Servicer) be invested by the Receivables Trustee in Permitted Investments.

- (b) In respect of amounts standing to the credit of the undivided Principal Collections Ledger, an amount equal to the product of (A) the Fixed Investor Percentage and (B) the aggregate amount of Principal Collections in respect of the relevant Date of Processing, shall be applied as follows:
- (1) *first*, an amount equal to the product of (A) the Required Retained Principal Collections Percentage for the Collection Period in which such Principal Collections arise, (B) the Fixed Investor Percentage and (C) the aggregate amount of Principal Collections in respect of the relevant Date of Processing shall be retained in the undivided Principal Collections Ledger and shall (if so advised by the Servicer) be invested by the Receivables Trustee in Permitted Investments, so as to be available for application as Reallocated Principal Collections;
  - (2) *secondly*, up to an amount equal to the Series 2015-1's *pro rata* share of the Daily Principal Shortfall on the Relevant Date shall be retained in the undivided Principal Collections Ledger as Group One Retained Principal Collections representing Series 2015-1's *pro rata* share of the Daily Principal Shortfall to be utilised as Available Retained Principal Collections; and
  - (3) *thirdly*, any remaining amount shall be transferred to the Receivables Trustee Investment Account and used as Cash Available for Investment.
- (c) On each Transfer Date, amounts deposited in the Receivables Trustee Collection Account and credited to and retained in the undivided Principal Collections Ledger during the related Collection Period shall be applied as follows:
- (1) an amount equal to Required Retained Principal Collections (if any) not utilised as Reallocated Principal Collections or as part of the Controlled Deposit Amount or as Shared Principal Collections shall be utilised as Cash Available for Investment on such Transfer Date; and
  - (2) an amount equal to amounts credited to the undivided Principal Collections Ledger as Group One Retained Principal Collections not utilised as part of the Controlled Deposit Amount or Shared Principal Collections shall be utilised as Cash Available for Investment on such Transfer Date.
- (iii) During the Rapid Amortisation Period, the Receivables Trustee, acting on the advice of the Servicer, shall, prior to the close of business on each Relevant Date (including, for the avoidance of doubt, each Transfer Date) on which amounts are deposited in the Receivables Trustee Collection Account, effect the calculations and transfers detailed below:
- (a) Distribute to the Series 2015-1 Investor Beneficiary by crediting to the Series 2015-1 Finance Charge Collections Ledger an amount equal to the sum of (1) the product of (A) the Floating Investor Percentage for the Collection Period in which such Finance Charge Collections arise and (B) the aggregate amount of Finance Charge Collections processed on the relevant Date of Processing, to be applied as Available Funds *plus*, where the Relevant Date is also a Transfer Date, (2) the product of (A) the Floating Investor Percentage for the Collection Period preceding that in which the relevant Transfer Date falls and (B) the aggregate amount of Acquired Interchange transferred to the Receivables Trustee Collection Account on such Transfer Date, to be applied as Available Funds. In relation to (1) above all such amounts credited to the Series 2015-1 Finance Charge Collections Ledger shall (if advised by the Servicer) be invested by the Receivables Trustee in Permitted Investments; and
  - (b) In respect of amounts standing to the credit of the undivided Principal Collections Ledger, an amount equal to the product of (A) the Fixed Investor Percentage for the Collection Period in which such Principal Collections arise and (B) the aggregate

amount of Principal Collections in respect of the relevant Date of Processing shall be applied as follows:

- (1) *first*, an amount equal to the product of (A) the Required Retained Principal Collections Percentage for the Collection Period in which such Principal Collections arise, (B) the Fixed Investor Percentage and (C) the aggregate amount of Principal Collections in respect of the relevant Date of Processing, shall be retained in the undivided Principal Collections Ledger and shall (if so advised by the Servicer) be invested by the Receivables Trustee in Permitted Investments on the following Transfer Date, so as to be available for application as Reallocated Principal Collections; and
- (2) *secondly*, up to an amount equal to the Series 2015-1's *pro rata* share of the Daily Principal Shortfall on the Relevant Date shall be retained in the undivided Principal Collections Ledger as Group One Retained Principal Collections representing Series 2015-1's *pro rata* share of the Daily Principal Shortfall to be utilised as Available Retained Principal Collections,

**provided, however, that** the amount retained in the undivided Principal Collections Ledger pursuant to (1) and (2) above for any Collection Period shall not exceed the sum of (1) the Series 2015-1 Investor Interest as of the close of business on the last day of the prior Collection Period taking into account any adjustments to be made on the related Transfer Date and any distributions to be made on the related Transfer Date and (2) any Reallocated Principal Collections relating to the Collection Period in which such amount is retained (the "**Required Amount**").

Amounts that are credited by the Receivables Trustee to the Series 2015-1 Finance Charge Collections Ledger will be transferred on a Transfer Date to the Loan Note Issuer Distribution Account for credit to the Series 2015-1 Ledger (see "*Additional Funds Payable by the Series 2015-1 Investor Beneficiary*" above and "*Calculation and Distribution of Finance Charge Collections and Acquired Interchange to the Loan Note Issuer*" below).

On or before each Transfer Date, the Receivables Trustee, acting on the advice of the Servicer, will deliver to the Loan Note Issuer information regarding calculations with respect to the Receivables Trust, including calculations and information regarding distributions of Trust Property and the movement of monies between the Undivided Bare Trust, the Segregated Bare Trust, the Deferred Payment Bare Trust and any Other Trusts and to the Loan Note Issuer for the prior Collection Period with respect to such Transfer Date.

"**Daily Principal Shortfall**" shall mean, on any date of determination, the excess of:

- (i) the Group One Monthly Principal Payment for the Collection Period relating to such date; **over**
- (ii) the amount of Group One Retained Principal Collections which are retained or to be retained in the undivided Principal Collections Ledger in respect of Principal Collections processed to date for such Collection Period,

**provided, however, that** a reference to "Series 2015-1's *pro rata* share of the Daily Principal Shortfall" shall be an amount calculated as equal to the product of:

- (i) a fraction, the numerator of which is the amount of Principal Collections calculated for the Series 2015-1 Investor Interest and the denominator of which is the amount of Principal Collections calculated for the aggregate investor interests of all Outstanding Series in Group One (including the Series 2015-1 Investor Interest) less the amount of Principal Collections calculated for the Originator VFN Excess Amount, in each case on such date of determination; and
- (ii) the Daily Principal Shortfall.

**"Group One Monthly Principal Payment"** shall mean with respect to any Collection Period, for all Outstanding Series in Group One (including Series 2015-1) which are in an Amortisation Period or a Controlled Accumulation Period, the sum of:

- (i) the aggregate of the deposit amounts and amortisation amounts (if any) for the related Transfer Date for each Series in Group One in an Accumulation Period or Amortisation Period, other than a Rapid Amortisation Period (as such term is defined in the related Supplement for such Series);
- (ii) the Investor Interest as of the end of the prior Collection Period for each Series in Group One in its Rapid Amortisation Period (as such term is defined in the related supplements for such Series); and
- (iii) such other amounts as may be specified for this purpose in the related Series supplements for all Series in Group One.

**Floating Allocations for Class A Investor Interest, Class B Investor Interest, Class C Investor Interest, Class D Investor Interest, Class E Investor Interest and Class F Investor Interest**

In order to understand how the floating allocations (for the purposes of calculation) are calculated for each of the Class A Investor Interest, Class B Investor Interest, Class C Investor Interest, Class D Investor Interest, Class E Investor Interest and Class F Investor Interest, the following definitions are also necessary:

**"Class A Adjusted Investor Interest"** shall mean, with respect to any date of determination, an amount equal to the Class A Investor Interest minus that portion of the Series 2015-1 Principal Funding Ledger Balance which is referable to the Class A Investor Interest (in an amount not to exceed the Series 2015-1 Investor Interest) on such date of determination;

**"Class A Floating Allocation"** shall mean, with respect to any Collection Period, the percentage equivalent of a fraction, the numerator of which is the Class A Adjusted Investor Interest as of the close of business on the last day of the preceding Collection Period and the denominator of which is equal to the Series 2015-1 Adjusted Investor Interest as of the close of business on such day, **provided, however, that**, with respect to the first Collection Period, the Class A Floating Allocation shall mean the percentage equivalent of a fraction, the numerator of which is the Class A Initial Investor Interest and the denominator of which is the Series 2015-1 Initial Investor Interest;

**"Class A Initial Investor Interest"** means £147,300,000;

**"Class A Investor Interest"** shall mean, on any date of determination, an amount equal to:

- (i) the Class A Initial Investor Interest; minus
- (ii) the aggregate amount of principal payments made to the Series 2015-1 Investor Beneficiary which, for the purposes of calculation, are treated as referable to the Class A Investor Interest from Trust Property (with the effect that the amount of principal beneficial entitlement of the Series 2015-1 Investor Beneficiary in the Receivables Trust for the purposes of calculation treated as referable to the Class A Investor Interest is reduced) prior to such date; minus
- (iii) the excess, if any, of the aggregate amount of Class A Investor Charge-offs over Class A Investor Charge-offs reinstated prior to such date of determination,

**provided, however, that** the Class A Investor Interest may not be reduced below zero;

**"Class B Adjusted Investor Interest"** shall mean, with respect to any date of determination, an amount equal to the Class B Investor Interest minus that portion of the Series 2015-1 Principal Funding Ledger Balance which is referable to the Class B Investor Interest (in an amount not to exceed the Series 2015-1 Investor Interest) on such date of determination;

**"Class B Floating Allocation"** shall mean, with respect to any Collection Period, the percentage equivalent of a fraction, the numerator of which is the Class B Adjusted Investor Interest as of the close of business on the last day of the preceding Collection Period and the denominator of which is equal to the Series 2015-1 Adjusted Investor Interest as of the close of business on such day **provided, however,**

**that**, with respect to the first Collection Period, the Class B Floating Allocation shall mean the percentage equivalent of a fraction, the numerator of which is the Class B Initial Investor Interest and the denominator of which is the Series 2015-1 Initial Investor Interest;

"**Class B Initial Investor Interest**" means £21,600,000;

"**Class B Investor Interest**" shall mean, on any date of determination, an amount equal to:

- (i) the Class B Initial Investor Interest; minus
- (ii) the aggregate amount of principal payments made to the Series 2015-1 Investor Beneficiary which, for the purposes of calculation, are treated as referable to the Class B Investor Interest from Trust Property (with the effect that the amount of principal beneficial entitlement of the Series 2015-1 Investor Beneficiary in the Receivables Trust for the purposes of calculation treated as referable to the Class B Investor Interest is reduced) prior to such date; minus
- (iii) the excess, if any, of the aggregate amount of Class B Investor Charge-offs over Class B Investor Charge-offs reinstated prior to such date of determination,

**provided, however, that** the Class B Investor Interest may not be reduced below zero;

"**Class C Adjusted Investor Interest**" with respect to any date of determination, an amount equal to the Class C Investor Interest minus that portion of the Series 2015-1 Principal Funding Ledger Balance which is referable to the Class C Investor Interest (in an amount not to exceed the Series 2015-1 Investor Interest) on such date of determination;

"**Class C Floating Allocation**" shall mean, with respect to any Collection Period, the percentage equivalent of a fraction, the numerator of which is the Class C Adjusted Investor Interest as of the close of business on the last day of the preceding Collection Period and the denominator of which is equal to the Series 2015-1 Adjusted Investor Interest as of the close of business on such day, **provided, however, that**, with respect to the first Collection Period, the Class C Floating Allocation shall mean the percentage equivalent of a fraction, the numerator of which is the Class C Initial Investor Interest and the denominator of which is the Series 2015-1 Initial Investor Interest;

"**Class C Initial Investor Interest**" means £31,800,000;

"**Class C Investor Interest**" shall mean, on any date of determination, an amount equal to:

- (i) the Class C Initial Investor Interest; minus
- (ii) the aggregate amount of principal payments made to the Series 2015-1 Investor Beneficiary which, for the purposes of calculation, are treated as referable to the Class C Investor Interest from Trust Property (with the effect that the amount of principal beneficial entitlement of the Series 2015-1 Investor Beneficiary in the Receivables Trust for the purposes of calculation treated as referable to the Class C Investor Interest is reduced) prior to such date; minus
- (iii) the excess, if any, of the aggregate amount of Class C Investor Charge-offs over Class C Investor Charge-offs reinstated prior to such date of determination,

**provided, however, that** the Class C Investor Interest may not be reduced below zero;

"**Class D Adjusted Investor Interest**" shall mean, with respect to any date of determination, an amount equal to the Class D Investor Interest minus that portion of the Series 2015-1 Principal Funding Ledger Balance which is referable to the Class D Investor Interest (in an amount not to exceed the Series 2015-1 Investor Interest) on such date of determination;

"**Class D Floating Allocation**" shall mean, with respect to any Collection Period, the percentage equivalent of a fraction, the numerator of which is the Class D Adjusted Investor Interest as of the close of business on the last day of the preceding Collection Period and the denominator of which is equal to the Series 2015-1 Adjusted Investor Interest as of the close of business on such day **provided, however, that**, with respect to the first Collection Period, the Class D Floating Allocation shall mean the percentage

equivalent of a fraction, the numerator of which is the Class D Initial Investor Interest and the denominator of which is the Series 2015-1 Initial Investor Interest;

"**Class D Initial Investor Interest**" means £44,100,000;

"**Class D Investor Interest**" shall mean, on any date of determination, an amount equal to:

- (i) the Class D Initial Investor Interest; minus
- (ii) the aggregate amount of principal payments made to the Series 2015-1 Investor Beneficiary which, for the purposes of calculation, are treated as referable to the Class D Investor Interest from Trust Property (with the effect that the amount of principal beneficial entitlement of the Series 2015-1 Investor Beneficiary in the Receivables Trust for the purposes of calculation treated as referable to the Class D Investor Interest is reduced) prior to such date; minus
- (iii) the excess, if any, of the aggregate amount of Class D Investor Charge-offs over Class D Investor Charge-offs reinstated prior to such date of determination,

**provided, however, that** the Class D Investor Interest may not be reduced below zero;

"**Class E Adjusted Investor Interest**" shall mean, with respect to any date of determination, an amount equal to the Class E Investor Interest minus that portion of the Series 2015-1 Principal Funding Ledger Balance which is referable to the Class E Investor Interest (in an amount not to exceed the Series 2015-1 Investor Interest) on such date of determination;

"**Class E Floating Allocation**" shall mean, with respect to any Collection Period, the percentage equivalent of a fraction, the numerator of which is the Class E Adjusted Investor Interest as of the close of business on the last day of the preceding Collection Period and the denominator of which is equal to the Series 2015-1 Adjusted Investor Interest as of the close of business on such day **provided, however, that**, with respect to the first Collection Period, the Class E Floating Allocation shall mean the percentage equivalent of a fraction, the numerator of which is the Class E Initial Investor Interest and the denominator of which is the Series 2015-1 Initial Investor Interest;

"**Class E Initial Investor Interest**" means £22,800,000;

"**Class E Investor Interest**" shall mean, on any date of determination, an amount equal to:

- (i) the Class E Initial Investor Interest; minus
- (ii) the aggregate amount of principal payments made to the Series 2015-1 Investor Beneficiary which, for the purposes of calculation treated as referable to Class E Investor Interest from Trust Property (with the effect that the amount of principal beneficial entitlement of the Series 2015-1 Investor Beneficiary in the Receivables Trust for the purposes of calculation treated as referable to the Class E Investor Interest is reduced) prior to such date; minus
- (iii) the excess, if any, of the aggregate amount of Class E Investor Charge-offs over Class E Investor Charge-offs reinstated prior to such date of determination,

**provided, however, that** the Class E Investor Interest may not be reduced below zero;

"**Class F Adjusted Investor Interest**" shall mean, with respect to any date of determination, an amount equal to the Class F Investor Interest minus that portion of the Series 2015-1 Principal Funding Ledger Balance which is referable to the Class F Investor Interest (in an amount not to exceed the Series 2015-1 Investor Interest) on such date of determination;

"**Class F Floating Allocation**" shall mean, with respect to any Collection Period, the percentage equivalent of a fraction, the numerator of which is the Class F Adjusted Investor Interest as of the close of business on the last day of the preceding Collection Period and the denominator of which is equal to the Series 2015-1 Adjusted Investor Interest as of the close of business on such day **provided, however, that**, with respect to the first Collection Period, the Class F Floating Allocation shall mean the percentage equivalent of a fraction, the numerator of which is the Class F Initial Investor Interest and the denominator of which is the Series 2015-1 Initial Investor Interest;



"**Class F Initial Investor Interest**" means £15,300,000;

"**Class F Investor Interest**" shall mean, on any date of determination, an amount equal to:

- (i) the Class F Initial Investor Interest; minus
- (ii) the aggregate amount of principal payments made to the Series 2015-1 Investor Beneficiary which, for the purposes of calculation, are treated as referable to the Class F Investor Interest from Trust Property (with the effect that the amount of principal beneficial entitlement of the Series 2015-1 Investor Beneficiary in the Receivables Trust for the purpose of calculation treated as referable to the Class F Investor Interest is reduced) prior to such date; minus
- (iii) the excess, if any, of the aggregate amount of Class F Investor Charge-offs over Class F Investor Charge-offs reinstated prior to such date of determination,

**provided, however, that** the Class F Investor Interest may not be reduced below zero; and

"**Step-Up Date**" shall mean the Distribution Date falling in July 2018 if the Series 2015-1 Scheduled Redemption Date is postponed so that it does not fall on such date.

#### **Calculation and Distribution of Finance Charge Collections and Acquired Interchange to the Loan Note Issuer**

On each day on which Finance Charge Collections or Acquired Interchange are transferred to the Receivables Trustee Collection Account during the Revolving Period, the Controlled Accumulation Period and, if applicable, the Rapid Amortisation Period, the Receivables Trustee will credit an amount to the Series 2015-1 Finance Charge Collections Ledger in the Receivables Trustee Collection Account. The amount to be credited will be determined by applying the Floating Investor Percentage (as described below) to such amounts of Finance Charge Collections or Acquired Interchange. The amount credited to the Series 2015-1 Finance Charge Collections Ledger will be transferred following the end of each Collection Period on the related Transfer Date to the Loan Note Issuer Distribution Account for credit to the Series 2015-1 Ledger. From that account amounts will be applied to meet the obligations of the Loan Note Issuer for the relevant Collection Period or will be paid back to the Receivables Trustee as Additional Funds for the grant of the Loan Note Issuer's beneficial interest in the Receivables Trust (see "*Additional Funds Payable by the Series 2015-1 Investor Beneficiary*" above). See also "*Series 2015-1 Loan Notes – Cashflows of the Loan Note Issuer*" and "*Principal Funding*".

On each Relevant Date, the Floating Investor Percentage will be applied by the Receivables Trustee to determine the Loan Note Issuer's beneficial entitlement to distributions of Finance Charge Collections and Acquired Interchange in respect of Series 2015-1. The Receivables Trustee will make such determination by making the following calculation:

$A \times B$

where:

A = the Floating Investor Percentage on such Relevant Date, and

B = the total amount of Finance Charge Collections processed on, or, as applicable the total amount of Acquired Interchange paid in, on the related Date of Processing.

The definition of "**Floating Investor Percentage**" for Series 2015-1 shall mean, with respect to any Collection Period, the percentage equivalent (which percentage shall never exceed 100 per cent.) of a fraction:

- (a) the numerator of which is the Series 2015-1 Adjusted Investor Interest at the close of business on the last day of the prior Collection Period (or, with respect to the first Collection Period, the Series 2015-1 Initial Investor Interest); and

- (b) the denominator of which is the greater of:
- (i) an amount equal to the Eligible Receivables Balance as at the close of business on the last day of the prior Collection Period (or, with respect to the first Collection Period, on the Series 2015-1 Closing Date); and
  - (ii) either:
    - (A) other than in respect of calculations with regard to Principal Collections, the sum of (1) the Series 2015-1 Adjusted Investor Interest as of the close of business on the last day of the preceding Collection Period (or, with respect to the first Collection Period, the Series 2015-1 Initial Investor Interest) and (2) the sum of the numerators used to calculate the Investor Percentages for distributions with respect to Finance Charge Collections and Acquired Interchange and allocation of Default Amounts, at any time, for all Outstanding Series (excluding Series 2015-1) with respect to the Collection Period for which the Floating Investor Percentage is being determined; or
    - (B) in respect of calculations with regard to Principal Collections, the sum of (1) the Series 2015-1 Adjusted Investor Interest as of the close of business on the last day of the preceding Collection Period (or, with respect to the first Collection Period, the Series 2015-1 Initial Investor Interest) and (2) the sum of the numerators used to calculate the Investor Percentages for distributions with respect to Principal Collections for all Outstanding Series (excluding Series 2015-1) with respect to the Collection Period for which the Floating Investor Percentage is being determined,

**provided that**, with respect to any Collection Period in which a Subsequent Assignment Date in respect of Accounts with a balance of Existing Receivables or a Re-designation Date in respect of Third Party Re-designated Accounts, as the case may be, occurs, the amount in paragraph (b)(i) above shall be:

- for the period from (and including) the first day of the Collection Period to (but excluding) the Subsequent Assignment Date or the Re-designation Date, as the case may be, an amount equal to the Eligible Receivables Balance as at the close of business on the last day of the prior Collection Period (or, with respect to the first Collection Period, on the Series 2015-1 Closing Date); and
- for the period from (and including) the Subsequent Assignment Date or the Re-designation Date, as the case may be, to (and including) the last day of the Collection Period, an amount equal to the Eligible Receivables Balance at the beginning of the day on the related Subsequent Assignment Date or Re-designation Date, as the case may be, as adjusted for the Outstanding Face Amount of Eligible Receivables at the beginning of such day added to or, as the case may be, removed from the Undivided Bare Trust on such Subsequent Assignment Date or Re-designation Date, as the case may be,

and **provided, further, however, that**, with respect to any Collection Period in which any event (a "**Relevant Event**") occurs which increases or decreases the amount of an Adjusted Investor Interest for any Outstanding Series other than by reason of allocating or reinstating the Investor Charge-offs for that Series (as defined in the Supplement for that Series), the amounts used for the calculation in paragraph (b)(ii) above shall be:

- for the period from (and including) the first day of the Collection Period to (but excluding) the date of the Relevant Event, the sum of the numerators used to calculate the investor percentages for distributions with respect to Finance Charge Collections and Acquired Interchange and allocations of Default Amounts for all Outstanding Series (including Series 2015-1) for the relevant Collection Period; and
- for the period from (and including) the date of the Relevant Event to (and including) the last day of the Collection Period, the sum of the numerators used to calculate the investor percentages for distributions with respect to Finance Charge Collections and Acquired

Interchange and allocations of Default Amounts for all Outstanding Series (including Series 2015-1) on the date of the Relevant Event, adjusted to take into account the Relevant Event in question.

### **Class A Investor Interest**

As noted under "*Beneficial Entitlement of the Loan Note Issuer to Collections*" above, calculations and information will be delivered by the Receivables Trustee to the Loan Note Issuer. These calculations and information will relate to, among other things, the amounts of Finance Charge Collections and Acquired Interchange distributed to the Loan Note Issuer which will ultimately be used for payments. In order to determine how payments will be made by the Loan Note Issuer with respect to the Class A Loan Note, it is necessary to understand the following definitions and cash flows in respect of Class A. See also "*Class B Investor Interest*", "*Class C Investor Interest*", "*Class D Investor Interest*", "*Class E Investor Interest*" and "*Class F Investor Interest*".

In respect of each Transfer Date, a portion of Finance Charge Collections and Acquired Interchange that are distributable to the Loan Note Issuer from amounts standing to the credit of the Series 2015-1 Finance Charge Collections Ledger in the Receivables Trustee Collection Account will be calculated and notionally allocated to the Class A Investor Interest within the Series 2015-1 Finance Charge Collections Ledger. This aggregate amount, defined as the "**Class A Monthly Required Expense Amount**", will form part of the calculation of the Class A Required Amount and is the aggregate of:

- (i) an amount equal to the Investor Aggregate Trustee Payment Amount plus any Investor Aggregate Trustee Payment Amounts remaining unpaid in respect of any previous Transfer Date; *plus*
- (ii) the aggregate of the Loan Note Issuer Costs Amount and the Issuer Costs Amount plus any Loan Note Issuer Costs Amount and/or any Issuer Costs Amount remaining unpaid in respect of any previous Transfer Date; *plus*
- (iii) an amount which, in respect of the Calculation Period ending on (but excluding) the Distribution Date immediately following such Transfer Date, is equal to the product of (A) a fraction, the numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), (B) the Class A LN Rate in effect for such Calculation Period and (C) the Class A Debt Amount as of the first day of such Calculation Period taking into account any reductions on such date (the "**Class A Monthly Finance Amount**"); *plus*
- (iv) an amount equal to any unpaid Class A Deficiency Amounts; *plus*
- (v) an amount equal to the product of (A) (1) a fraction, the numerator of which is the actual number of days in the Calculation Period ending on (but excluding) the Distribution Date immediately following such Transfer Date and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), multiplied by (2) the Class A LN Rate in effect for such Calculation Period, plus 1 per cent. per annum, and (B) the unpaid Class A Deficiency Amounts (if any) on the related Transfer Date for the immediately preceding Distribution Date (the "**Class A Additional Finance Amount**");

"**Calculation Period**" shall mean, with respect to any Distribution Date, the period from and including the Distribution Date immediately preceding such Distribution Date (or, in the case of the first Distribution Date, from and including the Series 2015-1 Closing Date) to but excluding such Distribution Date;

"**Class A Associated Debt**" means the Class A Notes;

"**Class A Debt Amount**" shall mean, with respect to any date of determination, an amount equal to £147,300,000 *minus* the aggregate amount of principal payments and amounts to be treated as principal payments made to the Class A Loan Note Holder which are treated by the Loan Note Issuer as principal payments referable to the Class A Loan Note from Trust Property, **provided, however**, that, upon and after the Series 2015-1 Termination Date, the Class A Debt Amount shall be an amount equal to zero;

**"Class A Deficiency Amount"** shall mean, in respect of any Transfer Date, an amount equal to the excess, if any, of the Class A Monthly Required Expense Amount as of the prior Transfer Date (disregarding for this purpose the Investor Aggregate Trustee Payment Amount, the Loan Note Issuer Costs Amount and the Issuer Costs Amount) over the amounts actually deposited on such prior Transfer Date as the Class A Monthly Distribution Amount into the Loan Note Issuer Distribution Account for the payment of such amount out of Available Funds on the relevant Transfer Date;

**"Class A LN Rate"** shall mean, for any Calculation Period, the Reference Rate, which shall be calculated on the first day of each Calculation Period, being (a) for the first Calculation Period, the linear interpolation of the rate for one-month and two-month deposits and (b) for any other Calculation Period, the rate for one-month deposits, plus (i) in the case of Calculation Periods from and including the Series 2015-1 Closing Date to and excluding the Step-Up Date, 1.00%, and (ii) in the case of Calculation Periods from the Step-Up Date, 2.00%;

**"Distribution Date"** means 15 August 2015 or, if 15 August 2015 is not a Business Day, the next succeeding Business Day and the 15<sup>th</sup> day of each calendar month thereafter, or if any such 15<sup>th</sup> day is not a Business Day, the next succeeding Business Day;

**"Issuer Costs Amount"** means the amounts (other than amounts payable to the Noteholders under the Notes) evidenced by an original invoice or certified to the Receivables Trustee by the Servicer as being required to pay the legal fees and other fees, costs, charges, expenses, losses, damages, claims and liabilities of the Issuer accrued due and payable on any Transfer Date (including the legal fees and other fees, costs, charges, expenses, losses, damages, claims and liabilities of the Note Trustee and any Receiver appointed pursuant to the Note Trust Deed for the Notes and the Issuer Account Bank, the Paying Agents, the Agent Bank, the Issuer Corporate Services Provider, the Holdings Corporate Services Provider and the Registrar pursuant to the Transaction Documents);

**"Loan Note Issuer Costs Amount"** means the amounts (other than amounts payable to the holders of any Related Debt thereunder or to any counterparty under any Qualifying Swap Agreement or any Enhancement Provider in respect of such Enhancement) evidenced by an original invoice or certified to the Receivables Trustee by the Servicer as being required to pay the legal fees and other fees, costs, charges, expenses, losses, damages, claims and liabilities of the Loan Note Issuer accrued due and payable on any Transfer Date (including the legal fees and other fees, costs, charges, expenses, losses, damages, claims and liabilities of the Security Trustee and any Receiver appointed pursuant to the Security Trust Deed and Cash Management Agreement and the Receivables Trustee Account Bank, Loan Note Issuer Account Bank, the Loan Note Issuer Corporate Services Provider, Calculation Agent, Cash Manager and Back-Up Cash Manager pursuant to the Transaction Documents) referable to Series 2015-1;

**"Receiver"** means a person, or persons, appointed in writing by the Security Trustee who is to be a receiver, a receiver and manager or an administrative receiver (and who shall not be the Security Trustee or an affiliate of the Security Trustee);

**"Series 2015-1 Associated Debt"** shall mean the Class A Associated Debt, the Class B Associated Debt, the Class C Associated Debt, the Class D Associated Debt, the Class E Associated Debt and the Class F Associated Debt;

**"Series 2015-1 Debt Amount"** shall mean, on any date, an amount equal to the aggregate of the Class A Debt Amount, Class B Debt Amount, Class C Debt Amount, Class D Debt Amount, Class E Debt Amount and the Class F Debt Amount; and

**"Series 2015-1 Monthly Required Expense Amount"** shall mean the Class A Monthly Required Expense Amount, the Class B Monthly Required Expense Amount, the Class C Monthly Required Expense Amount, the Class D Monthly Required Expense Amount, the Class E Monthly Required Expense Amount and the Class F Monthly Required Expense Amount.

#### **Class B Investor Interest**

As noted under "*Beneficial Entitlement of the Loan Note Issuer to Collections*" above, calculations and information will be delivered by the Receivables Trustee to the Loan Note Issuer. These calculations and information will relate to, among other things, the amounts of Finance Charge Collections and Acquired Interchange distributed to the Loan Note Issuer which will ultimately be used for payments. In order to

determine how payments will be made by the Loan Note Issuer with respect to the Class B Loan Note, it is necessary to understand the following definitions and cash flows in respect of Class B. See also "*Class A Investor Interest, Class C Investor Interest, Class D Investor Interest, Class E Investor Interest and Class F Investor Interest*".

In respect of each Transfer Date, a portion of Finance Charge Collections and Acquired Interchange that are distributable to the Loan Note Issuer from amounts standing to the credit of the Series 2015-1 Finance Charge Collections Ledger in the Receivables Trustee Collection Account will be calculated and notionally allocated to the Class B Investor Interest within the Series 2015-1 Finance Charge Collections Ledger. This aggregate amount, defined as the "**Class B Monthly Required Expense Amount**", will form part of the calculation of the Class B Required Amount and is the aggregate of:

- (i) an amount which, in respect of the Calculation Period ending on (but excluding) the Distribution Date immediately following such Transfer Date, is equal to the product of (A) a fraction, the numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), (B) the Class B LN Rate in effect for such Calculation Period and (C) the Class B Debt Amount as of the first day of such Calculation Period taking into account any reductions on such date (the "**Class B Monthly Finance Amount**"); *plus*
- (ii) an amount equal to any unpaid Class B Deficiency Amounts; *plus*
- (iii) an amount equal to the product of (A) (1) a fraction, the numerator of which is the actual number of days in the Calculation Period ending on (but excluding) the Distribution Date immediately following such Transfer Date and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), times (2) the Class B LN Rate in effect for such Calculation Period, plus 1 per cent. per annum, and (B) the unpaid Class B Deficiency Amounts (if any) on the related Transfer Date for the immediately preceding Distribution Date (the "**Class B Additional Finance Amount**");

"**Class B Associated Debt**" means the Class B Notes;

"**Class B Debt Amount**" means, with respect to any date of determination, an amount equal to £21,600,000 *minus* the aggregate amount of principal payments and amounts to be treated as principal payments made to the Class B Loan Note Holder which are treated by the Loan Note Issuer as principal payments referable to the Class B Loan Note from Trust Property **provided, however, that** upon and after the Series 2015-1 Termination Date, the Class B Debt Amount shall be an amount equal to zero;

"**Class B Deficiency Amount**" shall mean, in respect of any Transfer Date, an amount equal to the excess, if any, of the Class B Monthly Required Expense Amount as of the prior Transfer Date over the amounts actually deposited on such prior Transfer Date as the Class B Monthly Distribution Amount into the Loan Note Issuer Distribution Account for the payment of such amount out of Available Funds on the relevant Transfer Date; and

"**Class B LN Rate**" shall mean, for any Calculation Period, the Reference Rate, which shall be calculated on the first day of each Calculation Period, being (a) for the first Calculation Period, the linear interpolation of the rate for one-month and two-month deposits and (b) for any other Calculation Period, the rate for one-month deposits, plus (i) in the case of Calculation Periods from and including the Series 2015-1 Closing Date to and excluding the Step-Up Date, 1.55%, and (ii) in the case of Calculation Periods from the Step-Up Date, 2.55%.

### **Class C Investor Interest**

As noted under "*Beneficial Entitlement of the Loan Note Issuer to Collections*" above, calculations and information will be delivered by the Receivables Trustee to the Loan Note Issuer. These calculations and information will relate to, among other things, the amounts of Finance Charge Collections and Acquired Interchange distributed to the Loan Note Issuer which will ultimately be used for payments. In order to determine how payments will be made by the Loan Note Issuer with respect to the Class C Loan Note, it is necessary to understand the following definitions and cash flows in respect of Class C. See also "*Class A Investor Interest, Class B Investor Interest, Class D Investor Interest, Class E Investor Interest and Class F Investor Interest*".

In respect of each Transfer Date, a portion of Finance Charge Collections and Acquired Interchange that are distributable to the Loan Note Issuer from amounts standing to the credit of the Series 2015-1 Finance Charge Collections Ledger in the Receivables Trustee Collection Account will be calculated and notionally allocated to the Class C Investor Interest within the Series 2015-1 Finance Charge Collections Ledger. This aggregate amount, defined as the "**Class C Monthly Required Expense Amount**", will form part of the calculation of the Class C Required Amount and is the aggregate of:

- (i) an amount which, in respect of the Calculation Period ending on (but excluding) the Distribution Date immediately following such Transfer Date, is equal to the product of (A) a fraction, the numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), (B) the Class C LN Rate in effect for such Calculation Period and (C) the Class C Debt Amount as of the first day of such Calculation Period taking into account any reductions on such date (the "**Class C Monthly Finance Amount**"); *plus*
- (ii) an amount equal to any unpaid Class C Deficiency Amounts; *plus*
- (iii) an amount equal to the product of (A) (1) a fraction, the numerator of which is the actual number of days in the Calculation Period ending on (but excluding) the Distribution Date immediately following such Transfer Date and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), times (2) the Class C LN Rate in effect for such Calculation Period, plus 1 per cent. per annum, and (B) the unpaid Class C Deficiency Amounts (if any) on the related Transfer Date for the immediately preceding Distribution Date (the "**Class C Additional Finance Amount**");

"**Class C Associated Debt**" means the Class C Notes;

"**Class C Debt Amount**" means, with respect to any date of determination, an amount equal to £31,800,000 minus the aggregate amount of principal payments and amounts to be treated as principal payments made to the Class C Loan Note Holder which are treated by the Loan Note Issuer as principal payments referable to the Class C Loan Note from Trust Property **provided, however, that** upon and after the Series 2015-1 Termination Date, the Class C Debt Amount shall be an amount equal to zero;

"**Class C Deficiency Amount**" shall mean, in respect of any Transfer Date, an amount equal to the excess, if any, of the Class C Monthly Required Expense Amount as of the prior Transfer Date over the amounts actually deposited on such prior Transfer Date as the Class C Monthly Distribution Amount into the Loan Note Issuer Distribution Account for the payment of such amount out of Available Funds on the relevant Transfer Date; and

"**Class C LN Rate**" shall mean, for any Calculation Period, the Reference Rate, which shall be calculated on the first day of each Calculation Period, being (a) for the first Calculation Period, the linear interpolation of the rate for one-month and two-month deposits and (b) for any other Calculation Period, the rate for one-month deposits, plus (i) in the case of Calculation Periods from and including the Series 2015-1 Closing Date to and excluding the Step-Up Date, 1.95%, and (ii) in the case of Calculation Periods from the Step-Up Date, 2.95%.

#### **Class D Investor Interest**

As noted under "*Beneficial Entitlement of the Loan Note Issuer to Collections*" above, calculations and information will be delivered by the Receivables Trustee to the Loan Note Issuer. These calculations and information will relate to, among other things, the amounts of Finance Charge Collections and Acquired Interchange distributed to the Loan Note Issuer which will ultimately be used for payments. In order to determine how payments will be made by the Loan Note Issuer with respect to the Class D Loan Note, it is necessary to understand the following definitions and cash flows in respect of Class D. See also "*Class A Investor Interest, Class B Investor Interest, Class C Investor Interest, Class E Investor Interest and Class F Investor Interest*".

In respect of each Transfer Date, a portion of Finance Charge Collections and Acquired Interchange that are distributable to the Loan Note Issuer from amounts standing to the credit of the Series 2015-1 Finance Charge Collections Ledger in the Receivables Trustee Collection Account will be calculated and notionally allocated to the Class D Investor Interest within the Series 2015-1 Finance Charge Collections

Ledger. This aggregate amount, defined as the "**Class D Monthly Required Expense Amount**", will form part of the calculation of the Class D Required Amount and is the aggregate of:

- (i) an amount which, in respect of the Calculation Period ending on (but excluding) the Distribution Date immediately following such Transfer Date, is equal to the product of (A) a fraction, the numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), (B) the Class D LN Rate in effect for such Calculation Period and (C) the Class D Debt Amount as of the first day of such Calculation Period taking into account any reductions on such date (the "**Class D Monthly Finance Amount**"); *plus*
- (ii) an amount equal to any unpaid Class D Deficiency Amounts; *plus*
- (iii) an amount equal to the product of (A) (1) a fraction, the numerator of which is the actual number of days in the Calculation Period ending on (but excluding) the Distribution Date immediately following such Transfer Date and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), times (2) the Class D LN Rate in effect for such Calculation Period, plus 1 per cent. per annum, and (B) the unpaid Class D Deficiency Amounts (if any) on the related Transfer Date for the immediately preceding Distribution Date (the "**Class D Additional Finance Amount**");

"**Class D Associated Debt**" means the Class D Notes;

"**Class D Debt Amount**" means, with respect to any date of determination, an amount equal to £44,100,000 *minus* the aggregate amount of principal payments and amounts to be treated as principal payments made to the Class D Loan Note Holder which are treated by the Loan Note Issuer as principal payments referable to the Class D Loan Note from Trust Property **provided, however, that** upon and after the Series 2015-1 Termination Date, the Class D Debt Amount shall be an amount equal to zero;

"**Class D Deficiency Amount**" shall mean, in respect of any Transfer Date, an amount equal to the excess, if any, of the Class D Monthly Required Expense Amount as of the prior Transfer Date over the amounts actually deposited on such prior Transfer Date as the Class D Monthly Distribution Amount into the Loan Note Issuer Distribution Account for the payment of such amount out of Available Funds on the relevant Transfer Date; and

"**Class D LN Rate**" shall mean, for any Calculation Period, the Reference Rate, which shall be calculated on the first day of each Calculation Period, being (a) for the first Calculation Period, the linear interpolation of the rate for one-month and two-month deposits and (b) for any other Calculation Period, the rate for one-month deposits, plus (i) in the case of Calculation Periods from and including the Series 2015-1 Closing Date to and excluding the Step-Up Date, 2.50%, and (ii) in the case of any Calculation Periods from the Step-Up Date, 3.50%.

#### **Class E Investor Interest**

As noted under "*Beneficial Entitlement of the Loan Note Issuer to Collections*" above, calculations and information will be delivered by the Receivables Trustee to the Loan Note Issuer. These calculations and information will relate to, among other things, the amounts of Finance Charge Collections and Acquired Interchange distributed to the Loan Note Issuer which will ultimately be used for payments. In order to determine how payments will be made by the Loan Note Issuer with respect to the Class E Loan Note, it is necessary to understand the following definitions and cash flows in respect of Class E. See also "*Class A Investor Interest, Class B Investor Interest, Class C Investor Interest, Class D Investor Interest and Class F Investor Interest*".

In respect of each Transfer Date, a portion of Finance Charge Collections and Acquired Interchange that are distributable to the Loan Note Issuer from amounts standing to the credit of the Series 2015-1 Finance Charge Collections Ledger in the Receivables Trustee Collection Account will be calculated and notionally allocated to the Class E Investor Interest within the Series 2015-1 Finance Charge Collections Ledger. This aggregate amount, defined as the "**Class E Monthly Required Expense Amount**", will form part of the calculation of the Class E Required Amount and is the aggregate of:

- (i) an amount which, in respect of the Calculation Period ending on (but excluding) the Distribution Date immediately following such Transfer Date, is equal to the product of (A) a fraction, the

numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), (B) the Class E LN Rate in effect for such Calculation Period and (C) the Class E Debt Amount as of the first day of such Calculation Period taking into account any reductions on such date (the "**Class E Monthly Finance Amount**"); *plus*

- (ii) an amount equal to any unpaid Class E Deficiency Amounts; *plus*
- (iii) an amount equal to the product of (A) (1) a fraction, the numerator of which is the actual number of days in the Calculation Period ending on (but excluding) the Distribution Date immediately following such Transfer Date and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), times (2) the Class E LN Rate in effect for such Calculation Period, plus 1 per cent. per annum, and (B) the unpaid Class E Deficiency Amounts (if any) on the related Transfer Date for the immediately preceding Distribution Date (the "**Class E Additional Finance Amount**");

"**Class E Associated Debt**" means the Class E Notes;

"**Class E Debt Amount**" means, with respect to any date of determination, an amount equal to £22,800,000 *minus* the aggregate amount of principal payments and amounts to be treated as principal payments made to the Class E Loan Note Holder which are treated by the Loan Note Issuer as principal payments referable to the Class E Loan Note from Trust Property **provided, however, that**, upon and after the Series 2015-1 Termination Date, the Class E Debt Amount shall be an amount equal to zero;

"**Class E Deficiency Amount**" shall mean, in respect of any Transfer Date, an amount equal to the excess, if any, of the Class E Monthly Required Expense Amount as of the prior Transfer Date over the amounts actually deposited on such prior Transfer Date as the Class E Monthly Distribution Amount into the Loan Note Issuer Distribution Account for the payment of such amount out of Available Funds on the relevant Transfer Date; and

"**Class E LN Rate**" shall mean, for any Calculation Period, the Reference Rate, which shall be calculated on the first day of each Calculation Period, being (a) for the first Calculation Period, the linear interpolation of the rate for one-month and two-month deposits and (b) for any other Calculation Period, the rate for one-month deposits, plus (i) in the case of Calculation Periods from and including the Series 2015-1 Closing Date to and excluding the Step-Up Date, 3.50%, and (ii) in the case of Calculation Periods from and including the Step-Up Date, 4.50%.

### **Class F Investor Interest**

As noted under "*Beneficial Entitlement of the Loan Note Issuer to Collections*" above, calculations and information will be delivered by the Receivables Trustee to the Loan Note Issuer. These calculations and information will relate to, among other things, the amounts of Finance Charge Collections and Acquired Interchange distributed to the Loan Note Issuer which will ultimately be used for payments. In order to determine how payments will be made by the Loan Note Issuer with respect to the Class F Loan Note, it is necessary to understand the following definitions and cash flows in respect of Class F. See also "*Class A Investor Interest, Class B Investor Interest, Class C Investor Interest, Class D Investor Interest, and Class E Investor Interest*".

In respect of each Transfer Date, a portion of Finance Charge Collections and Acquired Interchange that are distributable to the Loan Note Issuer from amounts standing to the credit of the Series 2015-1 Finance Charge Collections Ledger in the Receivables Trustee Collection Account will be calculated and notionally allocated to the Class F Investor Interest within the Series 2015-1 Finance Charge Collections Ledger. This aggregate amount, defined as the "**Class F Monthly Required Expense Amount**", will form part of the calculation of the Class F Required Amount and is the aggregate of:

- (i) an amount which, in respect of the Calculation Period ending on (but excluding) the Distribution Date immediately following such Transfer Date, is equal to the product of (A) a fraction, the numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), (B) the Class F LN Rate in effect for such Calculation Period and (C) the Class F Debt Amount as of the first



day of such Calculation Period takes into account any reductions on such date (the "**Class F Monthly Finance Amount**"); *plus*

- (ii) an amount equal to any unpaid Class F Deficiency Amounts; *plus*
- (iii) an amount equal to the product of (A) (1) a fraction, the numerator of which is the actual number of days in the Calculation Period ending on (but excluding) the Distribution Date immediately following such Transfer Date and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), times (2) the Class F LN Rate in effect for such Calculation Period, plus 1 per cent. per annum, and (B) the unpaid Class F Deficiency Amounts (if any) on the related Transfer Date for the immediately preceding Distribution Date (the "**Class F Additional Finance Amount**");

"**Class F Associated Debt**" means the Class F Notes;

"**Class F Debt Amount**" means, with respect to any date of determination, an amount equal to £15,300,000 *minus* the aggregate amount of principal payments and amounts to be treated as principal payments made to the Class F Loan Note Holder which are treated by the Loan Note Issuer as principal payments referable to the Class F Loan Note from Trust Property **provided, however, that** upon and after the Series 2015-1 Termination Date, the Class F Debt Amount shall be an amount equal to zero;

"**Class F Deficiency Amount**" shall mean, in respect of any Transfer Date, an amount equal to the excess, if any, of the Class F Monthly Required Expense Amount as of the prior Transfer Date over the amounts actually deposited on such prior Transfer Date as the Class F Monthly Distribution Amount into the Loan Note Issuer Distribution Account for the payment of such amount out of Available Funds on the relevant Transfer Date; and

"**Class F LN Rate**" shall mean, for any Calculation Period, the Reference Rate, which shall be calculated on the first day of each Calculation Period, being (a) for the first Calculation Period, the linear interpolation of the rate for one-month and two-month deposits and (b) for any other Calculation Period, the rate for one-month deposits, plus (i) in the case of Calculation Periods from and including the Series 2015-1 Closing Date to and excluding the Step-Up Date, 4.50%, and (ii) in the case of Calculation Periods from the Step-Up Date, 5.50%.

#### **Available Funds**

"**Available Funds**" means, with respect to any Collection Period, the sum of:

- (a) the Investor Percentage of Finance Charge Collections, as allocated to the Series 2015-1 Investor Beneficiary by being credited to the Series 2015-1 Finance Charge Collections Ledger, for such Collection Period;
- (b) the Investor Percentage of amounts of Acquired Interchange allocated to the Series 2015-1 Investor Beneficiary by being credited to the Series 2015-1 Finance Charge Collections Ledger, for such Collection Period (or to be credited to the Series 2015-1 Finance Charge Collections Ledger on the related Transfer Date with respect to the preceding Collection Period) (excluding any such amount of Acquired Interchange which has been applied as Servicer Interchange Amounts);
- (c) with respect to any Collection Period prior to the payment in full of the Series 2015-1 Investor Interest, the Principal Funding Investment Proceeds transferred from the Series 2015-1 Principal Funding Ledger of the Receivables Trustee Investment Account to the Receivables Trustee Collection Account (up to a maximum amount equal to the aggregate of the Series 2015-1 Covered Amount), if any, with respect to the related Transfer Date;
- (d) with respect to any Collection Period prior to the payment in full of the Series 2015-1 Investor Interest, the Accumulation Reserve Investment Proceeds and Liquidity Reserve Investment Proceeds transferred from the Series 2015-1 Accumulation Reserve Ledger and Series 2015-1 Liquidity Reserve Ledger of the Receivables Trustee Investment Account to the Receivables Trustee Collection Account, if any, with respect to the related Transfer Date; and

- (e) net amounts to be received by the Loan Note Issuer into the Loan Note Issuer Distribution Account pursuant to the terms of a Qualifying Swap Agreement and recorded on the Series 2015-1 Ledger as amounts being referable to Series 2015-1 in relation to the following Distribution Date.

"**Series 2015-1 Covered Amount**" shall mean, as of each Transfer Date with respect to any Calculation Period commencing during the Controlled Accumulation Period, or as of the first Transfer Date with respect to the Rapid Amortisation Period, in each case prior to the payment in full of the Series 2015-1 Investor Interest, the aggregate of the Class A Covered Amount, the Class B Covered Amount, the Class C Covered Amount, the Class D Covered Amount, the Class E Covered Amount and the Class F Covered Amount with respect to such Calculation Period.

#### **Application of Available Funds**

On each Transfer Date, the aggregate of the Available Funds described above standing to the credit of the Series 2015-1 Finance Charge Collections Ledger and further amounts, if any, of Group One Series 2015-1 Excess Finance Charges will be transferred by the Receivables Trustee acting on the Loan Note Issuer's behalf and used to make the following payments in the following priority:

- (1) the Investor Aggregate Trustee Payment Amount plus any unpaid Investor Aggregate Trustee Payment Amounts from prior Transfer Dates shall be deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds;
- (2) the Loan Note Issuer Costs Amount and Issuer Costs Amount plus any unpaid Loan Note Issuer Costs Amounts or Issuer Costs Amounts remaining unpaid in respect of any previous Transfer Date shall be deposited in the Loan Note Issuer Distribution Account;
- (3) an amount equal to the Loan Note Issuer Profit Amount for Series 2015-1 and the Issuer Profit Amount plus any Loan Note Issuer Profit Amount or Issuer Profit Amount remaining unpaid in respect of any previous Transfer Date shall be deposited in the Loan Note Issuer Distribution Account;
- (4) the Investor Servicing Fee Amount referable to Series 2015-1 (exclusive of the Servicer Interchange Amount referable to Series 2015-1 on such Transfer Date) and any due but unpaid Investor Servicing Fee Amounts (exclusive of the Servicer Interchange Amount referable to Series 2015-1) from prior Transfer Dates shall be deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds;
- (5) if Series 2015-1 is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Amount referable to Series 2015-1 that is due and payable on or around such Transfer Date, excluding Qualifying Swap Partial Termination Payments, Qualifying Swap Subordinated Payment and Qualifying Swap Permitted Tax Credit Payments, shall be deposited in the Loan Note Issuer Distribution Account and recorded on the Series 2015-1 Ledger;
- (6) *pro rata* and *pari passu*: (i) the sum of the Class A Monthly Finance Amount, the Class A Deficiency Amount and the Class A Additional Finance Amount – called the "**Class A Monthly Distribution Amount**" – will be deposited in the Loan Note Issuer Distribution Account (identified as being referable to the Class A Loan Note) and (ii) if Series 2015-1 is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Partial Termination Payments and Qualifying Swap Permitted Tax Credit Payments referable to Series 2015-1 that are due and payable on or around such Transfer Date to the relevant Qualifying Swap Provider pursuant to the applicable Qualifying Swap Agreement shall be deposited in the Loan Note Issuer Distribution Account and recorded on the Series 2015-1 Ledger;
- (7) an amount equal to the sum of the Class B Monthly Finance Amount, the Class B Deficiency Amount and the Class B Additional Finance Amount – called the "**Class B Monthly Distribution Amount**" – shall be deposited in the Loan Note Issuer Distribution Account (identified as being referable to the Class B Loan Note);

- (8) an amount equal to the sum of the Class C Monthly Finance Amount, the Class C Deficiency Amount and the Class C Additional Finance Amount – called the "**Class C Monthly Distribution Amount**" – shall be deposited in the Loan Note Issuer Distribution Account (identified as being referable to the Class C Loan Note);
- (9) an amount equal to the sum of the Class D Monthly Finance Amount, the Class D Deficiency Amount and the Class D Additional Finance Amount – called the "**Class D Monthly Distribution Amount**" – shall be deposited in the Loan Note Issuer Distribution Account (identified as being referable to the Class D Loan Note);
- (10) on any Transfer Date, prior to the Liquidity Reserve Release Date, on which the Available Liquidity Reserve Amount is less than the Required Liquidity Reserve Amount, an amount up to the excess of the Required Liquidity Reserve Amount over the Available Liquidity Reserve Amount shall be allocated to the Series 2015-1 Investor Beneficiary and deposited in the Receivables Trustee Investment Account to the credit of the Series 2015-1 Liquidity Reserve Ledger;
- (11) an amount equal to the Class A Investor Default Amount will be allocated to Class A and deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds and such amounts shall be used to reinstate the Class A Investor Interest or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger as Principal Loss Make-Up (Default);
- (12) an amount equal to the total amount of Class A Investor Charge-Offs that have not been previously reinstated and for which a payment of Principal Loss Make-Up (Charge-off) has not been made will be deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds and such amount shall be used to reinstate the Class A Investor Interest or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger as Principal Loss Make-Up (Charge-off);
- (13) an amount equal to the Class B Investor Default Amount will be allocated to Class B and deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds and such amount shall be used to reinstate the Class B Investor Interest or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger as Principal Loss Make-Up (Default);
- (14) an amount equal to the total amount of Class B Investor Charge-Offs that have not been previously reinstated and for which a payment of Principal Loss Make-Up (Charge-off) has not been made will be deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds and such amount shall be used to reinstate the Class B Investor Interest or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger as Principal Loss Make-Up (Charge-off);
- (15) an amount equal to the Class C Investor Default Amount will be allocated to Class C and deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds and such amount shall be used to reinstate the Class C Investor Interest or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger as Principal Loss Make-Up (Default);
- (16) an amount equal to the total amount of Class C Investor Charge-Offs that have not been previously reinstated and for which a payment of Principal Loss Make-Up (Charge-off) has not been made will be deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds and such amount shall be used to reinstate the Class C Investor Interest or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger as Principal Loss Make-Up (Charge-off);

- (17) an amount equal to the Class D Investor Default Amount will be allocated to Class D and deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds and such amount shall be used to reinstate the Class D Investor Interest or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger as Principal Loss Make-Up (Default);
- (18) an amount equal to the total amount of Class D Investor Charge-Offs that have not been previously reinstated and for which a payment of Principal Loss Make-Up (Charge-off) has not been made will be deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds and such amount shall be used to reinstate the Class D Investor Interest or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger as Principal Loss Make-Up (Charge-off);
- (19) an amount equal to the sum of the Class E Monthly Finance Amount, the Class E Deficiency Amount and the Class E Additional Finance Amount – called the "**Class E Monthly Distribution Amount**" – will be credited to the Loan Note Issuer Distribution Account (identified as being referable to the Class E Loan Note);
- (20) an amount equal to the Class E Investor Default Amount will be allocated to Class E and deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds and such amount shall be used to reinstate the Class E Investor Interest or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger as Principal Loss Make-Up (Default);
- (21) an amount equal to the total amount of Class E Investor Charge-Offs that have not been previously reinstated and for which a payment of Principal Loss Make-Up (Charge-off) has not been made will be deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds and such amount shall be used to reinstate the Class E Investor Interest or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger as Principal Loss Make-Up (Charge-off);
- (22) an amount equal to the sum of the Class F Monthly Finance Amount, the Class F Deficiency Amount and the Class F Additional Finance Amount – called the "**Class F Monthly Distribution Amount**" – will be credited to the Loan Note Issuer Distribution Account (identified as being referable to the Class F Loan Note);
- (23) an amount equal to the Class F Investor Default Amount will be allocated to Class F and deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds and such amount shall be used to reinstate the Class F Investor Interest or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger as Principal Loss Make-Up (Default);
- (24) an amount equal to the total amount of Class F Investor Charge-Offs that have not been previously reinstated and for which a payment of Principal Loss Make-Up (Charge-off) has not been made will be deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds and such amount shall be used to reinstate the Class F Investor Interest or (during the Rapid Amortisation Period) remain credited to the Finance Charge Collections Ledger as Principal Loss Make-Up (Charge-off);
- (25) an amount equal to the aggregate amount of Investor Charge-offs allocated to the Series 2015-1 Originator VFN Subordination which have not been previously reinstated shall be paid by transfer to the Loan Note Issuer Distribution Account (it being acknowledged that the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds) and such amount shall be utilised to reinstate the Series 2015-1 Originator VFN

Subordination portion of the Originator VFN Series (identified as "Loss Make-Up (Charge-off)") to the Receivables Trustee Investment Account;

- (26) on each Transfer Date from and including the Accumulation Reserve Funding Date but prior to the date on which the Series 2015-1 Accumulation Reserve Ledger is closed, an amount that the Available Accumulation Reserve Amount is less than the Required Accumulation Reserve Amount shall be allocated to the Series 2015-1 Investor Beneficiary and deposited in the Receivables Trustee Investment Account to the credit of the Series 2015-1 Accumulation Reserve Ledger;
- (27) an amount equal to the aggregate of the Group One Series Finance Charge Shortfall (as defined in the relevant Loan Note Supplements) for all Series in Group One or, if other Series in Group One have available funds remaining for such purpose after paying all relevant items required to be paid in priority and such amounts (each, the "**Group One Series Excess**" in respect of the relevant Series), when aggregated with the balance of Available Funds after making the payments pursuant to paragraphs (1) to (26) above (the "**Group One Series Excess**" in respect of Series 2015-1), exceed the aggregate Group One Series Finance Charge Shortfall, the product of (i) the aggregate of the Group One Series Finance Charge Shortfalls for all Series in Group One and (ii) a fraction, the numerator of which is the Group One Series Excess in respect of Series 2015-1 and the denominator of which is the aggregate of the Group One Series Excess for all Series in Group One (such amount being known as "**Excess Finance Charges**") shall be distributed to the Loan Note Issuer and shall belong to the Loan Note Issuer absolutely for the purpose of making up shortfalls of available funds for other Series in Group One;
- (28) if Series 2015-1 is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Subordinated Termination Payments referable to Series 2015-1 that are due and payable on or around such Transfer Date to the relevant Qualifying Swap Provider pursuant to the applicable Qualifying Swap Agreement shall be deposited in the Loan Note Issuer Distribution Account and recorded on the Series 2015-1 Ledger; and
- (29) the balance, if any, after giving effect to the payments made under paragraphs (1) through (28) above, will be deposited in the Loan Note Issuer Distribution Account and it is acknowledged that the Loan Note Issuer will then pay an equal to this amount to the Receivables Trustee as Additional Funds and such amount shall be used to pay Deferred Consideration.

To the extent Series 2015-1 is in a Qualifying Swap Group and any amounts of collateral are posted by a Qualifying Swap Provider to a collateral account or ledger held in the name of the Loan Note Issuer, the amounts held therein shall be applied in accordance with the terms of the Qualifying Swap Transaction, including for the purpose of making payments to the Qualifying Swap Provider, and shall not be applied as Available Funds.

"**Adjusted Investor Interest**" shall mean, in respect of Series 2015-1, the Series 2015-1 Adjusted Investor Interest;

"**Available Accumulation Reserve Amount**" shall mean, with respect to any Transfer Date, the amount recorded on the Series 2015-1 Accumulation Reserve Ledger on such date (before giving effect to any amount credited or to be credited to the Series 2015-1 Accumulation Reserve Ledger on such date).

#### **Shared Excess Finance Charges**

Excess Finance Charges, which are the amount of Available Funds after the payments referred to in paragraphs (1) to (26) under "*Application of Available Funds*" above, shall be paid to the Loan Note Issuer Distribution Account and will be available on each Transfer Date for other series in Group One (including the Originator VFN Series) in accordance with the Series 2015-1 Loan Note Supplement.

Excess finance charge collections generated by Series in Group One other than Series 2015-1 ("**Group One Series 2015-1 Excess Finance Charges**") may, where available, be used to meet any shortfalls in Available Funds and other amounts credited to the Series 2015-1 Finance Charge Collections Ledger for payment of the amounts referred to in paragraphs (1) to (26) under "*Application of Available Funds*" above. Availability of Group One Series 2015-1 Excess Finance Charges will be determined by the amount of Finance Charge Collections and other amounts allocated to the Series other than Series 2015-1

and by the terms of the individual Loan Note Supplements in respect of such Series. Even though Series 2015-1, Series 2015-VFN and the Originator VFN Series will be the only Outstanding Series as at the Series 2015-1 Closing Date, if and when further Series are created, Group One Series 2015-1 Excess Finance Charges in respect of such Series may (subject to the above limitations) be available to be utilised in respect of Series 2015-1.

**"Available Liquidity Reserve Amount"** shall mean, with respect to any Transfer Date, the amount recorded on the Series 2015-1 Liquidity Reserve Ledger on such date (before giving effect to any amount credited or to be credited pursuant to the priority of payments under the heading "*Application of Available Funds*" to the Series 2015-1 Liquidity Reserve Ledger on such date).

**"Qualifying Swap Agreement"** shall mean an agreement that relates to a Qualifying Swap Transaction.

**"Qualifying Swap Amount"** shall mean, in respect of any Qualifying Swap Transaction and each Series in the relevant Qualifying Swap Group on any Transfer Date, the product of (A) such amounts (if any and whether net or gross, as specified in the applicable Qualifying Swap Agreement) that are due and payable on or around such Transfer Date to the Qualifying Swap Provider pursuant to the related Qualifying Swap Agreement, and (B) a fraction, the numerator of which is the Floating Investor Percentage for that Series for the immediately preceding Collection Period and the denominator of which is the aggregate of the Floating Investor Percentages for all the Series in the relevant Qualifying Swap Group for the immediately preceding Collection Period.

**"Qualifying Swap Group"** shall mean, collectively, in respect of any Qualifying Swap Transaction, one or more Series which are designated in the applicable Supplement and/or Loan Note Supplement (whether as originally executed or as subsequently supplemented or amended) as bearing the economic cost of, and taking the economic benefit of, such Qualifying Swap Transaction, **provided that** no Series may be designated as forming part of a Qualifying Swap Group after its relevant closing date unless a Rating Confirmation is obtained in respect of such designation.

**"Qualifying Swap Partial Termination Payment"** shall mean, in respect of any Qualifying Swap Transaction and each Series in the relevant Qualifying Swap Group on any Transfer Date, the product of (A) any partial termination payments payable by the Loan Note Issuer to a Qualifying Swap Provider and arising as a result of a reduction of the notional amount of such Qualifying Swap Transaction contemplated under a Qualifying Swap Agreement so as to ensure that its notional amount does not exceed a specified amount, and (B) a fraction, the numerator of which is the Floating Investor Percentage for that Series for the immediately preceding Collection Period and the denominator of which is the aggregate of the Floating Investor Percentages for all the Series in the relevant Qualifying Swap Group for the immediately preceding Collection Period.

**"Qualifying Swap Permitted Tax Credit Payment"** shall mean, in respect of any Qualifying Swap Transaction and each Series in the relevant Qualifying Swap Group on any Transfer Date, the product of (A) any sum payable by the Loan Note Issuer to a Qualifying Swap Provider under the applicable Qualifying Swap Agreement in respect of any credit against, relief or remission for, or repayment of, any Tax relating to such Qualifying Swap Transaction, and (B) a fraction, the numerator of which is the Floating Investor Percentage for that Series for the immediately preceding Collection Period and the denominator of which is the aggregate of the Floating Investor Percentages for all the Series in the relevant Qualifying Swap Group for the immediately preceding Collection Period.

**"Qualifying Swap Provider"** shall mean a counterparty to a Qualifying Swap Agreement.

**"Qualifying Swap Subordinated Termination Payment"** shall mean, in respect of any Qualifying Swap Transaction and each Series in the relevant Qualifying Swap Group on any Transfer Date, the product of (A) any termination payment payable by the Loan Note Issuer to a Qualifying Swap Provider and arising following the termination of a Qualifying Swap Agreement, where the relevant Qualifying Swap Provider is the Defaulting Party (as defined in the applicable Qualifying Swap Agreement) and (B) a fraction, the numerator of which is the Floating Investor Percentage for that Series for the immediately preceding Collection Period and the denominator of which is the aggregate of the Floating Investor Percentages for all the Series in the relevant Qualifying Swap Group for the immediately preceding Collection Period.

**"Qualifying Swap Transaction"** shall mean an arm's length swap, cap, collar or other derivative agreement entered into by the Loan Note Issuer for the purpose of hedging interest rate risk where a Rating Confirmation has been provided in relation to such arrangement.

Series 2015-1 is not in a Qualifying Swap Group on the Series 2015-1 Closing Date but may be designated by the Servicer as forming part of a Qualifying Swap Group provided the relevant conditions are met.

### **Monthly Finance Payments**

The Class A Monthly Distribution Amount will be used by the Loan Note Issuer to pay interest due on the Class A Loan Note. Interest payments to be made by the Loan Note Issuer in respect of the Class A Loan Note will be paid to the Issuer as holder of the Class A Loan Note. The Issuer will use these amounts to pay the interest amounts in respect of the Class A Notes on each Interest Payment Date.

The Class B Monthly Distribution Amount will be used by the Loan Note Issuer to pay interest due on the Class B Loan Note. Interest payments to be made by the Loan Note Issuer in respect of the Class B Loan note will be paid to the Issuer as holder of the Class B Loan Note. The Issuer will use these amounts to pay the interest amounts in respect of the Class B Notes on each Interest Payment Date.

The Class C Monthly Distribution Amount will be used by the Loan Note Issuer to pay interest due on the Class C Loan Note. Interest payments to be made by the Loan Note Issuer in respect of the Class C Loan note will be paid to the Issuer as holder of the Class C Loan Note. The Issuer will use these amounts to pay the interest amounts in respect of the Class C Notes on each Interest Payment Date.

The Class D Monthly Distribution Amount will be used by the Loan Note Issuer to pay interest due on the Class D Loan Note. Interest payments to be made by the Loan Note Issuer in respect of the Class D Loan note will be paid to the Issuer as holder of the Class D Loan Note. The Issuer will use these amounts to pay the interest amounts in respect of the Class D Notes on each Interest Payment Date.

The Class E Monthly Distribution Amount will be used by the Loan Note Issuer to pay interest due on the Class E Loan Note. Interest payments to be made by the Loan Note Issuer in respect of the Class E Loan note will be paid to the Issuer as holder of the Class E Loan Note. The Issuer will use these amounts to pay the interest amounts in respect of the Class E Notes on each Interest Payment Date.

The Class F Monthly Distribution Amount will be used by the Loan Note Issuer to pay interest due on the Class F Loan Note. Interest payments to be made by the Loan Note Issuer in respect of the Class F Loan note will be paid to the Issuer as holder of the Class F Loan Note. The Issuer will use these amounts to pay the interest amounts in respect of the Class F Notes on each Interest Payment Date.

To the extent necessary, the Receivables Trustee is authorised to make the above payments on the Loan Note Issuer's behalf.

See further "*The Series 2015-1 Loan Notes*" and "*Terms and Conditions of the Notes*".

**"Issuer Profit Amount"** means with respect to:

- (i) each Transfer Date up to and including the Transfer Date falling in December 2015, an amount of £8,000; and
- (ii) each Transfer Date thereafter £100.

**"Loan Note Issuer Profit Amount"** shall mean, with respect to Series 2015-1, £100 on each Transfer Date.

### **Distributions of Principal Collections to the Loan Note Issuer**

The amount of Principal Collections transferred on a daily basis (see "*The Receivables Trust - Allocation and Application of Collections*") during any Collection Period to the Principal Collections Ledger of the Receivables Trustee Collection Account will only be distributed to the Loan Note Issuer as Series 2015-1 Investor Beneficiary (to the extent of its beneficial interest) after making the calculations described

below. These calculations and the amounts actually transferred differ depending upon whether Series 2015-1 is in the Revolving Period, the Controlled Accumulation Period or the Rapid Amortisation Period.

### **Revolving Period**

The "**Revolving Period**" shall mean the period from and including the Series 2015-1 Closing Date to, but not including, the earlier of:

- (i) the day that the Controlled Accumulation Period commences; and
- (ii) the Pay Out Commencement Date.

During the Revolving Period, Principal Collections credited daily to the Principal Collections Ledger in the Receivables Trustee Collection Account will not be distributed to the Loan Note Issuer as the Series 2015-1 Investor Beneficiary but a specified percentage of Principal Collections will be retained for calculation purposes in the Principal Collections Ledger and held on an undivided basis (the Group One Retained Principal Collections and the Required Retained Principal Collections, each as defined below), as provided for below. Amounts of Principal Collections that are retained in this way as Group One Retained Principal Collections will be used by the Receivables Trustee as Shared Principal Collections (see "*Shared Principal Collections*" below) and, to the extent not used as Shared Principal Collections, will be transferred to the Receivables Trustee Investment Account to be used as Cash Available for Investment as previously described in "*The Receivables Trust - Application of Cash Available for Investment - Payments of Initial Payment and Payment for Future Receivables*".

Amounts of Principal Collections that are retained as Required Retained Principal Collections may be deposited in the Receivables Trustee Investment Account or the Loan Note Issuer Distribution Account, as applicable, on a Transfer Date to meet certain payments or distributions to the Loan Note Issuer in respect of Series 2015-1 which it is not able to satisfy from Finance Charge Collections and Acquired Interchange distributed as described above under "*Calculation and Distribution of Finance Charge Collections and Acquired Interchange to the Loan Note Issuer*". For calculation purposes, these amounts of utilised Required Retained Principal Collections are divided into amounts utilised as Reallocated Class F Principal Collections, Reallocated Class E Principal Collections, Reallocated Class D Principal Collections, Reallocated Class C Principal Collections or (as the case may be) Reallocated Class B Principal Collections. See "*Defaulted and Dilution Receivables; Investor Charge-offs; Allocation to Series 2015-1 and the Originator VFN*" below for further information on Reallocated Class B Principal Collections, Reallocated Class C Principal Collections, Reallocated Class D Principal Collections, Reallocated Class E Principal Collections and Reallocated Class F Principal Collections.

"**Group One Retained Principal Collections**" shall mean those Principal Collections retained in the undivided Principal Collections Ledger each Collection Period calculated by reference to all Outstanding Series in Group One that can be utilised, if needed, as Shared Principal Collections to make distributions to Outstanding Series in Group One on a Transfer Date and which are not Required Retained Principal Collections (as defined in the relevant Supplement) for any Series (including Series 2015-1).

"**Pay Out Commencement Date**" shall mean the Business Day following the date on which a Trust Pay Out Event is deemed to occur pursuant to the Receivables Trust Deed and Servicing Agreement or a Series 2015-1 Pay Out Event is deemed to occur pursuant to the Series 2015-1 Supplement.

"**Required Retained Principal Collections**" shall mean those Principal Collections credited to the undivided Principal Collections Ledger on each Relevant Date, as calculated by reference to the Required Retained Principal Collections Percentage, that can be utilised, if needed, as Reallocated Principal Collections.

"**Required Retained Principal Collections Percentage**" shall mean, in respect of each Collection Period:

- (a) if there is no Series 2015-1 Required Amount for such Collection Period, zero per cent.; or
- (b) if there is a Series 2015-1 Required Amount for such Collection Period, 100 per cent. until such time as Required Retained Principal Collections for the relevant Collection Period equals the Series 2015-1 Required Amount for such Collection Period, having taken into account any Originator VFN Required Retained Principal Collections (as defined in the Originator VFN



Supplement) to be made available to Series 2015-1, following which the Required Retained Principal Collections Percentage shall be zero per cent.

### **Controlled Accumulation Period**

Unless a Pay Out Event occurs (see "*The Receivables Trust - Trust Pay Out Events*" and "*Series 2015-1 Pay Out Events*" below), the "**Controlled Accumulation Period**" for Series 2015-1 is scheduled to begin at the close of business on the Series 2015-1 Scheduled Accumulation Commencement Date. Subject to certain conditions (see "*Postponement of Controlled Accumulation Period*" below), the commencement of the Controlled Accumulation Period may be delayed until no later than the close of business on the date falling one month before the Series 2015-1 Scheduled Redemption Date. The Controlled Accumulation Period will end on the earliest of:

- (i) the commencement of the Rapid Amortisation Period; and
- (ii) the Series 2015-1 Scheduled Redemption Date.

During the Controlled Accumulation Period, a portion of Principal Collections credited each Business Day to the Receivables Trustee Collection Account which are allocable to the Series 2015-1 Investor Beneficiary, less any Required Retained Principal Collections, will be accumulated by the Receivables Trustee during each Collection Period in the undivided Principal Collections Ledger (as allocable to the Series 2015-1 Investor Beneficiary) as Group One Retained Principal Collections. Any amount of Principal Collections allocable to the Series 2015-1 Investor Beneficiary on any Business Day in excess of the Group One Retained Principal Collections and Required Retained Principal Collections will be transferred to the Receivables Trustee Investment Account to be used as Cash Available for Investment. The amount accumulated on each day during any Collection Period as Group One Retained Principal Collections will, together with non-utilised Required Retained Principal Collections on a Transfer Date, form part of Available Retained Principal Collections (as defined below). The amount of Available Retained Principal Collections will be utilised first to cover the Controlled Deposit Amount (as defined below) for that Collection Period, which amount will be transferred by the Receivables Trustee (on each related Transfer Date) to the Receivables Trustee Investment Account (for credit to the Series 2015-1 Principal Funding Ledger therein) on the related Transfer Date. See "*Principal Funding*" below.

Such amounts will then be transferred to the Loan Note Issuer Distribution Account on the Transfer Date immediately preceding the Series 2015-1 Scheduled Redemption Date. Principal Collections in excess of the Controlled Deposit Amount will be used by the Receivables Trustee, first as Shared Principal Collections (as described above in "*Revolving Period*"), and then as Cash Available for Investment as previously described in "*The Receivables Trust - Application of Cash Available for Investment - Payments of Initial Payment and Payment for Future Receivables*".

As in the Revolving Period, during each Collection Period during the Controlled Accumulation Period, a specified percentage of Principal Collections as calculated by reference to Series 2015-1 (equal to the Required Retained Principal Collections Percentage of such Principal Collections) will be retained within the Receivables Trustee Collection Account of the Receivables Trust and may be deposited in the Receivables Trustee Investment Account or the Loan Note Issuer Distribution Account, as applicable, on a Transfer Date to meet certain payments or distributions to the Loan Note Issuer in respect of Series 2015-1 which it is not able to satisfy from Finance Charge Collections and Acquired Interchange distributed as described above under "*Calculation and Distribution of Finance Charge Collections and Acquired Interchange to the Loan Note Issuer*".

"**Controlled Accumulation Period Factor**" shall mean, for each Collection Period, a fraction, the numerator of which is equal to the sum of the initial investor interests of all Outstanding Series and the denominator of which is equal to the sum (without duplication) of:

- (i) the Series 2015-1 Initial Investor Interest;
- (ii) the initial investor interests of all Outstanding Series (other than Series 2015-1) in Group One which are not notified by the Servicer as being predicted to be in their revolving periods as at the start of such Collection Period; and
- (iii) the initial investor interests of all other Outstanding Series which are not in Group One and which are not allocating Shared Principal Collections.

**"Controlled Accumulation Period Length"** means the lowest number of months (not less than one) such that the sum of the Controlled Accumulation Period Factors for each month during such period will be equal to or greater than the Required Accumulation Factor Number.

**"Controlled Accumulation Shortfall"** shall initially mean zero and shall thereafter mean, with respect to any Transfer Date during the Controlled Accumulation Period, the excess, if any, of the Controlled Deposit Amount for the previous Transfer Date over the aggregate amount credited to the Series 2015-1 Principal Funding Ledger for the previous Collection Period.

**"Controlled Deposit Amount"** shall mean, for any Transfer Date during the Controlled Accumulation Period prior to the repayment in full of the Series 2015-1 Investor Interest, the sum of:

- (i) the product of:
  - (a) the Series 2015-1 Debt Amount immediately prior to the commencement of the Controlled Accumulation Period; and
  - (b) one-twelfth or, if the Controlled Accumulation Period Length for the Controlled Accumulation Period is determined to be less than 12 months, the Controlled Accumulation Period Factor for the Collection Period preceding such Transfer Date divided by the Required Accumulation Factor Number; and
- (ii) any Controlled Accumulation Shortfall for the relevant Transfer Date.

**"Required Accumulation Factor Number"** shall be equal to one divided by the lowest monthly average principal payment rate (expressed as a decimal) on the Designated Accounts for the 12 months preceding the date of such calculation, rounded up to the nearest whole number.

See "*Postponement of Controlled Accumulation Period*" below for further information and definitions.

#### **Postponement of Controlled Accumulation Period**

The Controlled Accumulation Period is scheduled to commence at the close of business on the Series 2015-1 Scheduled Accumulation Commencement Date. "**Series 2015-1 Scheduled Accumulation Commencement Date**" means 1 July 2017 (or any later date specified in a Series Extension Notice (as defined in "*Extension to Series 2015-1 Scheduled Redemption Date*" below) delivered by the Servicer to the Receivables Trustee in accordance with the Series 2015-1 Supplement). However, the Revolving Period may be extended and commencement of the Controlled Accumulation Period will be postponed to the later of:

- (i) if the Controlled Accumulation Period Length (determined as set out below) is less than 12 months, the first day of the Collection Period that is the number of months prior to the last day of the Collection Period falling immediately prior to the Series 2015-1 Scheduled Redemption Date equal to the Controlled Accumulation Period Length and, as a result, the number of complete Collection Periods in such Controlled Accumulation Period will equal the Controlled Accumulation Period Length; or
- (ii) if the Servicer certifies on or prior to the Accumulation Reserve Funding Date that it reasonably expects the Series 2015-1 Associated Debt and Series 2015-1 Related Debt to be refinanced (whether through the issuance or increase in the investor interest of a Replacement Series or otherwise), the first day of any Collection Period specified by the Servicer falling no later than the Collection Period immediately prior to the Collection Period in which the Series 2015-1 Scheduled Redemption Date falls and, as a result, the number of complete Collection Periods in such Controlled Accumulation Period will be as determined by the Servicer (but no fewer than one) and the requirement to retain Principal Collections to build up the Controlled Deposit Amount shall be satisfied to the extent of any proceeds (whether from the issue or increase in the investor interest of a Replacement Series or otherwise) which have been received by the Receivables Trustee and credited to the Series 2015-1 Principal Funding Ledger.

Prior to the start of the Collection Period commencing on 1 June 2017 and prior to the start of each Collection Period thereafter until the Controlled Accumulation Period begins, the Servicer will determine the "Controlled Accumulation Period Length" which will equal the lowest number of months (not less

than one) such that the sum of the Controlled Accumulation Period Factors for each month during such period will be equal to or greater than the Required Accumulation Factor Number.

A "**Determination Date**" shall mean the fifth Business Day prior to each Distribution Date.

"**Replacement Series**" shall mean any Series designated as such, all or part of any Contribution in respect of which will be used to repay in full the Investor Interest of an existing Series.

#### **Extension to Series 2015-1 Scheduled Redemption Date**

The "**Series 2015-1 Scheduled Redemption Date**" is the Interest Payment Date falling in July 2018 or, if a series extension notice is delivered by the Servicer (a "**Series Extension Notice**"), any Interest Payment Date falling no more than 12 months thereafter as specified in such Series Extension.

The Servicer may deliver a Series Extension Notice at least one month prior to the Series 2015-1 Scheduled Redemption Date and on or prior to the Accumulation Reserve Funding Date. The Series Extension Notice must be delivered by the Servicer to the Receivables Trustee, the Loan Note Issuer, the Security Trustee, the Note Trustee, each Loan Note Holder, the Noteholders and the Rating Agencies in accordance with the notice provisions of the Transaction Documents and the terms and conditions of the Notes and must specify the new Series 2015-1 Scheduled Redemption Date and the new Series 2015-1 Scheduled Accumulation Commencement Date (to be delayed by the same amount of time as the Series 2015-1 Scheduled Redemption Date). A Series Extension Notice may only be delivered once in respect of Series 2015-1.

#### **Partial Amortisation**

If, on any Determination Date, a Partial Amortisation Event occurs (as defined below), the Servicer shall notify the Receivables Trustee (a "**Partial Amortisation Notice**") and will (on behalf of the Receivables Trustee) apply Cash Available for Investment equal to the Partial Amortisation Amount (if any) for each Outstanding Series in Group One on the Transfer Date following such Determination Date to make a repayment in respect of such Series in Group One (each such repayment being referred to as "**Partial Amortisation**") on such Transfer Date (a "**Partial Amortisation Date**").

The Servicer shall certify in the Partial Amortisation Notice or otherwise in advance of any Partial Amortisation Date that a Partial Amortisation Event has occurred and shall specify the Partial Amortisation Amount (if any) which it has determined for each Series in Group One, including Series 2015-1.

Any Partial Amortisation Amount paid to the Series 2015-1 Investor Beneficiary shall be allocated between the various classes in Series 2015-1 *pro rata*, unless the Servicer certifies that, in its opinion, a different allocation is necessary in order to (i) avoid a Pay Out Event or (ii) avoid any Rating Agency reducing or withdrawing its rating of any of the Series 2015-1 Associated Debt, in which case such Partial Amortisation Amount shall be allocated between the various classes of the Series 2015-1 as the Servicer shall determine is necessary to avoid the relevant event.

"**Partial Amortisation Amount**" shall mean, in respect of any Partial Amortisation, the amount of the Cash Available for Investment standing to the credit of the Receivables Trustee Investment Account on the relevant Determination Date (excluding, for the avoidance of doubt, any amounts held in any liquidity reserve ledger or any other ledger which is not expressly stated to hold Cash Available for Investment) which the Servicer determines, in its opinion, on such Determination Date, will not be required for any other purpose on the following Transfer Date, together with, in respect of any Series that will be repaid in full as a result of the Partial Amortisation Event, amounts held in the liquidity reserve ledger, principal funding ledger or any other ledger in respect of such Series, as determined by the Servicer and notified to the Receivables Trustee, the Transferor and the Series 2015-1 Investor Beneficiary, which is to be allocated to a given Series in Group One, such allocation to be made by the Servicer on the basis of the principle that the Cash Available for Investment (together with any amounts released from any liquidity reserve ledger, principal funding ledger or any other ledger) is to be allocated between Series in the following order of priority:

- (a) *first*, an amount determined by the Servicer as required to be applied towards the accumulation of amounts for, or the amortisation of, each Series in Group One that is in an Accumulation Period

or an Amortisation Period or, in the case of a VFN Series, that is required in accordance with its terms to be reduced (in each case *pro rata* with such Series' Adjusted Investor Interest);

- (b) *second*, an amount determined by the Servicer as required to be applied towards the amortisation of each Series to avoid (or increase the chance of avoiding) a Pay Out Event occurring;
- (c) *third*, an amount determined by the Servicer as required to be applied towards the amortisation of each Series in order to ensure that (or increase the chance that) each applicable Rating Agency will not reduce or withdraw its then current rating on any outstanding Rated Debt;
- (d) *fourth*, an amount determined by the Servicer to be applied in its sole discretion towards (i) the amortisation of the Investor Interest (as defined in the Master Framework Agreement) of any VFN Series (other than the Originator VFN Series) and/or (ii) the amortisation of the Originator VFN Excess Amount by an amount such that the Transferor Interest together with the Originator VFN Excess Amount does not fall below the Minimum Transferor Interest; and
- (e) *fifth*, an amount determined by the Servicer to be applied towards the amortisation of each Series (other than the Originator VFN Series) in Group One and their Available Series Originator VFN Subordination (as defined in the Originator VFN Supplement) in priority to each Series' proximity to its Scheduled Redemption Date (such that, for the avoidance of doubt, that Series which is nearest to its Scheduled Redemption Date shall be amortised in full prior to any amortisation of any other Series under this paragraph (e)).

**"Partial Amortisation Event"** shall mean any of the following events:

- (a) where, on any Determination Date, there has been an increase of more than 15 percentage points in the value of the fraction (expressed as a percentage), the numerator of which is the balance of the Receivables Trustee Investment Account (excluding, for the avoidance of doubt, any amounts held in any liquidity reserve ledger or any other ledger which is not expressly stated to hold Cash Available for Investment) on the relevant Determination Date and the denominator of which is the Eligible Receivables Balance on the relevant Determination Date, since the immediately preceding Determination Date;
- (b) the balance of the Cash Available for Investment standing to the credit of the Receivables Trustee Investment Account (excluding, for the avoidance of doubt, any amounts held in any liquidity reserve ledger or any other ledger which is not expressly stated to hold Cash Available for Investment) on any Determination Date is greater than 10 per cent. of the Eligible Receivables Balance and has been greater than 10 per cent. of the Eligible Receivables Balance on the previous five Determination Dates; or
- (c) the average Portfolio Yield for three consecutive Collection Periods less the average Expense Rate for the same period in respect of any Series other than the Originator VFN Series (as such terms are defined in the relevant Series Supplement) is less than 3 per cent..

The circumstances where a Partial Amortisation Event may occur are varied. However, as described in the risk factor entitled "*A Partial Amortisation Event may result in an Early Redemption of the Notes*", this may occur where there has been insufficient nomination of Designated Accounts and/or generation of new Receivables to utilise Cash Available for Investment with the result that there has been sufficient Cash Available for Investment to cause a Partial Amortisation Event to occur.

### **Rapid Amortisation Period**

The "**Rapid Amortisation Period**" for Series 2015-1 will commence on the Business Day succeeding the day on which a Pay Out Event occurs and will continue until the earlier of:

- (i) the Series 2015-1 Termination Date; and
- (ii) the termination of the Receivables Trust.

During the Rapid Amortisation Period, the amount of Principal Collections credited each Business Day to the Receivables Trustee Collection Account which are allocable to the Series 2015-1 Investor Beneficiary will be accumulated on each day by the Receivables Trustee during each Collection Period in the

undivided Principal Collections Ledger (as allocable to the Series 2015-1 Investor Beneficiary). At the end of the Collection Period, the amounts so credited will be transferred by the Receivables Trustee (on the related Transfer Date) to the Loan Note Issuer Distribution Account until the Series 2015-1 Termination Date (as defined below).

**"Series 2015-1 Termination Date"** means the earlier to occur of (a) the Distribution Date on which the Series 2015-1 Investor Interest is reduced to zero and is not capable of reinstatement pursuant to the Receivables Trust Deed and Servicing Agreement as supplemented by the Series 2015-1 Supplement, or (b) the Distribution Date falling in July 2023.

As in the Revolving Period and the Controlled Accumulation Period, during each Collection Period during the Rapid Amortisation Period, a specified percentage equal to the amount of Required Retained Principal Collections will be retained within the Receivables Trustee Collection Account of the Receivables Trust and may be deposited in the Loan Note Issuer Distribution Account on a Transfer Date to meet certain payments or distributions to the Loan Note Issuer in respect of Series 2015-1 which it is not able to satisfy from Finance Charge Collections and Acquired Interchange distributed as described above under "*Calculation and Distribution of Finance Charge Collections and Acquired Interchange to the Loan Note Issuer*".

#### **Calculation of Principal Collections to be Distributed to the Loan Note Issuer in respect of Series 2015-1**

During the Revolving Period, the calculation of amounts available for distribution to the Loan Note Issuer in respect of Principal Collections will be determined on the basis of the Floating Investor Percentage for the Collection Period in which such Principal Collections arise. During the Controlled Accumulation Period and the Rapid Amortisation Period, the calculation of amounts available for distribution to the Loan Note Issuer in respect of Principal Collections will be determined on the basis of the Fixed Investor Percentage for the Collection Period in which such Principal Collections arise.

The "**Class B Fixed Allocation**", the "**Class C Fixed Allocation**", the "**Class D Fixed Allocation**", the "**Class E Fixed Allocation**" and the "**Class F Fixed Allocation**" will each be calculated by the Receivables Trustee in the same way and will be equal to, for each Class respectively, and with respect to any Collection Period following the end of the Revolving Period, the fraction expressed as a percentage (which percentage shall never exceed 100 per cent.):

- (i) the numerator of which is the investor interest of the relevant Class (i.e. the Class B Investor Interest, the Class C Investor Interest, the Class D Investor Interest, the Class E Investor Interest or the Class F Investor Interest as applicable) as of the close of business on the last day of the Revolving Period; and
- (ii) the denominator of which is equal to the Series 2015-1 Investor Interest as of the close of business on the last day of the Revolving Period.

On each Transfer Date during the Revolving Period, an amount equal to the Available Retained Principal Collections with respect to the related Collection Period will be distributed in the following priority:

- (i) a proportion of such Available Retained Principal Collections will be applied as Shared Principal Collections and allocated to Outstanding Series in Group One other than Series 2015-1 (see "*Shared Principal Collections*" below); and
- (ii) the balance remaining will be transferred to the Receivables Trustee Investment Account as Cash Available for Investment.

**"Available Retained Principal Collections"** shall mean, for the purposes of calculation in respect of a Transfer Date and the preceding Collection Period:

- (i) the aggregate amount of Retained Principal Collections for such Collection Period; *minus*
- (ii) the amount of Reallocated Principal Collections (if any) with respect to such Collection Period which are to be used to fund the Series 2015-1 Required Amount and distributed to the Series 2015-1 Investor Beneficiary; *plus*

- (iii) the amount of Shared Principal Collections with respect to Group One that are allocated to Series 2015-1; *plus*
- (iv) with respect to any Transfer Date falling in the Rapid Amortisation Period, the amount of Principal Loss Make-Up (Charge-off) and Principal Loss Make-Up (Default) calculated pursuant to the Series 2015-1 Supplement.

**"Fixed Investor Percentage"** means, with respect to any Collection Period, the percentage equivalent (which percentage shall never exceed 100 per cent.) of a fraction:

- (i) the numerator of which is the Series 2015-1 Investor Interest at the close of business on the last day of the Revolving Period (whether permanently ended or most recently temporarily suspended); and
- (ii) the denominator of which is the greater of:
  - (a) an amount equal to the Eligible Receivables Balance as at the close of business on the last day of the prior Collection Period; and
  - (b) the sum of (A) the Series 2015-1 Investor Interest as of the close of business on the last day of the Revolving Period (whether permanently ended or most recently temporarily suspended) plus (B) the sum of the numerators used to calculate the Investor Percentages for distributions with respect to Principal Collections for all Outstanding Series (excluding Series 2015-1) for that Collection Period,

**provided that**, with respect to any Collection Period in which a Subsequent Assignment Date in respect of Accounts with a balance of Existing Receivables or a Re-designation Date in respect of Third Party Re-designated Accounts, as the case may be, occurs, the amount used for the calculation in paragraph (ii)(a) above shall be:

- for the period from (and including) the first day of the Collection Period to (but excluding) the Subsequent Assignment Date or the Re-designation Date, as the case may be, an amount equal to the Eligible Receivables Balance as at the close of business on the last day of the prior Collection Period; and
- for the period from (and including) the Subsequent Assignment Date or the Re-designation Date, as the case may be, to (and including) the last day of the Collection Period, an amount equal to the Eligible Receivables Balance at the beginning of the day on the related Subsequent Assignment Date or Re-designation Date, as the case may be, as adjusted for the Outstanding Face Amount of Eligible Receivables at the beginning of such day added to or, as the case may be, removed from the Undivided Bare Trust on such Subsequent Assignment Date or Re-designation Date, as the case may be,

and **provided further, however, that**, with respect to any Collection Period in which any event (a "**Relevant Event**") occurs which increases or decreases the amount of an Investor Interest for any Outstanding Series other than by reason of allocating or reinstating the Investor Charge-offs for that Series (as defined in the Supplement for that Series) and which occurs prior to the end of that Series' Revolving Period, the amount used for the calculation in paragraph (ii)(b) above shall be:

- for the period from (and including) the first day of the Collection Period to (but excluding) the date of the Relevant Event, the sum of the numerators used to calculate the Investor Percentages for distributions with respect to Principal Collections for all Outstanding Series (including Series 2015-1) for the relevant Collection Period; and
- for the period from (and including) the date of the Relevant Event to (and including) the last day of the Collection Period, the sum of the numerators used to calculate the Investor Percentages for distributions with respect to Principal Collections for all Outstanding Series (including Series 2015-1) on the date of the Relevant Event, adjusted to take into account the Relevant Event in question.

**"Retained Principal Collections"** shall mean, with respect to any Collection Period, the aggregate amount retained in the undivided Principal Collections Ledger for such Collection Period as set out under *"Beneficial Entitlement of the Loan Note Issuer to Collections"* above.

**"Series 2015-1 Required Amount"** shall mean, as of each Transfer Date, the aggregate of the Class A Required Amount, the Class B Required Amount, the Class C Required Amount, the Class D Required Amount, the Class E Required Amount and the Class F Required Amount with respect to such Transfer Date.

On each Transfer Date during the Controlled Accumulation Period or the Rapid Amortisation Period, the Receivables Trustee will withdraw the Class A Monthly Principal Amount from the undivided Principal Collections Ledger and (in the case of the Rapid Amortisation Period) from amounts of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) standing to the credit of the Series 2015-1 Finance Charge Collections Ledger and:

- (i) in the case of a Transfer Date during the Controlled Accumulation Period, deposit such amount in the Receivables Trustee Investment Account (for credit to the Series 2015-1 Principal Funding Ledger and identified for Class A); or
- (ii) in the case of a Transfer Date during the Rapid Amortisation Period, deposit such amount in the Loan Note Issuer Distribution Account (identified for Class A).

The **"Class A Monthly Principal Amount"** means the calculated amount required to be transferred from the undivided Principal Collections Ledger together with, in the case of the Rapid Amortisation Period, the amount of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) required to be transferred from the Series 2015-1 Finance Charge Collections Ledger to (in the case of the Controlled Accumulation Period) the Series 2015-1 Principal Funding Ledger or (in the case of the Rapid Amortisation Period) the Series 2015-1 Ledger (as defined in the Series 2015-1 Loan Note Supplement) in the Loan Note Issuer Distribution Account, in each case notionally referable to the Class A Investor Interest, on each Transfer Date commencing on the Transfer Date in the month following the month in which the Controlled Accumulation Period or the Rapid Amortisation Period begins, which amount shall be equal to the lesser of:

- (i) an amount equal to the aggregate of (A) the aggregate amount of Available Retained Principal Collections which are standing to the credit of the undivided Principal Collections Ledger and (B) in the case of the Rapid Amortisation Period, the aggregate of the amounts credited to the Series 2015-1 Finance Charge Collections Ledger identified as Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) on such Transfer Date; and
- (ii) subject, in the case of the Controlled Accumulation Period, to the final paragraph in this section below, the Class A Adjusted Investor Interest (after taking into account any adjustments to be made on such Transfer Date but not taking into account any Class A Investor Default Amount on such Transfer Date for which Principal Loss Make-Up (Default) is calculated) prior to any amount being credited to the Series 2015-1 Principal Funding Ledger on such day plus the amount credited to the Series 2015-1 Finance Charge Collections Ledger on such Transfer Date identified as Principal Loss Make-Up (Charge-off) calculated in respect of Class A.

On each Transfer Date during the Controlled Accumulation Period or the Rapid Amortisation Period, the Receivables Trustee will, to the extent there are funds available after distributing the Class A Monthly Principal Amount, withdraw the Class B Monthly Principal Amount from the undivided Principal Collections Ledger and (in the case of the Rapid Amortisation Period) from amounts of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) standing to the credit of the Series 2015-1 Finance Charge Collections Ledger and:

- (i) in the case of a Transfer Date during the Controlled Accumulation Period, deposit such amount in the Receivables Trustee Investment Account (for credit to the Series 2015-1 Principal Funding Ledger and identified for Class B); or
- (ii) in the case of a Transfer Date during the Rapid Amortisation Period, deposit such amount in the Loan Note Issuer Distribution Account (identified for Class B).

The "**Class B Monthly Principal Amount**" means, the calculated amount required to be transferred from the undivided Principal Collections Ledger together with, in the case of the Rapid Amortisation Period, the amount of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) required to be transferred from the Series 2015-1 Finance Charge Collections Ledger to (in the case of the Controlled Accumulation Period) the Series 2015-1 Principal Funding Ledger in the Receivables Trust Investor Account or (in the case of the Rapid Amortisation Period) the Series 2015-1 Ledger (as defined in the Series 2015-1 Loan Note Supplement in the Loan Note Issuer Distribution Account, in each case notionally referable to the Class B Investor Interest, on each Transfer Date commencing on the Transfer Date in the month following the month in which the Controlled Accumulation Period or, if earlier, the Rapid Amortisation Period begins, which amount shall be equal to the lesser of:

- (i) an amount equal to the aggregate of (A) the aggregate amount of Available Retained Principal Collections which are standing to the credit of the undivided Principal Collections Ledger and (B) in the case of the Rapid Amortisation Period, the aggregate of the amounts credited to the Series 2015-1 Finance Charge Collections Ledger identified as Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) on such Transfer Date, minus the portion of such funds applied to the Class A Monthly Principal Amount; and
- (ii) subject, in the case of the Controlled Accumulation Period, to the final paragraph in this section below, the Class B Adjusted Investor Interest (after taking into account any adjustments to be made on such Transfer Date but not taking into account any Class B Investor Default Amount on such Transfer Date for which Principal Loss Make-Up (Default) is calculated) prior to any amount being credited to the Series 2015-1 Principal Funding Ledger on such day plus the amount credited to the Series 2015-1 Finance Charge Collections Ledger on such Transfer Date identified as Principal Loss Make-Up (Charge-off) calculated in respect of Class B.

On each Transfer Date during the Controlled Accumulation Period or the Rapid Amortisation Period, the Receivables Trustee will, to the extent there are funds available after distributing the Class A Monthly Principal Amount and the Class B Monthly Principal Amount, withdraw the Class C Monthly Principal Amount from the undivided Principal Collections Ledger (in the case of the Rapid Amortisation Period) and from amounts of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) standing to the credit of the Series 2015-1 Finance Charge Collections Ledger and:

- (i) in the case of a Transfer Date during the Controlled Accumulation Period, deposit such amount in the Receivables Trustee Investment Account (for credit to the Series 2015-1 Principal Funding Ledger and identified for Class C); or
- (ii) in the case of a Transfer Date during the Rapid Amortisation Period, deposit such amount in the Loan Note Issuer Distribution Account (identified for Class C).

The "**Class C Monthly Principal Amount**" means, the calculated amount required to be transferred from the undivided Principal Collections Ledger together with, in the case of the Rapid Amortisation Period, the amount of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) to be transferred from the Series 2015-1 Finance Charge Collections Ledger to (in the case of the Controlled Accumulation Period) the Series 2015-1 Principal Funding Ledger or (in the case of the Rapid Amortisation Period) the Series 2015-1 Ledger (as defined in the Series 2015-1 Loan Note Supplement) in the Loan Note Issuer Distribution Account, in each case notionally referable to the Class C Investor Interest, on each Transfer Date commencing on the Transfer Date in the month following the month in which the Controlled Accumulation Period or, if earlier, the Rapid Amortisation Period begins, which amount shall be equal to the lesser of:

- (i) an amount equal to the aggregate of (A) the aggregate amount of Available Retained Principal Collections which are standing to the credit of the undivided Principal Collections Ledger and (B) in the case of the Rapid Amortisation Period, the aggregate of the amounts credited to the Series 2015-1 Finance Charge Collections Ledger identified as Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) on such Transfer Date, minus the portion of such funds applied to the Class A Monthly Principal Amount and the Class B Monthly Principal Amount; and
- (ii) subject, in the case of the Controlled Accumulation Period, to the final paragraph in this section below, the Class C Adjusted Investor Interest (after taking into account any adjustments to be



made on such Transfer Date but not taking into account any Class C Investor Default Amount on such Transfer Date for which Principal Loss Make-Up (Default) is calculated) prior to any amount being credited to the Series 2015-1 Principal Funding Ledger on such day plus the amount credited to the Series 2015-1 Finance Charge Collections Ledger on such Transfer Date identified as Principal Loss Make-Up (Charge-off) calculated in respect of Class C.

On each Transfer Date during the Controlled Accumulation Period or the Rapid Amortisation Period, the Receivables Trustee will, to the extent there are funds available after distributing the Class A Monthly Principal Amount, the Class B Monthly Principal Amount and the Class C Monthly Principal Amount, withdraw the Class D Monthly Principal Amount from the undivided Principal Collections Ledger and (in the case of the Rapid Amortisation Period) from amounts of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) standing to the credit of the Series 2015-1 Finance Charge Collections Ledger and:

- (i) in the case of a Transfer Date during the Controlled Accumulation Period, deposit such amount in the Receivables Trustee Investment Account (for credit to the Series 2015-1 Principal Funding Ledger and identified for Class D); or
- (ii) in the case of a Transfer Date during the Rapid Amortisation Period, deposit such amount in the Loan Note Issuer Distribution Account (identified for Class D).

The "**Class D Monthly Principal Amount**" means, the calculated amount required to be transferred from the undivided Principal Collections Ledger together with, in the case of the Rapid Amortisation Period, the amount of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) required to be transferred from the Series 2015-1 Finance Charge Collections Ledger to (in the case of the Controlled Accumulation Period) the Series 2015-1 Principal Funding Ledger or (in the case of the Rapid Amortisation Period) the Series 2015-1 Ledger (as defined in the Series 2015-1 Loan Note Supplement) in the Loan Note Issuer Distribution Account, in each case notionally referable to the Class D Investor Interest, on each Transfer Date commencing on the Transfer Date in the month following the month in which the Controlled Accumulation Period or, if earlier, the Rapid Amortisation Period begins, which amount shall be equal to the lesser of:

- (i) an amount equal to the aggregate of (A) the aggregate amount of Available Retained Principal Collections which are standing to the credit of the undivided Principal Collections Ledger and (B) in the case of the Rapid Amortisation Period, the aggregate of the amounts credited to the Series 2015-1 Finance Charge Collections Ledger identified as Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) on such Transfer Date, minus the portion of such funds applied to the Class A Monthly Principal Amount, the Class B Monthly Principal Amount and the Class C Monthly Principal Amount; and
- (ii) subject, in the case of the Controlled Accumulation Period, to the final paragraph in this section below, the Class D Adjusted Investor Interest (after taking into account any adjustments to be made on such Transfer Date but not taking into account any Class D Investor Default Amount on such Transfer Date for which Principal Loss Make-Up (Default) is calculated) prior to any amount being credited to the Series 2015-1 Principal Funding Ledger on such day plus the amount credited to the Series 2015-1 Finance Charge Collections Ledger on such Transfer Date identified as Principal Loss Make-Up (Charge-off) calculated in respect of Class D.

On each Transfer Date during the Controlled Accumulation Period or the Rapid Amortisation Period, the Receivables Trustee will, to the extent there are funds available after distributing the Class A Monthly Principal Amount, the Class B Monthly Principal Amount, the Class C Monthly Principal Amount and the Class D Monthly Principal Amount, withdraw the Class E Monthly Principal Amount from the undivided Principal Collections Ledger and (in the case of the Rapid Amortisation Period) from amounts of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) standing to the credit of the Series 2015-1 Finance Charge Collections Ledger and:

- (i) in the case of a Transfer Date during the Controlled Accumulation Period, deposit such amount in the Receivables Trustee Investment Account (for credit to the Series 2015-1 Principal Funding Ledger and identified for Class E); or

- (ii) in the case of a Transfer Date during the Rapid Amortisation, deposit such amount in the Loan Note Issuer Distribution Account (identified for Class E).

The "**Class E Monthly Principal Amount**" means, the calculated amount required to be transferred from the undivided Principal Collections Ledger together with, in the case of the Rapid Amortisation Period, the amount of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) required to be transferred from the Series 2015-1 Finance Charge Collections Ledger (in the case of the Controlled Accumulation Period) to the Series 2015-1 Principal Funding Ledger or (in the case of the Rapid Amortisation Period) the Series 2015-1 Ledger (as defined in the Series 2015-1 Loan Note Supplement) in the Loan Note Issuer Distribution Account, in each case notionally referable to the Class E Investor Interest, on each Transfer Date commencing on the Transfer Date in the month following the month in which the Controlled Accumulation Period or, if earlier, the Rapid Amortisation Period begins, which amount shall be equal to the lesser of:

- (i) an amount equal to the aggregate of (A) the aggregate amount of Available Retained Principal Collections which are standing to the credit of the undivided Principal Collections Ledger and (B) in the case of the Rapid Amortisation Period, the aggregate of the amounts credited to the Series 2015-1 Finance Charge Collections Ledger identified as Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) on such Transfer Date, minus the portion of such funds applied to the Class A Monthly Principal Amount, the Class B Monthly Principal Amount, the Class C Monthly Principal Amount and the Class D Monthly Principal Amount; and
- (ii) subject, in the case of the Controlled Accumulation Period, to the final paragraph in this section below, the Class E Adjusted Investor Interest (after taking into account any adjustments to be made on such Transfer Date but not taking into account any Class E Investor Default Amount on such Transfer Date for which Principal Loss Make-Up (Default) is calculated) prior to any amount being credited to the Series 2015-1 Principal Funding Ledger on such day plus the amount credited to the Series 2015-1 Finance Charge Collections Ledger on such Transfer Date identified as Principal Loss Make-Up (Charge-off) calculated in respect of Class E.

On each Transfer Date during the Controlled Accumulation Period or the Rapid Amortisation Period, the Receivables Trustee will, to the extent there are funds available after distributing the Class A Monthly Principal Amount, the Class B Monthly Principal Amount, the Class C Monthly Principal Amount, the Class D Monthly Principal Amount and the Class E Monthly Principal Amount, withdraw the Class F Monthly Principal Amount from the undivided Principal Collections Ledger and (in the case of the Rapid Amortisation Period) from amounts of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) standing to the credit of the Series 2015-1 Finance Charge Collections Ledger and:

- (i) in the case of a Transfer Date during the Controlled Accumulation Period, deposit such amount in the Receivables Trustee Investment Account (for credit to the Series 2015-1 Principal Funding Ledger and identified for Class F); or
- (ii) in the case of a Transfer Date during the Rapid Amortisation Period, deposit such amount in the Loan Note Issuer Distribution Account (identified for Class F).

The "**Class F Monthly Principal Amount**" means, the calculated amount required to be transferred from the undivided Principal Collections Ledger together with, in the case of the Rapid Amortisation Period, the amount of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) to be distributed from the Series 2015-1 Finance Charge Collections Ledger to (in the case of the Controlled Accumulation Period) the Series 2015-1 Principal Funding Ledger or (in the case of the Rapid Amortisation Period) the Series 2015-1 Ledger (as defined in the Series 2015-1 Loan Note Supplement) in the Loan Note Issuer Distribution Account, in each case notionally referable to the Class F Investor Interest on each Transfer Date, commencing on the Transfer Date in the month following the month in which the Controlled Accumulation Period or, if earlier, the Rapid Amortisation Period begins, which amount shall be equal to the lesser of:

- (i) an amount equal to the aggregate of (A) the aggregate amount of Available Retained Principal Collections which are standing to the credit of the undivided Principal Collections Ledger and (B) in the case of the Rapid Amortisation Period, the aggregate of the amounts credited to the Series 2015-1 Finance Charge Collections Ledger identified as Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) on such Transfer Date, minus the portion of such funds

applied to the Class A Monthly Principal Amount, the Class B Monthly Principal Amount, the Class C Monthly Principal Amount, the Class D Monthly Principal Amount and the Class E Monthly Principal Amount; and

- (ii) subject, in the case of the Controlled Accumulation Period, to the final paragraph in this section below, the Class F Adjusted Investor Interest (after taking into account any adjustments to be made on such Transfer Date but not taking into account any Class F Investor Default Amount on such Transfer Date for which Principal Loss Make-Up (Default) is calculated) prior to any amount being credited to the Series 2015-1 Principal Funding Ledger on such day plus the amount credited to the Series 2015-1 Finance Charge Collections Ledger on such Transfer Date identified as Principal Loss Make-Up (Charge-off) calculated in respect of Class F.

Notwithstanding the above, during the Controlled Accumulation Period, the amount distributable from the Principal Collections Ledger in respect of Series 2015-1 for each Transfer Date shall not exceed the Controlled Deposit Amount and, in the event that the aggregate monthly principal amounts for each Class exceed the Controlled Deposit Amount, the monthly principal amounts of each Class will be reduced in reverse sequential order.

### **Distribution of Principal Collections**

On (1) the first Transfer Date during the Rapid Amortisation Period and on each Transfer Date thereafter or (2) the Series 2015-1 Scheduled Redemption Date, the Receivables Trustee, acting on the advice of the Servicer, will be authorised to distribute the following amounts in the following manner and priority:

- (i) from amounts, if any, credited to the Series 2015-1 Principal Funding Ledger, an amount equal to the lesser of:
  - (i) the Class A Investor Interest; and
  - (ii) the amount credited to the Series 2015-1 Principal Funding Ledger identified for Class A,to the Loan Note Issuer Distribution Account (identified for Class A);
- (ii) from amounts, if any, credited to the Series 2015-1 Principal Funding Ledger, an amount equal to the lesser of:
  - (i) the Class B Investor Interest; and
  - (ii) the amount credited to the Series 2015-1 Principal Funding Ledger identified for Class B,to the Loan Note Issuer Distribution Account (identified for Class B);
- (iii) from amounts, if any, credited to the Series 2015-1 Principal Funding Ledger, an amount equal to the lesser of:
  - (i) the Class C Investor Interest; and
  - (ii) the amount credited to the Series 2015-1 Principal Funding Ledger identified for Class C,to the Loan Note Issuer Distribution Account (identified for Class C);
- (iv) from amounts, if any, credited to the Series 2015-1 Principal Funding Ledger, an amount equal to the lesser of:
  - (i) the Class D Investor Interest; and
  - (ii) the amount credited to the Series 2015-1 Principal Funding Ledger identified for Class D,to the Loan Note Issuer Distribution Account (identified for Class D);

- (v) from amounts, if any, credited to the Series 2015-1 Principal Funding Ledger, an amount equal to the lesser of:
  - (i) the Class E Investor Interest; and
  - (ii) the amount credited to the Series 2015-1 Principal Funding Ledger identified for Class E,
 to the Loan Note Issuer Distribution Account (identified for Class E); and
- (vi) from amounts, if any, credited to the Series 2015-1 Principal Funding Ledger, an amount equal to the lesser of:
  - (i) the Class F Investor Interest; and
  - (ii) the amount credited to the Series 2015-1 Principal Funding Ledger identified for Class F,
 to the Loan Note Issuer Distribution Account (identified for Class F).

On each Partial Amortisation Date, the Receivables Trustee shall withdraw from the Receivables Trustee Investment Account:

- (i) the Partial Amortisation Amount (if any) specified by the Servicer in the applicable Partial Amortisation Notice as being allocable to Class A from the Receivables Trustee Investment Account and will deposit such amount in the Loan Note Issuer Distribution Account (identified for Class A).
- (ii) the Partial Amortisation Amount (if any) specified by the Servicer in the applicable Partial Amortisation Notice as being allocable to Class B from the Receivables Trustee Investment Account and will deposit such amount in the Loan Note Issuer Distribution Account (identified for Class B).
- (iii) the Partial Amortisation Amount (if any) specified by the Servicer in the applicable Partial Amortisation Notice as being allocable to Class C from the Receivables Trustee Investment Account and will deposit such amount in the Loan Note Issuer Distribution Account (identified for Class C).
- (iv) the Partial Amortisation Amount (if any) specified by the Servicer in the applicable Partial Amortisation Notice as being allocable to Class D from the Receivables Trustee Investment Account and will deposit such amount in the Loan Note Issuer Distribution Account (identified for Class D).
- (v) the Partial Amortisation Amount (if any) specified by the Servicer in the applicable Partial Amortisation Notice as being allocable to Class E from the Receivables Trustee Investment Account and will deposit such amount in the Loan Note Issuer Distribution Account (identified for Class E).
- (vi) the Partial Amortisation Amount (if any) specified by the Servicer in the applicable Partial Amortisation Notice as being allocable to Class F from the Receivables Trustee Investment Account and will deposit such amount in the Loan Note Issuer Distribution Account (identified for Class F).

The Loan Note Issuer will use amounts credited to the Loan Note Issuer Distribution Account identified for Class A to redeem the Class A Loan Note, amounts credited to the Loan Note Issuer Distribution Account identified for Class B to redeem the Class B Loan Note, amounts credited to the Loan Note Issuer Distribution Account identified for Class C to redeem the Class C Loan Note, amounts credited to the Loan Note Issuer Distribution Account identified for Class D to redeem the Class D Loan Note, amounts credited to the Loan Note Issuer Distribution Account identified for Class E to redeem the Class E Loan Note and amounts credited to the Loan Note Issuer Distribution Account identified for Class F to redeem the Class F Loan Note.

## Shared Principal Collections

Series 2015-1 is in Group One, with the effect that Series 2015-1 shares Principal Collections with other Outstanding Series in Group One. At the Series 2015-1 Closing Date, Series 2015-1, Series 2015-VFN and the Originator VFN Series will be the only Outstanding Series in Group One, and further Series issued may also be identified as being in Group One from time to time.

The amount of Principal Collections calculated in respect of Series 2015-1 which are not utilised as Cash Available for Investment and which are not distributed on the related Transfer Date to meet any Class A Monthly Principal Amount, Class B Monthly Principal Amount, Class C Monthly Principal Amount, Class D Monthly Principal Amount, Class E Monthly Principal Amount or Class F Monthly Principal Amount, or utilised on the related Transfer Date as Reallocated Principal Collections, shall be available as Shared Principal Collections for other Outstanding Series in Group One (other than the Originator VFN Series) and shall be identified as such in the undivided Principal Collections Ledger.

Principal Collections calculated in respect of any other Series in Group One will be shared with Series 2015-1 on any Transfer Date in accordance with the terms of the relevant Series' Supplements. The amount of Shared Principal Collections to be distributed to the Series 2015-1 Investor Beneficiary on any Transfer Date shall be an amount equal to the Series Principal Shortfall, if any, with respect to Series 2015-1 for such Transfer Date, **provided, however, that**, if the aggregate amount of Shared Principal Collections for all Outstanding Series in Group One for such Transfer Date is less than the Cumulative Series Principal Shortfall for such Transfer Date, then Shared Principal Collections to be distributed to Series 2015-1 on such Transfer Date shall equal the lesser of:

- (a) the aggregate of:
  - (i) the Series Additional Principal Collections; plus
  - (ii) the product of (1) Shared Principal Collections for all Outstanding Series in Group One for such Transfer Date less the Cumulative Series Additional Principal Collections and (2) a fraction, the numerator of which is the amount (if any) of the Remaining Series Principal Shortfall (as defined in the relevant Supplement) with respect to Series 2015-1 for such Transfer Date and the denominator of which is the amount of the Cumulative Remaining Series Principal Shortfall; and
- (b) the Series Principal Shortfall,

**provided that**, if any Shared Principal Collections are not allocated to a Series within Group One as a result of the amount which would otherwise be allocated pursuant to the relevant Supplement exceeding the Series Principal Shortfall for such Series (such amount being "**Excess Allocated Principal Collections**"), then the Series 2015-1 Investor Beneficiary shall be entitled to an amount of such Excess Allocated Principal Collections calculated in accordance with the foregoing provisions, as if such Excess Allocated Principal Collections were the amount of available Shared Principal Collections and the Series Principal Shortfall of Series 2015-1 and each other Outstanding Series in Group One were reduced by the amount of Shared Principal Collections allocated to them in accordance with such foregoing provisions and **provided that** such process shall be repeated, mutatis mutandis, until all Excess Allocated Principal Collections have been allocated to a Series.

"**Cumulative Remaining Series Principal Shortfall**" shall mean, with respect to any Transfer Date, the aggregate of the Remaining Series Principal Shortfalls (as defined in the relevant Supplement) for each Series in Group One other than the Originator VFN Series.

"**Cumulative Series Additional Principal Collections**" shall mean, with respect to any Transfer Date, the aggregate of the Series Additional Principal Collections (as defined in the relevant Supplement) for each Series in Group One other than the Originator VFN Series.

"**Cumulative Series Principal Shortfall**" shall mean the sum of the Series Principal Shortfalls (as such term is defined in the related Supplement) for each Series in Group One.

**"Series Additional Principal Collections"** shall mean, on any Transfer Date during the Controlled Accumulation Period or Rapid Amortisation Period, an amount equal to the lesser of:

- (a) the product of (i) Principal Collections available to the Originator VFN Series on such Transfer Date; and (ii) a fraction, the numerator of which is the Available Series 2015-1 Originator VFN Subordination at the end of the Revolving Period (whether permanently ended or most recently temporarily suspended) and the denominator of which is the Originator VFN Investor Interest; and
- (b) the Series Principal Shortfall for such Transfer Date.

**"Series Available Principal"** shall mean the Retained Principal Collections for the related Collection Period plus, during the Rapid Amortisation Period, the aggregate amount of Principal Loss Make-Up (Default) and Principal Loss Make-Up (Charge-off) for the related Collection Period *minus* the Reallocated Principal Collections (if any) for such Collection Period.

**"Shared Principal Collections"** shall mean, as the context may require, either:

- (i) the amount of Principal Collections (which, for the purposes of this definition only shall include Principal Collections from previous Collection Periods that constitute Cash Available for Investment) allocated for the purposes of calculation to Series 2015-1 which may be applied to any series principal shortfall (or equivalent) with respect to other Outstanding Series in Group One; or
- (ii) the amounts of Principal Collections (which, for the purposes of this definition only shall include Principal Collections from previous Collection Periods that constitute Cash Available for Investment) allocated for the purposes of calculation to other Outstanding Series in Group One which the applicable supplements for such Series specify are to be treated as "Shared Principal Collections" which may be applied and distributed to the Series 2015-1 Investor Beneficiary to cover any Series Principal Shortfall with respect to Series 2015-1.

**"Series Principal Shortfall"** shall mean, with respect to any Transfer Date, the excess, if any, of:

- (a)
  - (i) with respect to any Transfer Date during the Controlled Accumulation Period, the Controlled Deposit Amount for such Transfer Date; and
  - (ii) with respect to any Transfer Date during the Rapid Amortisation Period, the Series 2015-1 Adjusted Investor Interest,over
- (b) the Series Available Principal.

#### **The Originator VFN and the Series Originator VFN Subordination**

The Originator VFN Series will be constituted on or about the Series 2015-1 Closing Date by the Loan Note Issuer increasing its Aggregate Investor Interest in the Trust Property and thereafter having the ability to increase or decrease its Aggregate Investor Interest as provided for in a supplement to the Receivables Trust Deed and Servicing Agreement designated the "**Originator VFN Supplement**" and the associated portion of Investor Interest known as the "**Originator VFN Investor Interest**" with the associated Series being the "**Originator VFN Series**". See "*Other Series Issued – Originator VFN Series*".

The Originator VFN Series consists of the following parts: (i) a subordination amount for each other Series in Group One, as specified in the relevant Supplement (each being a "**Series Originator VFN Subordination**" and, together, the "**Originator VFN Subordination**" and, taking into account losses and other charge-offs notionally allocated thereto, the "**Available Series Originator VFN Subordination**" and "**Available Originator VFN Subordination**" respectively); and (ii) an amount equal to the Originator VFN Investor Interest less the Available Originator VFN Subordination (the "**Originator VFN Excess Amount**", such amount being available, as reduced by the amount of losses and charge-offs

allocated thereto, among other things, to provide protection to the Investor Beneficiaries against Dilution Losses. The Transferor Interest, together with the Originator VFN Excess Amount, calculated as an average on an aggregate basis, is required to satisfy the Minimum Transferor Interest requirements as further set out in the section entitled "*Series 2015-1 Pay Out Events*").

Series 2015-1 will also be able to use a portion of the available funds of the Originator VFN Series to meet shortfalls in Available Funds and other amounts credited to the Series 2015-1 Finance Charge Collections Ledger for payment of the amounts referred to in paragraphs (1) to (28) under "*Application of Available Funds*".

#### ***Series 2015-1 Originator VFN Subordination; Defaults and Dilution Losses***

On or about the Series 2015-1 Closing Date, following the constitution of the Originator VFN Series, the Series Originator VFN Subordination notionally allocated in respect of Series 2015-1 shall be the Series 2015-1 Originator VFN Subordination. In the event there would be a charge-off for any class of Series 2015-1 following the calculations and applications in respect of Series 2015-1 on a Transfer Date, such charge-off (whether arising as a result of a Default, a Dilution Loss (as to which, see further below) or a Reallocation of Principal Collections) will be re-allocated to the Available Series 2015-1 Originator VFN Subordination to the extent greater than zero.

At any time, taking into account losses and other charge-offs notionally allocated to the Series 2015-1 Originator VFN Subordination, the notional amount thereof available to Series 2015-1 will be the "**Available Series 2015-1 Originator VFN Subordination**". The Series 2015-1 Originator VFN Subordination may be increased by the Loan Note Issuer at any time by amounts resulting from further contributions in respect of the Originator VFN Series that are notionally allocated to the Series 2015-1 Originator VFN Subordination or by the holders of the Originator VFN Loan Note directing that the notional Originator VFN Excess Amount be reduced and the notional Series 2015-1 Originator VFN Subordination be increased. Any shortfall between the Series 2015-1 Originator VFN Subordination and the Available Series 2015-1 Originator VFN Subordination may be replenished through reinstatement of charge-offs allocated to the Originator VFN Investor Interest that are notionally allocated to the Series 2015-1 Originator VFN Subordination.

100 per cent. of any Dilution Losses that arise in respect of Eligible Receivables will be applied first against the Transferor Interest until reduced to zero and thereafter against the Originator VFN Excess Amount until reduced to zero. Thereafter the portion of such Dilution Losses that are referable to Series 2015-1 in accordance with the relevant calculations are applied first against the Available Series 2015-1 Originator VFN Subordination until reduced to zero and thereafter against the Series 2015-1 Investor Interest, applied to the relevant classes of Series 2015-1 in reverse order of priority.

Further details of the allocation of Default Amounts and Dilution Losses to the Transferor Interest, Originator VFN Excess Amount, Series 2015-1 Originator VFN Subordination and the Series 2015-1 Investor Interest are set out in the sections entitled: "*Defaulted and Dilution Receivables; Investor Charge-offs; Allocation to Series 2015-1 and the Originator VFN*" below.

#### ***Originator VFN Liquidity Support; Finance Charge Collections***

Series 2015-1 will also be able to use a portion of the available funds of the Originator VFN Series to meet shortfalls in Available Funds and other amounts credited to the Series 2015-1 Finance Charge Collections Ledger for payment of the amounts referred to in paragraphs (1) to (28) under "*Application of Available Funds*".

In calculating the amounts that are available to support Series 2015-1, the Servicer will make the following applications of funds available to the Originator VFN Series from Finance Charge Collections and Acquired Interchange allocated to the Originator VFN Series in accordance with its Floating Investor Percentage (collectively, the "**Originator VFN Available Funds**") in the following order of priority (the "**Originator VFN Available Funds Priority**") on each Transfer Date:

- (i) the investor aggregate trustee payment amount for the Originator VFN Series for such Transfer Date plus any Investor aggregate trustee payment amounts remaining unpaid from prior Transfer Dates shall be deposited in the Loan Note Issuer Distribution Account (the Loan Note Issuer will

then pay an amount equal to this amount to the Receivables Trustee as Additional Funds for the purpose of satisfying investor aggregate trustee payment amounts);

- (ii) the loan note issuer costs amount for the Originator VFN Series for such Transfer Date plus any unpaid loan note issuer costs amounts remaining unpaid in respect of prior Transfer Dates shall be deposited to the Loan Note Issuer Distribution Account;
- (iii) an amount equal to the Loan Note Issuer Profit Amount for the Originator VFN Series for the Originator VFN Series and any Loan Note Issuer Profit Amount remaining unpaid in respect of prior Transfer Dates shall be deposited in the Loan Note Issuer Distribution Account;
- (iv) the investor servicing fee amount for the Originator VFN Series (exclusive of the servicer interchange amount referable to the Originator VFN Series on such Transfer Date) and any investor servicing fee amounts for the Originator VFN Series (exclusive of the servicer interchange amount referable to the Originator VFN Series) from prior Transfer Dates shall be deposited to the Loan Note Issuer Distribution Account (the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds for the purpose of satisfying investor servicing fee amounts);
- (v) if the Originator VFN Series is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Amount referable to the Originator VFN Series due and payable on or around such Transfer Date, including any Qualifying Swap Partial Termination Payments and Qualifying Swap Permitted Tax Credit Payments, but excluding any Qualifying Swap Subordinated Termination Payments, shall be deposited in the Loan Note Issuer Distribution Account and recorded on the Originator VFN Ledger (as defined in the Originator VFN Supplement);
- (vi) an amount equal to the product of: (1) a fraction the numerator of which is the Originator VFN Excess Amount and the denominator of which is the Originator VFN Investor Interest and (2) the amount of Originator VFN Available Funds available after the applications in (i) to (v) above shall be deposited in the Loan Note Issuer Distribution Account (the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds (identified as "Finance Charge Proceeds"));
- (vii) an amount equal to the Aggregate Supported Group One Series Finance Charge Shortfalls shall be distributed to the Loan Note Issuer by being deposited in the Loan Note Issuer Distribution Account identified for each Series receiving a payment in respect of its Supported Group One Series Finance Charge Shortfall;
- (viii) an amount equal to the Aggregate Supported Series Loss Make-Up (Default), if any, shall be applied, during the revolving period and (subject to the below) any optional amortisation of the Originator VFN Series, by transfer to the Loan Note Issuer Distribution Account (the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as additional funds to reinstate a Series Originator VFN Subordination part of the Originator VFN Investor Interest (identified as "Loss Make-Up (Default)") to the Receivables Trustee Investment Account) or, to the extent that the Series Originator VFN Subordination that would otherwise be reinstated is being amortised, shall remain credited to the Originator VFN Finance Charge Collections Ledger (identified as Principal Loss Make-Up (Default));
- (ix) an amount equal to the Aggregate Supported Series Loss Make-Up (Charge-off), if any, shall be applied, during the revolving period and (subject to the below) any optional amortisation of the Originator VFN Series, by transfer to the Loan Note Issuer Distribution Account (the Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee as Additional Funds to reinstate a Series Originator VFN Subordination part of the Originator VFN Investor Interest (identified as "Loss Make-Up (Charge-off)") to the Receivables Trustee Investment Account) or, to the extent that the Series Originator VFN Subordination that would otherwise be reinstated is being amortised, shall remain credited to the Originator VFN Finance Charge Collections Ledger (identified as Principal Loss Make-Up (Charge-off));
- (x) an amount equal to the aggregate of any remaining Group One Series Finance Charge Shortfall amounts (as defined in the relevant Loan Note Supplements) for all Series in Group One or, if other Series in Group One have available funds remaining for such purpose after paying all



relevant items required to be paid in priority and such amounts (each, the "**Group One Series Excess**" in respect of the relevant Series), when aggregated with the balance of Available Funds after making the payments pursuant to paragraphs (i) to (ix) above (the "**Group One Series Excess**" in respect of the Originator VFN Series), exceed the aggregate Group One Series Finance Charge Shortfall, the product of (i) the aggregate of the Group One Series Finance Charge Shortfalls for all Series in Group One and (ii) a fraction, the numerator of which is the Group One Series Excess in respect of the Originator VFN Series and the denominator of which is the aggregate of the Group One Series Excess for all Series in Group One (such amount being known as "**Excess Finance Charges**") shall be distributed to the Loan Note Issuer and shall belong to the Loan Note Issuer absolutely for the purpose of making up shortfalls of available funds for other Series in Group One (as more particularly described in the Originator VFN Loan Note Supplement);

- (xi) an amount equal to the sum of the Originator VFN Subordination Monthly Finance Amount, the Originator VFN Subordination Deficiency Amount and the Originator VFN Subordination Additional Finance Amount – called the "**Originator VFN Subordination Monthly Distribution Amount**" – will be deposited in the Loan Note Issuer Distribution Account;
- (xii) if the Originator VFN Series is in a Qualifying Swap Group, an amount equal to the Qualifying Swap Subordinated Termination Payments referable to the Originator VFN Series due and payable on or around such Transfer Date shall be deposited in the Loan Note Issuer Distribution Account to the credit of the Originator VFN Ledger; and
- (xiii) the balance, if any, after giving effect to the payments made under paragraphs (i) through (xii) above shall be credited to the Loan Note Issuer Distribution Account and shall belong to the Loan Note Issuer absolutely (and the Loan Note Issuer will pay an equal amount to the Receivables Trustee as Additional Funds for the purposes of paying Deferred Consideration).

"**Aggregate Supported Group One Series Finance Charge Shortfall**" means the aggregate of the Supported Group One Series Finance Charge Shortfalls for each outstanding Series.

"**Aggregate Supported Series Loss Make-Up (Default)**" means the aggregate of the Supported Series Loss Make-Up (Default) for each outstanding Series.

"**Aggregate Supported Series Loss Make-Up (Charge-off)**" means the aggregate of the Supported Series Loss Make-Up (Charge-off) for each outstanding Series.

"**Available Originator VFN Subordination**" means the Originator VFN Subordination portion of the Originator VFN Investor Interest less the aggregate amount of Investor Charge-offs allocated thereto to the extent not reinstated and the equivalent provisions applicable to other Series (including the Originator VFN Series).

"**Available Series Originator VFN Subordination**" means, on any date, the portion of the Available Originator VFN Subordination referable to a particular Series as set out in the relevant Supplement which, in respect of Series 2015-1, is the Available Series 2015-1 Originator VFN Subordination.

"**Group One Series Amount**" means, in respect of each Series in Group One, Amounts identified as such in the relevant Loan Note Supplement and, in respect of Series 2015-1, means the amounts payable pursuant to items (1) to (27) of the priority of payment set out in the section entitled "*Application of Available Funds*".

"**Group One Series Finance Charge Shortfall**" means, in respect of each Series in Group One on a Transfer Date, an amount equal to the greater of (1) the Group One Series Amount for that Series less the aggregate of Available Funds and Reallocated Principal Collections (as such terms are defined in the relevant Supplement) in respect of such Transfer Date, and (2) zero.

"**Originator VFN Default Amount**" means, with respect to any Receivable in a Defaulted Account on the Transfer Date following the Collection Period in which such Account became a Defaulted Account, an amount equal to the product of:

- (a) such Default Amounts; and

(b) the floating investor percentage of the Originator VFN Series for such Collection Period.

**"Originator VFN Subordination Charge-Off Amount"** means Originator VFN Investor Charge-Offs allocated to the Originator VFN Subordination portion of the Originator VFN Investor Interest.

**"Originator VFN Subordination Default Amount"** means Originator VFN Investor Default Amounts allocated to the Originator VFN Subordination portion of the Originator VFN Investor Interest.

**"Originator VFN Subordination Monthly Finance Amount"** means an amount which, in respect of any Calculation Period or the Distribution Date on which such Calculation Period ends or the immediately preceding Transfer Date, is equal to the product of (A) a fraction, the numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year), (B) the Originator VFN LN Rate in effect for such Calculation Period and (C) the average principal amount outstanding of the Originator VFN Subordination Amount of the Originator VFN Investor Interest during such Calculation Period.

**"Series Originator VFN Charge-off Amount"** shall mean, in respect of any Series in Group One with an Available Series Originator VFN Subordination of greater than zero on a Distribution Date, an amount equal to the product of (1) a fraction, the numerator of which is the Available Series Originator VFN Subordination for such Series and the denominator of which is the Available Originator VFN Subordination and (2) the Originator VFN Subordination Charge-Off Amount.

**"Series Originator VFN Default Amount"** means, in respect any Series in Group One with an Available Series Originator VFN Subordination of greater than zero on a Transfer Date, an amount equal to the product of (1) a fraction, the numerator of which is the Available Series Originator VFN Subordination for such Series and the denominator of which is the Available Originator VFN Subordination and (2) the Originator VFN Subordination Default Amount.

**"Series Originator VFN Subordination Available Amount"** means, in respect any Series in Group One with an Available Series Originator VFN Subordination of greater than zero on a Transfer Date, an amount equal to the product of (1) a fraction, the numerator of which is the Available Series Originator VFN Subordination for such Series and the denominator of which is the Available Originator VFN Subordination and (2) the amount of Available Funds available after the application in accordance with the terms of the Originator VFN Supplement.

**"Supported Group One Series Finance Charge Shortfall"** means, in respect of any Series in Group One with an Available Series Originator VFN Subordination of greater than zero on a Transfer Date, an amount equal to the lesser of (1) the Group One Series Finance Charge Shortfall for such Series and (2) the Series Originator VFN Subordination Available Amount for such Series.

**"Supported Series Loss Make-Up (Charge-off)"** means, in respect of any Series in Group One with an Available Series Originator VFN Subordination of greater than zero on a Transfer Date, an amount equal to the lesser of (1) the Series Originator VFN Charge-Off Amount and (2) an amount equal to (a) the Series Originator VFN Subordination Available Amount less (b) the Supported Group One Series Finance Charge Shortfall and less (c) the Supported Series Loss Make-Up (Default).

**"Supported Series Loss Make-Up (Default)"** means, in respect of any Series in Group One with an Available Series Originator VFN Subordination of greater than zero on a Transfer Date, an amount equal to the lesser of (1) the Series Originator VFN Default Amount and (2) an amount equal to (a) the Series Originator VFN Subordination Available Amount less (b) the Supported Group One Series Finance Charge Shortfall.

### ***Interest Amounts, Amortisation and Repayment of the Originator VFN***

#### ***Interest Amounts***

Interest shall be payable on the Originator VFN Series in an aggregate amount equal to:

- (i) *first*, the amount of Available Funds referable to the Originator VFN Excess Amount of the Originator VFN Series, after application towards more senior items in the waterfall, will be paid to the holder of the Originator VFN Loan Note in accordance with item (vi) of the Originator VFN Available Funds Priority; and

- (ii) *second*, the Originator VFN Subordination Monthly Finance Amount, that accrues in respect of the Originator VFN Subordination, is payable at item (xi) of the Originator VFN Available Funds Priority.

#### *Rapid Amortisation*

The Series 2015-1 Originator VFN Subordination can only be amortised by reference to Principal Collections available to the Originator VFN Series following the Series 2015-1 Termination Date. The Originator VFN Series cannot enter rapid amortisation until all other Series in Group One (including Series 2015-1) have been redeemed or have reached their termination dates.

#### *Optional Amortisation*

Provided no Series in Group One is in an Amortisation Period or Accumulation Period, the Servicer may give notice to the Receivables Trustee (an "**Optional Amortisation Notice**") of an optional amortisation of the Originator VFN Investor Interest (such amortisation being referred to as an "**Optional Amortisation**") in accordance with the paragraphs below and in amount equal to the Optional Amortisation Amount, as defined below.

The Optional Amortisation Notice may specify an optional amortisation period for the Originator VFN Series (the "**Optional Amortisation Period**"), following which the Receivables Trustee shall utilise Undivided Bare Trust Property to make distributions on each Transfer Date during the Optional Amortisation Period to the Originator VFN Investor Beneficiary on the terms specified in the Originator VFN Supplement up to an amount specified in the Optional Amortisation Notice (the "**Optional Amortisation Amount**"). To be valid, the Optional Amortisation Notice shall state the date on which the Optional Amortisation Period shall commence (which shall be the first day of a Collection Period falling no earlier than the date of the delivery of the Optional Amortisation Notice) and the date (if any) on which the Optional Amortisation Period shall end (if the Optional Amortisation Amount has not been distributed to the Originator VFN Investor Beneficiary prior to such date). The Receivables Trustee shall utilise funds allocated to the Originator VFN Investor Interest on each Transfer Date during the Optional Amortisation Period on the terms set out in the Originator VFN Supplement.

The parties to the Originator VFN Supplement may agree to an Optional Amortisation on a date other than a Transfer Date, subject to all necessary amendments or modifications to the Transaction Documents being agreed by the parties thereto at such time, and **provided that** the Optional Amortisation Amount shall consist solely of Cash Available for Investment standing to the credit of the Receivables Trustee Investment Account on such date (excluding, for the avoidance of doubt, any amounts held in any liquidity reserve ledger or any other ledger in the Receivables Trustee Investment Account which is not expressly stated to hold Cash Available for Investment).

No later than two Business Days prior to any Transfer Date, the Servicer may deliver an Optional Amortisation Notice specifying an optional amortisation of the Originator VFN Investor Interest on the following Transfer Date (the "**Optional Amortisation Date**") up to an amount equal to the amount of Cash Available for Investment standing to the credit of the Receivables Trustee Investment Account on such date to the extent available and not used for any other purpose on the Transfer Date. The Servicer will then apply the Cash Available for Investment for such purpose on the following Transfer Date.

The Optional Amortisation Amount in respect of either an Optional Amortisation Date or an Optional Amortisation Period shall not exceed:

- (i) the lesser of (1) the amount which would cause the sum of (a) the Transferor Interest and (b) the Originator VFN Excess Amount to be reduced to the Minimum Transferor Interest and (2) the maximum amount by which the Originator VFN Investor Interest can be reduced without causing the Transferor's undertaking in respect of its risk retention requirements under the CRR and AIFMR to be breached; or
- (ii) the amount which would cause the Series Originator VFN Subordination for any Series (other than Series 2015-VFN) to fall below the Series Originator VFN Subordination for such Series as at the Closing Date of such Series.

"**Originator VFN Investor Beneficiary**" shall mean the Loan Note Issuer, in its capacity as Investor Beneficiary in respect of the Originator VFN Series.

**"Originator VFN Loan Note"** shall mean the Asset Backed Floating Rate Variable Funding Loan Note issued by the Loan Note Issuer to the Transferor pursuant to the Originator VFN Loan Note Supplement.

***Defaulted and Dilution Receivables; Investor Charge-offs; Allocation to Series 2015-1 and the Originator VFN***

*Dilution Losses*

Dilution Losses, when allocated to a Beneficiary Interest, will (subject to such amounts being reinstated in accordance with the Receivables Trust Deed and Servicing Agreement and the relevant Series Supplement), reduce such Beneficiary Interest by an equivalent amount (**provided that** no Beneficiary Interest may be reduced below zero).

Dilution Losses in respect of a Collection Period are allocated to the Transferor Interest under the Receivables Trust Deed and Servicing Agreement until the Transferor Interest is zero, with the remainder, being the Investor Dilution Loss, allocated to the Combined Aggregate Investor Interest for all the Investor Beneficiaries. On each Transfer Date, any Investor Dilution Losses for the relevant Collection Period shall be allocated to the Originator VFN Series and applied towards the Originator VFN Excess Amount of the Originator VFN Investor Interest.

To the extent the Investor Dilution Losses so allocated on a Transfer Date exceed the Originator VFN Excess Amount of the Originator VFN Investor Interest, an amount equal to the product of: (i) the remaining Investor Dilution Losses; and (ii) a fraction, the numerator of which is the Series 2015-1 Adjusted Investor Interest plus the Available Series 2015-1 Originator VFN Subordination and the denominator of which is the Combined Aggregate Adjusted Investor Interest for all Investor Beneficiaries (excluding, for the avoidance of doubt, the Originator VFN Excess Amount) will be applied towards, first, the Available Series 2015-1 Originator VFN Subordination, until it is reduced to zero, and, second, any remainder (such amount the "**Aggregate Investor Dilution Loss**") will be applied against the Series 2015-1 Investor Interest as follows:

- (i) *first*, to Class F up to the amount that would reduce the Class F Investor Interest to zero (taking into account any other Class F Investor Charge-Offs on such Transfer Date), such amount the "**Class F Investor Dilution Loss**";
- (ii) *secondly*, to Class E up to the amount that would reduce the Class E Investor Interest to zero (taking into account any other Class E Investor Charge-Offs on such Transfer Date), such amount the "**Class E Investor Dilution Loss**";
- (iii) *thirdly*, to Class D up to the amount that would reduce the Class D Investor Interest to zero (taking into account any other Class D Investor Charge-Offs on such Transfer Date), such amount the "**Class D Investor Dilution Loss**";
- (iv) *fourthly*, to Class C up to the amount that would reduce the Class C Investor Interest to zero (taking into account any other Class C Investor Charge-Offs on such Transfer Date), such amount the "**Class C Investor Dilution Loss**";
- (v) *fifthly*, to Class B up to the amount that would reduce the Class B Investor Interest to zero (taking into account any other Class B Investor Charge-Offs on such Transfer Date), such amount the "**Class B Investor Dilution Loss**"; and
- (vi) *sixthly*, to Class A up to the amount that would reduce the Class A Investor Interest to zero (taking into account any other Class A Investor Charge-Offs on such Transfer Date), such amount the "**Class A Investor Dilution Loss**".

**"Beneficiary Interest"** means the interest of a Beneficiary in the Receivables Trust.

***Series 2015-1 Defaults and Charge-offs; Allocation to Series 2015-1 Originator VFN Subordination***

A portion of the Investor Default Amount will be notionally allocated in calculations on each Transfer Date to each class of Series 2015-1 based on the product of the Class A Floating Allocation, the Class B Floating Allocation, the Class C Floating Allocation, the Class D Floating Allocation, the Class E Floating Allocation or the Class F Floating Allocation (as the case may be) applicable during the related

Collection Period and the aggregate of all Investor Default Amounts for such Collection Period, defined (as the case may be) as the "**Class A Investor Default Amount**", the "**Class B Investor Default Amount**", the "**Class C Investor Default Amount**", the "**Class D Investor Default Amount**", the "**Class E Investor Default Amount**" and the "**Class F Investor Default Amount**".

"**Originator VFN Excess Amount**" means the Originator VFN Investor Interest less the Available Originator VFN Subordination.

On each Transfer Date, if the Class A Investor Default Amount for the prior Collection Period exceeds the sum of:

- (i) Available Funds, including any Originator VFN Available Funds made available by the Originator VFN Series to Series 2015-1; and
- (ii) Reallocated Originator VFN Principal Collections, Reallocated Class F Principal Collections, Reallocated Class E Principal Collections, Reallocated Class D Principal Collections, Reallocated Class C Principal Collections and Reallocated Class B Principal Collections,

(in each case to the extent available to cover such amount with respect to the Collection Period immediately preceding such Transfer Date), (A) the Available Series 2015-1 Originator VFN Subordination shall be reduced by the amount of such excess until such time as the Available Series 2015-1 Originator VFN Subordination is zero; and then (B) the Class F Investor Interest (after giving effect to reductions for any Class F Investor Charge-Offs, any Reallocated Class F Principal Collections, any Reallocated Class E Principal Collections, any Reallocated Class D Principal Collections, any Reallocated Class C Principal Collections and any Reallocated Class B Principal Collections) will be reduced by the amount of such excess.

In the event that such reduction would cause the Class F Investor Interest to be a negative number, the Class F Investor Interest will be reduced to zero, and the Class E Investor Interest (after giving effect to reductions for any Class E Investor Charge-Offs, any Reallocated Class E Principal Collections, any Reallocated Class D Principal Collections, any Reallocated Class C Principal Collections and any Reallocated Class B Principal Collections on such Transfer Date but excluding any Reallocated Class E Principal Collections that have resulted in a reduction of the Class F Investor Interest) will be reduced by the amount by which the Class F Investor Interest would have been reduced below zero, but not by more than the Class A Investor Default Amount for such Transfer Date.

In the event that such reduction would cause the Class E Investor Interest to be a negative number, the Class E Investor Interest will be reduced to zero, and the Class D Investor Interest (after giving effect to reductions for any Class D Investor Charge-Offs, any Reallocated Class D Principal Collections, any Reallocated Class C Principal Collections and any Reallocated Class B Principal Collections on such Transfer Date but excluding any Reallocated Class D Principal Collections that have resulted in a reduction of the Class E Investor Interest) will be reduced by the amount by which the Class E Investor Interest would have been reduced below zero, but not by more than the Class A Investor Default Amount for such Transfer Date.

In the event that such reduction would cause the Class D Investor Interest to be a negative number, the Class D Investor Interest will be reduced to zero, and the Class C Investor Interest (after giving effect to reductions for any Class C Investor Charge-Offs, any Reallocated Class C Principal Collections and any Reallocated Class B Principal Collections on such Transfer Date but excluding any Reallocated Class C Principal Collections that have resulted in a reduction of the Class D Investor Interest) will be reduced by the amount by which the Class D Investor Interest would have been reduced below zero, but not by more than the Class A Investor Default Amount for such Transfer Date.

In the event that such reduction would cause the Class C Investor Interest to be a negative number, the Class C Investor Interest will be reduced to zero, and the Class B Investor Interest (after giving effect to reductions for any Class B Investor Charge-Offs and any Reallocated Class B Principal Collections on such Transfer Date but excluding any Reallocated Class B Principal Collections that have resulted in a reduction of the Class C Investor Interest) will be reduced by the amount by which the Class C Investor Interest would have been reduced below zero, but not by more than the Class A Investor Default Amount for such Transfer Date.

In the event that such reduction would cause the Class B Investor Interest to be a negative number, the Class A Investor Interest will be reduced by the amount by which the Class B Investor Interest would have been reduced below zero, but not by more than the Class A Investor Default Amount for such Transfer Date.

On such Transfer Date, the Class A Investor Interest will also be reduced by the amount of the Class A Investor Dilution Loss for such Transfer Date. Together with any reduction in the Class A Investor Interest in respect of a Class A Investor Default Amount, this will be a "**Class A Investor Charge-off**", which will have the effect of slowing or reducing the return of principal to the Loan Note Issuer referable for calculation purposes to the Class A Investor Interest.

If the Class A Investor Interest has been reduced by the amount of any Class A Investor Charge-offs, it will be reinstated on any Transfer Date (but not by an amount in excess of the aggregate Class A Investor Charge-offs net of any Principal Loss Make-Up (Charge-off) identified on any previous Transfer Date as part of the Class A Monthly Principal Amount) by the amount of additional consideration identified as "Loss Make-Up" (Charge-off) paid to the Receivables Trustee by the Investor Beneficiary. See "*Available Funds*" above.

On each Transfer Date, if the Class B Investor Default Amount for the prior Collection Period exceeds the sum of:

- (i) Available Funds, including any Originator VFN Available Funds made available by the Originator VFN Series to Series 2015-1; and
- (ii) Reallocated Originator VFN Principal Collections, Reallocated Class F Principal Collections, Reallocated Class E Principal Collections, Reallocated Class D Principal Collections and Reallocated Class C Principal Collections,

(in each case to the extent available to cover such amount with respect to the Collection Period immediately preceding such Transfer Date), (A) the Available Series 2015-1 Originator VFN Subordination shall be reduced by the amount of such excess until such time as the Available Series 2015-1 Originator VFN Subordination is zero; and then (B) the Class F Investor Interest (after giving effect to reductions for any Class F Investor Charge-Offs, any Reallocated Class F Principal Collections, any Reallocated Class E Principal Collections, any Reallocated Class D Principal Collections, any Reallocated Class C Principal Collections, any Reallocated Class B Principal Collections and any reductions to cover any Class A Investor Default Amount) will be reduced by the amount of such excess.

In the event that such reduction would cause the Class F Investor Interest to be a negative number, the Class F Investor Interest will be reduced to zero, and the Class E Investor Interest (after giving effect to reductions for any Class E Investor Charge-Offs, any Reallocated Class E Principal Collections, any Reallocated Class D Principal Collections, any Reallocated Class C Principal Collections, any Reallocated Class B Principal Collections and any reductions to cover any Class A Investor Default Amount on such Transfer Date but excluding any Reallocated Class E Principal Collections that have resulted in a reduction of the Class F Investor Interest) will be reduced by the amount by which the Class F Investor Interest would have been reduced below zero, but not by more than the Class B Investor Default Amount for such Transfer Date.

In the event that such reduction would cause the Class E Investor Interest to be a negative number, the Class E Investor Interest will be reduced to zero, and the Class D Investor Interest (after giving effect to reductions for any Class D Investor Charge-Offs, any Reallocated Class D Principal Collections, any Reallocated Class C Principal Collections, any Reallocated Class B Principal Collections and any reductions to cover any Class A Investor Default Amount on such Transfer Date but excluding any Reallocated Class D Principal Collections that have resulted in a reduction of the Class E Investor Interest) will be reduced by the amount by which the Class E Investor Interest would have been reduced below zero, but not by more than the Class B Investor Default Amount for such Transfer Date.

In the event that such reduction would cause the Class D Investor Interest to be a negative number, the Class D Investor Interest will be reduced to zero, and the Class C Investor Interest (after giving effect to reductions for any Class C Investor Charge-Offs, any Reallocated Class C Principal Collections, any Reallocated Class B Principal Collections and any reductions to cover any Class A Investor Default amount on such Transfer Date but excluding any Reallocated Class C Principal Collections that have

resulted in a reduction of the Class D Investor Interest) will be reduced by the amount by which the Class D Investor Interest would have been reduced below zero, but not by more than the Class B Investor Default Amount for such Transfer Date.

In the event that such reduction would cause the Class C Investor Interest to be a negative number, the Class B Investor Interest will be reduced by the amount by which the Class C Investor Interest would have been reduced below zero, but not by more than the Class B Investor Default Amount for such Transfer Date.

On such Transfer Date, the Class B Investor Interest will also be reduced by the amount of the Class B Investor Dilution Loss for such Transfer Date. Together with any reduction in the Class B Investor Interest in respect of a Class B Investor Default Amount and as a result of the application of Reallocated Class B Principal Collections, this will be a "**Class B Investor Charge-off**", which will have the effect of slowing or reducing the return of principal to the Loan Note Issuer referable for calculation purposes to the Class B Investor Interest.

If the Class B Investor Interest has been reduced by the amount of any Class B Investor Charge-offs, it will be reinstated on any Transfer Date (but not by an amount in excess of the aggregate Class B Investor Charge-offs net of any Principal Loss Make-Up (Charge-off) identified on any previous Transfer Date as part of the Class B Monthly Principal Amount) by the amount of additional consideration identified as Loss Make-Up (Charge-off) paid to the Receivables Trustee by the Investor Beneficiary. See "*Available Funds*" above.

On each Transfer Date, if the Class C Investor Default Amount for the prior Collection Period exceeds the sum of:

- (i) Available Funds, including any Originator VFN Available Funds made available by the Originator VFN Series to Series 2015-1; and
- (ii) Reallocated Originator VFN Principal Collections, Reallocated Class F Principal Collections, Reallocated Class E Principal Collections and Reallocated Class D Principal Collections,

(in each case to the extent available to cover such amount with respect to the Collection Period immediately preceding such Transfer Date), (A) the Available Series 2015-1 Originator VFN Subordination shall be reduced by the amount of such excess until such time as the Available Series 2015-1 Originator VFN Subordination is zero; and then (B) the Class F Investor Interest (after giving effect to reductions for any Class F Investor Charge-Offs, any Reallocated Class F Principal Collections any Reallocated Class E Principal Collections, any Reallocated Class D Principal Collections, any Reallocated Class C Principal Collections, any Reallocated Class B Principal Collections and any reductions to cover any Class A Investor Default Amount or any Class B Investor Default Amount) will be reduced by the amount of such excess.

In the event that such reduction would cause the Class F Investor Interest to be a negative number, the Class F Investor Interest will be reduced to zero, and the Class E Investor Interest (after giving effect to reductions for any Class E Investor Charge-Offs, any Reallocated Class E Principal Collections, any Reallocated Class D Principal Collections, any Reallocated Class C Principal Collections, any Reallocated Class B Principal Collections and any reductions to cover any Class A Investor Default Amount or any Class B Investor Default Amount on such Transfer Date but excluding any Reallocated Class E Principal Collections that have resulted in a reduction of the Class F Investor Interest) will be reduced by the amount by which the Class F Investor Interest would have been reduced below zero, but not by more than the Class C Investor Default Amount for such Transfer Date.

In the event that such reduction would cause the Class E Investor Interest to be a negative number, the Class E Investor Interest will be reduced to zero, and the Class D Investor Interest (after giving effect to reductions for any Class D Investor Charge-Offs, any Reallocated Class D Principal Collections, any Reallocated Class C Principal Collections, any Reallocated Class B Principal Collections and any reductions to cover any Class A Investor Default Amount or any Class B Investor Default Amount on such Transfer Date but excluding any Reallocated Class D Principal Collections that have resulted in a reduction of the Class E Investor Interest) will be reduced by the amount by which the Class E Investor Interest would have been reduced below zero, but not by more than the Class C Investor Default Amount for such Transfer Date.

In the event that such reduction would cause the Class D Investor Interest to be a negative number, the Class C Investor Interest will be reduced by the amount by which the Class D Investor Interest would have been reduced below zero, but not by more than the Class C Investor Default Amount for such Transfer Date.

On such Transfer Date, the Class C Investor Interest will also be reduced by the amount of the Class C Investor Dilution Loss for such Transfer Date. Together with any reduction in the Class C Investor Interest in respect of a Class C Investor Default Amount or as a result of the application of Reallocated Class C Principal Collections, this will be a "**Class C Investor Charge-off**", which will have the effect of slowing or reducing the return of principal to the Loan Note Issuer referable for calculation purposes to the Class C Investor Interest.

If the Class C Investor Interest has been reduced by the amount of any Class C Investor Charge-offs, it will be reinstated on any Transfer Date (but not by an amount in excess of the aggregate Class C Investor Charge-offs net of any Principal Loss Make-Up (Charge-off) identified on any previous Transfer Date as part of the Class C Monthly Principal Amount) by the amount of additional consideration identified as Loss Make-Up (Charge-off) paid to the Receivables Trustee by the Investor Beneficiary. See "*Available Funds*" above.

On each Transfer Date, if the Class D Investor Default Amount for the prior Collection Period exceeds the sum of:

- (i) Available Funds, including any Originator VFN Available Funds made available by the Originator VFN Series to Series 2015-1; and
- (ii) Reallocated Originator VFN Principal Collections, Reallocated Class F Principal Collections and Reallocated Class E Principal Collections,

(in each case to the extent available to cover such amount with respect to the Collection Period immediately preceding such Transfer Date), (A) the Available Series 2015-1 Originator VFN Subordination shall be reduced by the amount of such excess until such time as the Available Series 2015-1 Originator VFN Subordination is zero; and then (B) the Class F Investor Interest (after giving effect to reductions for any Class F Investor Charge-Offs, any Reallocated Class F Principal Collections, any Reallocated Class E Principal Collections, any Reallocated Class D Principal Collections, any Reallocated Class C Principal Collections, any Reallocated Class B Principal Collections and any reductions to cover any Class A Investor Default Amount, any Class B Investor Default Amount or any Class C Investor Default Amount) will be reduced by the amount of such excess.

In the event that such reduction would cause the Class F Investor Interest to be a negative number, the Class F Investor Interest will be reduced to zero, and the Class E Investor Interest (after giving effect to reductions for any Class E Investor Charge-Offs, any Reallocated Class E Principal Collections, any Reallocated Class D Principal Collections, any Reallocated Class C Principal Collections, any Reallocated Class B Principal Collections and any reductions to cover any Class A Investor Default Amount, any Class B Investor Default Amount or any Class C Investor Default Amount on such Transfer Date but excluding any Reallocated Class E Principal Collections that have resulted in a reduction of the Class F Investor Interest) will be reduced by the amount by which the Class F Investor Interest would have been reduced below zero, but not by more than the Class D Investor Default Amount for such Transfer Date.

In the event that such reduction would cause the Class E Investor Interest to be a negative number, the Class D Investor Interest will be reduced by the amount by which the Class E Investor Interest would have been reduced below zero, but not by more than the Class D Investor Default Amount for such Transfer Date.

On such Transfer Date, the Class D Investor Interest will also be reduced by the amount of the Class D Investor Dilution Loss for such Transfer Date. Together with any reduction in the Class D Investor Interest in respect of a Class D Investor Default Amount or as a result of the application of Reallocated Class D Principal Collections, this will be a "**Class D Investor Charge-off**", which will have the effect of slowing or reducing the return of principal to the Loan Note Issuer referable for calculation purposes to the Class D Investor Interest.



If the Class D Investor Interest has been reduced by the amount of any Class D Investor Charge-offs, it will be reinstated on any Transfer Date (but not by an amount in excess of the aggregate Class D Investor Charge-offs net of any Principal Loss Make-Up (Charge-off) identified on any previous Transfer Date as part of the Class D Monthly Principal Amount) by the amount of additional consideration identified as Loss Make-Up (Charge-off) paid to the Receivables Trustee by the Investor Beneficiary. See "*Available Funds*" above.

On each Transfer Date, if the Class E Investor Default Amount for the prior Collection Period exceeds the sum of:

- (i) Available Funds, including any Originator VFN Available Funds made available by the Originator VFN Series to Series 2015-1; and
- (ii) Reallocated Originator VFN Principal Collections and Reallocated Class F Principal Collections,

(in each case to the extent available to cover such amount with respect to the Collection Period immediately preceding such Transfer Date), (A) the Available Series 2015-1 Originator VFN Subordination shall be reduced by the amount of such excess until such time as the Available Series 2015-1 Originator VFN Subordination is zero; and then (B) the Class F Investor Interest (after giving effect to reductions for any Class F Investor Charge-Offs, any Reallocated Class F Principal Collections, any Reallocated Class E Principal Collections, any Reallocated Class D Principal Collections, any Reallocated Class C Principal Collections, any Reallocated Class B Principal Collections and any reductions to cover any Class A Investor Default Amount, any Class B Investor Default Amount, any Class C Investor Default Amount or any Class D Investor Default Amount) will be reduced by the amount of such excess.

In the event that such reduction would cause the Class F Investor Interest to be a negative number, the Class E Investor Interest will be reduced by the amount by which the Class F Investor Interest would have been reduced below zero, but not by more than the Class E Investor Default Amount for such Transfer Date.

On such Transfer Date, the Class E Investor Interest will also be reduced by the amount of the Class E Investor Dilution Loss for such Transfer Date. Together with any reduction in the Class E Investor Interest in respect of a Class E Investor Default Amount or as a result of the application of Reallocated Class E Principal Collections, this will be a "**Class E Investor Charge-off**", which will have the effect of slowing or reducing the return of principal to the Loan Note Issuer referable for calculation purposes to the Class E Investor Interest.

If the Class E Investor Interest has been reduced by the amount of any Class E Investor Charge-offs, it will be reinstated on any Transfer Date (but not by an amount in excess of the aggregate Class E Investor Charge-offs net of any Principal Loss Make-Up (Charge-off) identified on any previous Transfer Date as part of the Class E Monthly Principal Amount) by the amount of additional consideration identified as Loss Make-Up (Charge-off) paid to the Receivables Trustee by the Investor Beneficiary. See "*Available Funds*" above.

On each Transfer Date, if the Class F Investor Default Amount for the prior Collection Period exceeds the Available Funds available to cover such amount with respect to the Collection Period immediately preceding such Transfer Date, (A) the Series 2015-1 Originator VFN Subordination shall be reduced by the amount of such excess until such time as the Available Series 2015-1 Originator VFN Subordination is zero; and then (B) the Class F Investor Interest will be reduced by the amount of such excess, but not by more than the Class F Investor Default Amount for such Transfer Date.

On such Transfer Date, the Class F Investor Interest will also be reduced by the amount of the Class F Investor Dilution Loss for such Transfer Date. Together with any reduction in the Class F Investor Interest in respect of a Class F Investor Default Amount or as a result of the application of Reallocated Class F Principal Collections, this will be a "**Class F Investor Charge-off**", which will have the effect of slowing or reducing the return of principal to the Loan Note Issuer referable for calculation purposes to the Class F Investor Interest.

If the Class F Investor Interest has been reduced by the amount of any Class F Investor Charge-offs, it will be reinstated on any Transfer Date (but not by an amount in excess of the aggregate Class F Investor

Charge-offs net of any Principal Loss Make-Up (Charge-off) identified on any previous Transfer Date as part of the Class F Monthly Principal Amount) by the amount of additional consideration identified as Loss Make-Up (Charge-off) paid to the Receivables Trustee by the Investor Beneficiary. See "Available Funds" above.

#### *Application of Amounts Towards the Originator VFN*

This section sets out various circumstances in which the Available Series 2015-1 Originator VFN Subordination will be reduced. On each Transfer Date, the order in which Available Series 2015-1 Originator VFN Subordination will be reduced is as follows:

- (i) *first*, by the amount of any Default Amounts allocated to it under the Originator VFN Supplement in respect of the Originator VFN Series;
- (ii) *secondly*, by the amount of any Investor Dilution Losses allocated to the Originator VFN Series as set out above and pursuant to the equivalent terms of the Supplements for any other Series in Group One; and
- (iii) *thirdly*, by the amount of any Investor Default Amounts allocated to the Originator VFN Series under the Originator VFN Supplement and pursuant to the equivalent terms of any other Series in Group One.

#### **Reallocation of Cashflows**

With respect to any Transfer Date, if there is an insufficiency of Available Funds, so that there is a Class A Required Amount and/or a Class B Required Amount and/or a Class C Required Amount and/or a Class D Required Amount and/or a Class E Required Amount, then the amount of the shortfall will be met from Reallocated Class F Principal Collections, **provided that**, if, on any Transfer Date, the Servicer advises the Receivables Trustee that Reallocated Originator VFN Principal Collections will be made available to Series 2015-1, the amount of Reallocated Originator VFN Principal Collections so made available shall be credited to the Series 2015-1 Finance Charge Collections Ledger and applied in the order or priority set out below prior to the application of the Reallocated Class F Principal Collections.

**"Reallocated Originator VFN Principal Collections"** means, with respect to any Transfer Date, Principal Collections allocated for calculation purposes to the Series 2015-1 Originator VFN Subordination but which are to be applied as Finance Charge Collections in accordance with the Originator VFN Supplement.

**"Reallocated Class F Principal Collections"** means, Principal Collections calculated by reference to the Class F Investor Interest but which are to be applied as Finance Charge Collections to meet the Class A Required Amount and/or the Class B Required Amount and/or the Class C Required Amount and/or the Class D Required Amount and/or the Class E Required Amount in an amount not to exceed the lesser of (A) the product of:

- (i) the Class F Investor Allocation with respect to the Collection Period relating to such Transfer Date;
- (ii) the Investor Percentage applicable to Principal Collections with respect to the Collection Period relating to such Transfer Date; and
- (iii) an amount equal to the aggregate amount of Principal Collections with respect to the Collection Period relating to such Transfer Date,

and (B) the aggregate of the Class A Required Amount, the Class B Required Amount, the Class C Required Amount, the Class D Required Amount and the Class E Required Amount relating to such Transfer Date, **provided however that** such amount shall not exceed the Class F Investor Interest after giving effect to any unreinstated Class F Investor Charge-offs (net of any Principal Loss Make-Up (Charge-off) identified on any previous Transfer Date as part of the Class F Monthly Principal Amount) as of such Transfer Date.

**"Class F Investor Allocation"** means, for any Collection Period (a) during the Revolving Period, the Class F Floating Allocation, and (b) during the Controlled Accumulation Period or the Rapid Amortisation Period, the Class F Fixed Allocation.

With respect to any Transfer Date if there is an insufficiency of Available Funds, so that there is a Class A Required Amount and/or a Class B Required Amount and/or a Class C Required Amount and/or a Class D Required Amount then the amount of the shortfall will be met from Reallocated Class E Principal Collections. **"Reallocated Class E Principal Collections"** means, Principal Collections calculated by reference to the Class E Investor Interest but which are to be applied as Finance Charge Collections to meet the Class A Required Amount and/or the Class B Required Amount and/or the Class C Required Amount and/or the Class D Required Amount in an amount not to exceed the lesser of (A) the product of:

- (i) the Class E Investor Allocation with respect to the Collection Period relating to such Transfer Date;
- (ii) the Investor Percentage applicable to Principal Collections with respect to the Collection Period relating to such Transfer Date; and
- (iii) an amount equal to the aggregate amount of Principal Collections with respect to the Collection Period relating to such Transfer Date,

and (B) the aggregate of the Class A Required Amount, the Class B Required Amount, the Class C Required Amount and the Class D Required Amount relating to such Transfer Date, **provided however that** such amount shall not exceed the Class E Investor Interest after giving effect to any unreinstated Class E Investor Charge-offs (net of any Principal Loss Make-Up (Charge-off) identified on any previous Transfer Date as part of the Class E Monthly Principal Amount) as of such Transfer Date.

**"Class E Investor Allocation"** means, for any Collection Period (a) during the Revolving Period, the Class E Floating Allocation, and (b) during the Controlled Accumulation Period or the Rapid Amortisation Period, the Class E Fixed Allocation.

With respect to any Transfer Date if there is an insufficiency of Available Funds, so that there is a Class A Required Amount and/or a Class B Required Amount and/or a Class C Required Amount then the amount of the shortfall will be met from Reallocated Class D Principal Collections. **"Reallocated Class D Principal Collections"** means, Principal Collections calculated by reference to the Class D Investor Interest but which are to be applied as Finance Charge Collections to meet the Class A Required Amount and/or the Class B Required Amount and/or the Class C Required Amount in an amount not to exceed the lesser of (A) the product of:

- (i) the Class D Investor Allocation with respect to the Collection Period relating to such Transfer Date;
- (ii) the Investor Percentage applicable to Principal Collections with respect to the Collection Period relating to such Transfer Date; and
- (iii) an amount equal to the aggregate amount of Principal Collections with respect to the Collection Period relating to such Transfer Date,

and (B) the aggregate of the Class A Required Amount, the Class B Required Amount and the Class C Required Amount relating to such Transfer Date, **provided however that** such amount shall not exceed the Class D Investor Interest after giving effect to any unreinstated Class D Investor Charge-offs (net of any Principal Loss Make-Up (Charge-off) identified on any previous Transfer Date as part of the Class D Monthly Principal Amount) as of such Transfer Date.

**"Class D Investor Allocation"** means, for any Collection Period (a) during the Revolving Period, the Class D Floating Allocation, and (b) during the Controlled Accumulation Period or the Rapid Amortisation Period, the Class D Fixed Allocation.

With respect to any Transfer Date if there is an insufficiency of Available Funds, so that there is a Class A Required Amount and/or a Class B Required Amount then the amount of the shortfall will be met from Reallocated Class C Principal Collections. **"Reallocated Class C Principal Collections"** means, Principal Collections calculated by reference to the Class C Investor Interest but which are to be applied

as Finance Charge Collections to meet the Class A Required Amount and/or the Class B Required Amount in an amount not to exceed the lesser of (A) the product of:

- (i) the Class C Investor Allocation with respect to the Collection Period relating to such Transfer Date;
- (ii) the Investor Percentage applicable to Principal Collections with respect to the Collection Period relating to such Transfer Date; and
- (iii) an amount equal to the aggregate amount of Principal Collections with respect to the Collection Period relating to such Transfer Date,

and (B) the aggregate of the Class A Required Amount and the Class B Required Amount relating to such Transfer Date, **provided however that** such amount shall not exceed the Class C Investor Interest after giving effect to any unreinstated Class C Investor Charge-offs (net of any Principal Loss Make-Up (Charge-off) identified on any previous Transfer Date as part of the Class C Monthly Principal Amount) as of such Transfer Date.

**"Class C Investor Allocation"** means, for any Collection Period (a) during the Revolving Period, the Class C Floating Allocation, and (b) during the Controlled Accumulation Period or the Rapid Amortisation Period, the Class C Fixed Allocation.

With respect to any Transfer Date if there is an insufficiency of Available Funds, so that there is a Class A Required Amount then the amount of the shortfall will be met from Reallocated Class B Principal Collections. **"Reallocated Class B Principal Collections"** means, Principal Collections calculated by reference to the Class B Investor Interest but which are to be applied as Finance Charge Collections to meet the Class A Required Amount in an amount not to exceed the lesser of (A) the product of:

- (i) the Class B Investor Allocation with respect to the Collection Period relating to such Transfer Date;
- (ii) the Investor Percentage applicable to Principal Collections with respect to the Collection Period relating to such Transfer Date; and
- (iii) an amount equal to the aggregate amount of Principal Collections with respect to the Collection Period relating to such Transfer Date,

and (B) the Class A Required Amount relating to such Transfer Date, **provided however that** such amount shall not exceed the Class B Investor Interest after giving effect to any unreinstated Class B Investor Charge-offs (net of any Principal Loss Make-Up (Charge-off) identified on any previous Transfer Date as part of the Class B Monthly Principal Amount) as of such Transfer Date.

**"Class B Investor Allocation"** means, for any Collection Period (a) during the Revolving Period, the Class B Floating Allocation, and (b) during the Controlled Accumulation Period or the Rapid Amortisation Period, the Class B Fixed Allocation.

In addition, the sum of Reallocated Class F Principal Collections, Reallocated Class E Principal Collections, Reallocated Class D Principal Collections, Reallocated Class C Principal Collections and Reallocated Class B Principal Collections shall not exceed the amount of Required Retained Principal Collections for the relevant Collection Period.

**"Class A Required Amount"** means the amount by which the sum of:

- (i) the Class A Monthly Required Expense Amount for the preceding Collection Period; *plus*
- (ii) the Investor Servicing Fee Amount for the preceding Collection Period, if any, *plus* any Investor Servicing Fee Amount due but not paid on any prior Transfer Date; *plus*
- (iii) the Class A Investor Default Amount, if any, for the preceding Collection Period,

exceeds the aggregate of (1) the Available Funds (after making all prior ranking payments) falling within paragraphs (a) to (d) of that definition which are available for payment of such amounts on such Transfer

Date and (2) the Available Funds falling within paragraph (e) of that definition which it is anticipated will be available to the Loan Note Issuer for payment of amounts owed by the Loan Note Issuer on or about such Transfer Date which are intended to be funded by its receipt of the amounts referred to in paragraphs (i) to (iii) above.

**"Class B Required Amount"** means the amount by which the sum of:

- (i) the Class B Monthly Required Expense Amount for the preceding Collection Period; *plus*
- (ii) the Class B Investor Default Amount, if any, for the preceding Collection Period,

exceeds the aggregate of (1) the Available Funds (after making all prior ranking payments) falling within paragraphs (a) to (d) of that definition which are available for payment of such amounts on such Transfer Date and (2) the Available Funds falling within paragraph (e) of that definition which it is anticipated will be available to the Loan Note Issuer for payment of amounts owed by the Loan Note Issuer on or about such Transfer Date which are intended to be funded by its receipt of the amounts referred to in paragraphs (i) to (ii) above.

**"Class C Required Amount"** means the amount by which the sum of:

- (i) the Class C Monthly Required Expense Amount for the preceding Collection Period; *plus*
- (ii) the Class C Investor Default Amount, if any, for the preceding Collection Period,

exceeds the aggregate of (1) the Available Funds (after making all prior ranking payments) falling within paragraphs (a) to (d) of that definition which are available for payment of such amounts on such Transfer Date and (2) the Available Funds falling within paragraph (e) of that definition which it is anticipated will be available to the Loan Note Issuer for payment of amounts owed by the Loan Note Issuer on or about such Transfer Date which are intended to be funded by its receipt of the amounts referred to in paragraphs (i) to (ii) above.

**"Class D Required Amount"** means the amount by which the sum of:

- (i) the Class D Monthly Required Expense Amount for the preceding Collection Period; *plus*
- (ii) the Class D Investor Default Amount, if any, for the preceding Collection Period,

exceeds the aggregate of (1) the Available Funds (after making all prior ranking payments) falling within paragraphs (a) to (d) of that definition which are available for payment of such amounts on such Transfer Date and (2) the Available Funds falling within paragraph (e) of that definition which it is anticipated will be available to the Loan Note Issuer for payment of amounts owed by the Loan Note Issuer on or about such Transfer Date which are intended to be funded by its receipt of the amounts referred to in paragraphs (i) to (ii) above.

**"Class E Required Amount"** means the amount by which the sum of:

- (i) the Class E Monthly Required Expense Amount for the preceding Collection Period; *plus*
- (ii) the Class E Investor Default Amount, if any, for the preceding Collection Period,

exceeds the aggregate of (1) the Available Funds (after making all prior ranking payments) falling within paragraphs (a) to (d) of that definition which are available for payment of such amounts on such Transfer Date and (2) the Available Funds falling within paragraph (e) of that definition which it is anticipated will be available to the Loan Note Issuer for payment of amounts owed by the Loan Note Issuer on or about such Transfer Date which are intended to be funded by its receipt of the amounts referred to in paragraphs (i) to (ii) above.

**"Class F Required Amount"** means the amount by which the sum of:

- (i) the Class F Monthly Required Expense Amount for the preceding Collection Period; *plus*
- (ii) the Class F Investor Default Amount, if any, for the preceding Collection Period,

exceeds the aggregate of (1) the Available Funds (after making all prior ranking payments) falling within paragraphs (a) to (d) of that definition which are available for payment of such amounts on such Transfer Date and (2) the Available Funds falling within paragraph (e) of that definition which it is anticipated will be available to the Loan Note Issuer for payment of amounts owed by the Loan Note Issuer on or about such Transfer Date which are intended to be funded by its receipt of the amounts referred to in paragraphs (i) to (ii) above.

**"Reallocated Principal Collections"** means Reallocated Class B Principal Collections, Reallocated Class C Principal Collections, Reallocated Class D Principal Collections, Reallocated Class E Principal Collections and Reallocated Class F Principal Collections.

Subject to the paragraph below, on each Transfer Date the Class B Investor Interest, Class C Investor Interest, Class D Investor Interest, Class E Investor Interest and Class F Investor Interest shall be reduced by the amount of Reallocated Class B Principal Collections, Reallocated Class C Principal Collections, Reallocated Class D Principal Collections, Reallocated Class E Principal Collections and Reallocated Class F Principal Collections for such Transfer Date respectively.

If, on any Transfer Date, following the above calculations, there is any Available Series 2015-1 Originator VFN Subordination, any Investor Charge-offs on such Transfer Date shall be reallocated to the Available Series 2015-1 Originator VFN Subordination and shall reinstate the Investor Charge-offs that would otherwise be allocated in the following priority: Class A Investor Charge-offs, Class B Investor Charge-Offs, Class C Investor Charge-Offs, Class D Investor Charge-Offs, Class E Investor Charge-Offs and Class F Investor Charge-Offs and the Available Series 2015-1 Originator VFN Subordination shall be reduced *pro tanto*.

Following any reductions of the Series 2015-1 Investor Interest, the Series 2015-1 Investor Interest may be reinstated in an amount equal to the aggregate of payments of Additional Funds made by the Series 2015-1 Investor Beneficiary to the Receivables Trustee identified as amounts of Loss Make-Up (Charge-off) (including amounts of "Refunded Utilised Principal Collections").

### **Principal Funding**

The Receivables Trustee has established and will maintain within the Receivables Trustee Investment Account a principal funding ledger for Series 2015-1 (the "**Series 2015-1 Principal Funding Ledger**"). During the Controlled Accumulation Period for Series 2015-1, the Receivables Trustee will transfer the amounts described under "*Calculation of Principal Collections to be Distributed to the Loan Note Issuer in Respect of Series 2015-1*" to the Receivables Trustee Investment Account to be credited to the Series 2015-1 Principal Funding Ledger.

Funds on deposit in the Series 2015-1 Principal Funding Ledger will (if so advised by the Servicer) be invested (until on or before the following Transfer Date) by the Receivables Trustee in Permitted Investments. A proportionate fraction of investment proceeds (net of investment losses and expenses) on funds on deposit in the Series 2015-1 Principal Funding Ledger (the "**Principal Funding Investment Proceeds**") will, with respect to each Transfer Date during the Controlled Accumulation Period or the first Transfer Date during the Rapid Amortisation Period, be paid to the Receivables Trustee Collection Account and credited to the Series 2015-1 Finance Charge Collections Ledger, to be allocated as such for application in accordance with the Series 2015-1 Supplement as Available Funds.

Funds on deposit in the Series 2015-1 Principal Funding Ledger which represent Excess Principal Funding Investment Proceeds on any Transfer Date shall be allocated to the Loan Note Issuer in respect of Series 2015-1 and credited to the Loan Note Issuer Distribution Account for payment to the Receivables Trustee as Additional Funds for the grant of the Loan Note Issuer's interest in the Receivables Trust (identified as "**Investment Proceeds**").

**"Excess Principal Funding Investment Proceeds"** means, for any Collection Period, with respect to each Transfer Date for the Controlled Accumulation Period or the first Transfer Date with respect to the Rapid Amortisation Period, the amount, if any, by which the Principal Funding Investment Proceeds for such Transfer Date exceed the aggregate of the Series 2015-1 Covered Amount as determined for such Transfer Date.

### **Principal Collections Ledger and Finance Charge Collections Ledger**

The Receivables Trustee has established within the Receivables Trustee Collection Account two ledgers in relation to amounts of Principal Collections (the "**Principal Collections Ledger**") and Finance Charge Collections (the "**Finance Charge Collections Ledger**"). All amounts credited to each ledger are held on the terms of the Undivided Bare Trust, unless otherwise specified under the terms of the Receivables Trust Deed and Servicing Agreement or any Supplement thereto.

### **Series 2015-1 Finance Charge Collections Ledger**

On or before the Series 2015-1 Closing Date, the Receivables Trustee will establish a ledger to record amounts of Finance Charge Collections credited to the Receivables Trustee Collection Account and distributed to the Loan Note Issuer in respect of Series 2015-1 (the "**Series 2015-1 Finance Charge Collections Ledger**"). All amounts credited to such ledger are held on segregated bare trust for the sole benefit of the Loan Note Issuer. The Receivables Trustee will also establish other ledgers to record amounts credited to the Receivables Trustee Investment Account in respect of Series 2015-1 (see "*Principal Funding*" above and "*Series 2015-1 Accumulation Reserve Ledger*" below).

### **Series 2015-1 Accumulation Reserve Ledger**

The Receivables Trustee has established and will maintain a ledger in respect of the Receivables Trustee Investment Account entitled the "**Series 2015-1 Accumulation Reserve Ledger**". The Series 2015-1 Accumulation Reserve Ledger will be established to assist with the payment by the Loan Note Issuer of the Class A Monthly Finance Amounts, the Class B Monthly Finance Amounts, the Class C Monthly Finance Amounts, the Class D Monthly Finance Amounts, the Class E Monthly Finance Amounts and the Class F Monthly Finance Amounts during the Controlled Accumulation Period.

On each Transfer Date from and after the Accumulation Reserve Funding Date, but prior to the termination of the Series 2015-1 Accumulation Reserve Ledger, the Receivables Trustee, on behalf of the Loan Note Issuer, will apply certain amounts of Available Funds in the priority described above in "*Available Funds*" to increase the amount on deposit in the Series 2015-1 Accumulation Reserve Ledger (to the extent such amount is less than the Required Accumulation Reserve Amount).

The "**Accumulation Reserve Funding Date**" will be the Transfer Date which occurs one month prior to the commencement of the Controlled Accumulation Period, or an earlier date if the Portfolio Adjusted Yield decreases below certain levels specified in the Series 2015-1 Supplement. In any event, the date will be no more than 12 months prior to the commencement of the Controlled Accumulation Period.

"**Portfolio Adjusted Yield**" shall mean, with respect to any Transfer Date commencing on and including the third Transfer Date after the Series 2015-1 Closing Date, the average of the percentages obtained for each of the three preceding Collection Periods by subtracting the Expense Rate from the Portfolio Yield for each Collection Period.

"**Accumulation Reserve Surplus**" means, with respect to any Transfer Date on or after the Accumulation Reserve Funding Date, the amount, if any, by which the amount on deposit in the Series 2015-1 Accumulation Reserve Ledger exceeds the Required Accumulation Reserve Amount.

The "**Required Accumulation Reserve Amount**" for any Transfer Date on or after the Accumulation Reserve Funding Date will be equal to:

- (i) £5,600,000; or
- (ii) any other amount designated by the Servicer and notified by it to the Receivables Trustee, **provided, however, that** if such designation is of a lesser amount than that specified in paragraph (i) above, the Servicer shall deliver to the Receivables Trustee a certificate of an authorised officer to the effect that, in its opinion, formed on the basis of due consideration, such designation will not cause a Pay Out Event in respect of Series 2015-1 or an event that, after the giving of notice or the lapse of time, would cause a Pay Out Event to occur in respect of Series 2015-1.

**Provided that** the Series 2015-1 Accumulation Reserve Ledger has not been closed as described below, all amounts on deposit to the credit of the Series 2015-1 Accumulation Reserve Ledger on any Transfer

Date (after giving effect to any deposits to, or withdrawals from, the Series 2015-1 Accumulation Reserve Ledger to be made on such Transfer Date) may (if so advised by the Servicer) be invested until the following Transfer Date by the Receivables Trustee in Permitted Investments. The interest and other investment income (net of investment expenses and losses) earned on such investments will be retained in the Series 2015-1 Accumulation Reserve Ledger (to the extent that the amount on deposit is less than the Required Accumulation Reserve Amount) or, *inter alia*, deposited into the Series 2015-1 Finance Charge Collections Ledger for application as Available Funds on the related Transfer Date.

On or before each Transfer Date with respect to the Controlled Accumulation Period prior to the payment in full of the Series 2015-1 Investor Interest and, as applicable, on the first Transfer Date for the Rapid Amortisation Period, the Receivables Trustee shall calculate the "**Accumulation Reserve Draw Amount**" which shall be equal to the Principal Funding Investment Shortfall with respect to such Transfer Date, **provided, however, that** such amount will be reduced to the extent that funds otherwise would be available for deposit (and apart from such reduction would be required to be deposited) in the Series 2015-1 Accumulation Reserve Ledger with respect to such Transfer Date.

"**Principal Funding Investment Shortfall**" shall mean, with respect to each Transfer Date with respect to the Controlled Accumulation Period or the first Transfer Date with respect to the Rapid Amortisation Period, the amount, if any, by which the Principal Funding Investment Proceeds for such Transfer Date are less than the Series 2015-1 Covered Amount determined as of such Transfer Date.

In the event that, for any Transfer Date, the Accumulation Reserve Draw Amount is greater than zero, then the Accumulation Reserve Draw Amount, up to the Available Accumulation Reserve Amount, shall be withdrawn from the amount standing to the credit of the Series 2015-1 Accumulation Reserve Ledger on such Transfer Date by the Receivables Trustee, acting in accordance with the advice of the Servicer, and then deposited in the Receivables Trustee Collection Account and credited to the Series 2015-1 Finance Charge Collections Ledger. The amount withdrawn from the Series 2015-1 Accumulation Reserve Ledger shall be credited to the Series 2015-1 Finance Charge Collections Ledger and allocated first, to Class A and the Class A Covered Amount, second, to Class B and the Class B Covered Amount, third, to Class C and the Class C Covered Amount, fourth, to Class D and the Class D Covered Amount, fifth, to Class E and the Class E Covered Amount and sixth, to Class F and the Class F Covered Amount and shall be included in Available Funds for such Transfer Date.

In the event that the Accumulation Reserve Surplus on any Transfer Date, after giving effect to all deposits to and withdrawals from the amounts standing to the credit of the Series 2015-1 Accumulation Reserve Ledger with respect to such Transfer Date, is greater than zero, then the Receivables Trustee acting on the advice of the Servicer shall transfer, from the amounts standing to the credit of the Series 2015-1 Accumulation Reserve Ledger to the Loan Note Issuer Distribution Account, an amount equal to such Accumulation Reserve Surplus. The Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee by way of Additional Funds for the grant of the Loan Note Issuer's interest in the Receivables Trust (identified as "Accumulation Reserve Ledger Surplus Amount").

The "**Available Accumulation Reserve Amount**" means, with respect to any Transfer Date, the amount on deposit in the Series 2015-1 Accumulation Reserve Ledger on such date (before giving effect to any deposit made or to be made out of Available Funds into the Series 2015-1 Accumulation Reserve Ledger on such date).

"**Class A Covered Amount**" shall mean an amount determined as of each Transfer Date with respect to any Calculation Period commencing during the Controlled Accumulation Period, or as of the first Transfer Date with respect to the Rapid Amortisation Period, in each case prior to the payment in full of the Series 2015-1 Investor Interest, equal to the product of:

- (i) a fraction, the numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year);
- (ii) the Class A LN Rate in effect with respect to such Calculation Period; and
- (iii) the Series 2015-1 Principal Funding Ledger Balance allocable to the Class A Investor Interest as of the last day of the Collection Period preceding the Collection Period in which such Calculation Period ends.



**"Class B Covered Amount"** shall mean an amount determined as of each Transfer Date with respect to any Calculation Period commencing during the Controlled Accumulation Period, or as of the first Transfer Date with respect to the Rapid Amortisation Period, in each case prior to the payment in full of the Series 2015-1 Investor Interest, equal to the product of:

- (i) a fraction, the numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year);
- (ii) the Class B LN Rate in effect with respect to such Calculation Period; and
- (iii) the Series 2015-1 Principal Funding Ledger Balance allocable to the Class B Investor Interest as of the last day of the Collection Period preceding the Collection Period in which such Calculation Period ends.

**"Class C Covered Amount"** shall mean an amount determined as of each Transfer Date with respect to any Calculation Period commencing during the Controlled Accumulation Period, or as of the first Transfer Date with respect to the Rapid Amortisation Period, in each case prior to the payment in full of the Series 2015-1 Investor Interest, equal to the product of:

- (i) a fraction, the numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year);
- (ii) the Class C LN Rate in effect with respect to such Calculation Period; and
- (iii) the Series 2015-1 Principal Funding Ledger Balance allocable to the Class C Investor Interest as of the last day of the Collection Period preceding the Collection Period in which such Calculation Period ends.

**"Class D Covered Amount"** shall mean an amount determined as of each Transfer Date with respect to any Calculation Period commencing during the Controlled Accumulation Period, or as of the first Transfer Date with respect to the Rapid Amortisation Period, in each case prior to the payment in full of the Series 2015-1 Investor Interest, equal to the product of:

- (i) a fraction, the numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year);
- (ii) the Class D LN Rate in effect with respect to such Calculation Period; and
- (iii) the Series 2015-1 Principal Funding Ledger Balance allocable to the Class D Investor Interest as of the last day of the Collection Period preceding the Collection Period in which such Calculation Period ends.

**"Class E Covered Amount"** shall mean an amount determined as of each Transfer Date with respect to any Calculation Period commencing during the Controlled Accumulation Period, or as of the first Transfer Date with respect to the Rapid Amortisation Period, in each case prior to the payment in full of the Series 2015-1 Investor Interest, equal to the product of:

- (i) a fraction, the numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year);
- (ii) the Class E LN Rate in effect with respect to such Calculation Period; and
- (iii) the Series 2015-1 Principal Funding Ledger Balance allocable to the Class E Investor Interest as of the last day of the Collection Period preceding the Collection Period in which such Calculation Period ends.

**"Class F Covered Amount"** shall mean an amount determined as of each Transfer Date with respect to any Calculation Period commencing during the Controlled Accumulation Period, or as of the first

Transfer Date with respect to the Rapid Amortisation Period, in each case prior to the payment in full of the Series 2015-1 Investor Interest, equal to the product of:

- (i) a fraction, the numerator of which is the actual number of days in such Calculation Period and the denominator of which is 365 (or 366 in the case of any Calculation Period ending in a leap year);
- (ii) the Class F LN Rate in effect with respect to such Calculation Period; and
- (iii) the Series 2015-1 Principal Funding Ledger Balance allocable to the Class F Investor Interest as of the last day of the Collection Period preceding the Collection Period in which such Calculation Period ends.

**"Series 2015-1 Principal Funding Ledger Balance"** shall mean, with respect to any date of determination, the principal amount, if any, on deposit in the Receivables Trustee Investment Account and credited to the Series 2015-1 Principal Funding Ledger on such date of determination.

Upon the earliest to occur of:

- (i) the termination of the Receivables Trust;
- (ii) the first Transfer Date for the Rapid Amortisation Period; and
- (iii) the Transfer Date immediately preceding the Series 2015-1 Scheduled Redemption Date,

the Receivables Trustee, acting on the advice of the Servicer, after the prior payment of all amounts due in respect of the Class A Investor Interest, the Class B Investor Interest, the Class C Investor Interest, the Class D Investor Interest, the Class E Investor Interest and the Class F Investor Interest that are payable from the amounts standing to the credit of the Series 2015-1 Accumulation Reserve Ledger as described above, shall withdraw the amounts standing to the credit of the Series 2015-1 Accumulation Reserve Ledger, and transfer all such amounts, if any, to the Loan Note Issuer Distribution Account.

The Loan Note Issuer will then pay an amount equal to this amount to the Receivables Trustee by way of Additional Funds (identified as the **"Accumulation Reserve Ledger Surplus Amount"**). After this distribution from the amounts standing to the credit of the Series 2015-1 Accumulation Reserve Ledger has been made, the Series 2015-1 Accumulation Reserve Ledger shall be deemed to have been closed for the purposes of the Series 2015-1 Supplement.

#### **Series 2015-1 Liquidity Reserve Ledger**

The Receivables Trustee has established and will maintain a ledger in respect of the Receivables Trustee Investment Account entitled the **"Series 2015-1 Liquidity Reserve Ledger"**. On the Series 2015-1 Closing Date, the Receivables Trustee shall deposit an amount equal to the Required Liquidity Reserve Amount in the Receivables Trustee Investment Account to the credit of the Series 2015-1 Liquidity Reserve Ledger (the **"Series 2015-1 Liquidity Reserve"**). The **"Required Liquidity Reserve Amount"** shall mean an amount equal to £4,150,000 (or such other amount as may be determined by the Servicer from time to time, **provided that**, if such amount is reduced, a Rating Confirmation is provided in respect of such reduction). On each Transfer Date, to the extent the Available Liquidity Reserve Amount is less than the Required Liquidity Reserve Amount, to the extent available for such purpose, an amount of Available Funds equal to the shortfall shall be deposited in the Series 2015-1 Liquidity Reserve Ledger at paragraph (10) of the priority of payments set out under the heading *"Application of Available Funds"*. Funds deposited in the Series 2015-1 Liquidity Reserve Ledger may (if so advised by the Servicer) be invested in Permitted Investments and any income thereon (the **"Liquidity Reserve Investment Proceeds"**) shall constitute Available Funds.

The Series 2015-1 Liquidity Reserve Ledger will be established to fund (where required), in priority: (i) on each Transfer Date, the payment by the Loan Note Issuer of the amounts set out in items (1) to (9) of the priority of payments set out under the heading *"Application of Available Funds"*, excluding items (3) and (4), to the extent required after applying Available Funds; and (ii) on the Liquidity Reserve Release Date, the excess, if any, of the aggregate of the Class A Debt Amount, the Class B Debt Amount, the Class C Debt Amount and the Class D Debt Amount over the aggregate of the Class A Investor Interest,

the Class B Investor Interest, the Class C Investor Interest and the Class D Investor Interest (the aggregate of (i) and (ii) constituting the "**Liquidity Reserve Withdrawal Amount**").

Upon the earliest to occur of: (i) the termination of the Receivables Trust pursuant to the Receivables Trust Deed and Servicing Agreement; (ii) the Series 2015-1 Termination Date; and (iii) the Series 2015-1 Senior Classes Termination Date (the "**Liquidity Reserve Release Date**"), any remaining funds standing to the credit of the Series 2015-1 Liquidity Reserve Ledger shall be deposited in the Loan Note Issuer Distribution Account and the Loan Note Issuer will pay an amount equal to this amount to the Receivables Trustee as Additional Funds, *first*, as Loss Make-Up (Default) and, *secondly*, Loss Make-Up (Charge-off) in respect of any Investor Defaults and Investor Charge-offs allocated to Series 2015-1 with any remaining funds being paid as additional consideration and identified as "Liquidity Reserve Ledger Surplus Release Amount". Funds will also be released from the Series 2015-1 Liquidity Reserve Ledger and deposited in the Loan Note Issuer Distribution Account for such purpose to the extent of any Liquidity Reserve Ledger Surplus, the amounts so transferred being identified as "Liquidity Reserve Ledger Surplus Release Amounts".

"**Series 2015-1 Senior Classes Termination Date**" shall mean the earliest to occur of:

- (i) the Distribution Date on which each of the Class A Investor Interest, the Class B Investor Interest, the Class C Investor Interest and the Class D Investor Interest is reduced to zero and is not capable of reinstatement pursuant to the Series 2015-1 Supplement; or
- (ii) the Series 2015-1 Termination Date.

#### **Investor Aggregate Trustee Payment Amount**

As described in "*The Receivables Trust – Aggregate Trustee Payment Amount*" above, a share of the Aggregate Trustee Payment Amount is calculated as allocable to and is borne by the Loan Note Issuer (as an Investor Beneficiary) in respect of Series 2015-1. This share of the Aggregate Trustee Payment Amount with respect to each Transfer Date (the "**Investor Aggregate Trustee Payment**") will be an amount equal to the sum of:

- (A) the product of (1) a fraction, the numerator of which is the Series 2015-1 Investor Interest as of the last day of the Collection Period preceding such Transfer Date and the denominator of which is the aggregate of the investor interests of each Series in respect of which such Trustee Payment Amount was incurred, and (2) each relevant Trustee Payment Amount (as has been certified to the Servicer by the end of any Collection Period as being accrued due and payable in respect of such Collection Period) *plus*
- (B) an amount equal to one twelfth of the annual Series 2015-1 Trustee Fee to the extent accrued due and payable on such Transfer Date.

The "**Series 2015-1 Trustee Fee**" means the proportion of the annual amount from time to time agreed between Loan Note Issuer and the Security Trustee and payable in twelve equal instalments in respect of the fees of the Receivables Trustee calculated as allocable to Series 2015-1.

Subject to the following paragraph, an amount equal to the Investor Aggregate Trustee Payment shall be paid by the Series 2015-1 Investor Beneficiary to the Receivables Trustee on such Transfer Date identified as the "**Investor Aggregate Trustee Payment Amount**".

Any portion of the Aggregate Trustee Payment Amount not allocated to Series 2015-1 will be paid by the cash flows from the Receivables Trust allocated to other Outstanding Series (as provided in the related Supplements) or by the Transferor Beneficiary, if applicable, and, for the avoidance of doubt, in no event will the Receivables Trust or Series 2015-1 be liable therefor. The Aggregate Trustee Payment Amount allocable to Series 2015-1 will be payable to the Receivables Trustee solely to the extent amounts are available for distribution out of Available Funds and other amounts described herein.

See "*Calculation and Distribution of Finance Charge Collections and Acquired Interchange to the Loan Note Issuer*" above for further information.

## Qualified Institutions

If the bank at which the Receivables Trustee Collection Account and/or the Receivables Trustee Investment Account is held ceases to be a Qualified Institution, then the Receivables Trustee will, within 30 days (in respect of a downgrade by Fitch or DBRS) (or such longer period as may be agreed with the relevant Rating Agencies as not leading to a downgrade of any outstanding Rated Debt), transfer any amounts standing to the credit of the affected account(s) to a new account or accounts at a Qualified Institution. The Receivables Trustee may in its discretion elect to move any or all of the aforementioned accounts from the Qualified Institution at which they are kept as at the date of this Prospectus to another or other Qualified Institutions.

The Servicer shall ensure that any collection account into which Collections are initially received, including any collection account held in the name of the Servicer or any sub-servicer or delegate thereof, is maintained with an account bank that is an institution which, insofar as the relevant Rating Agency rates any Related Debt or Associated Debt, at all times has (a) a short-term unsecured debt rating of at least F2 by Fitch and a long-term unsecured debt rating of at least BBB+ by Fitch; (b) a long-term senior debt and deposits rating of at least BBB by DBRS or, in the absence of a rating assigned by DBRS, a DBRS Equivalent Rating at least equal to BBB by DBRS, or such other rating from time to time notified or published by DBRS replacing any of the above ratings or implementing a rating requirement; or (c) such other short-term or long-term rating which is otherwise acceptable to the relevant rating agency. If at any time such account bank ceases to satisfy the foregoing criteria, the Servicer shall procure that, within 30 days thereof (or such longer period as may be agreed with the relevant Rating Agencies as not leading to a downgrade of any outstanding Rated Debt), the relevant collection accounts are transferred to an account bank that satisfies such criteria or the Obligor is notified to make future payments in respect of their Accounts directly to the Transferor Collection Account.

"**Qualified Institution**" means (i) an institution which is a bank within the meaning of section 991 of the Income Tax Act 2007 and for the purposes of section 878 of the Income Tax Act 2007 and which pays any interest under any relevant Transaction Document in the ordinary course of its business and is (ii) an institution which, insofar as the relevant Rating Agency rates any Related Debt or Associated Debt, at all times has (a) a short-term unsecured debt rating of at least F1 by Fitch and a long-term unsecured debt rating of at least A by Fitch; (b) a long-term senior debt and deposits rating of at least A by DBRS or, in the absence of a rating assigned by DBRS, a DBRS Equivalent Rating at least equal to A by DBRS, or such other rating from time to time notified or published by DBRS replacing any of the above ratings or implementing a rating requirement; and/or (c) such other short-term or long-term rating which is otherwise acceptable to the relevant Rating Agency.

"**DBRS Equivalent Rating**" means: (i) if a Fitch public rating, a Moody's public rating and an S&P public rating are all available, (a) the remaining rating (upon conversion on the basis of the DBRS Equivalent Chart) once the highest and the lowest rating have been excluded or (b) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart); (ii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) above, but public ratings by any two of Fitch, Moody's and S&P are available, the lower rating available (upon conversion on the basis of the DBRS Equivalent Chart); and (iii) if the DBRS Equivalent Rating cannot be determined under (i) or (ii) above, and therefore only a public rating by one of Fitch, Moody's and S&P is available, such rating will be the DBRS Equivalent Rating upon conversion on the basis of the DBRS Equivalent Chart).

"**DBRS Equivalent Chart**" means:

<b>DBRS</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB (high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB (low)	Baa3	BBB-	BBB

BB (high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB (low)	Ba3	BB-	BB-
B (high)	B1	B+	B+
B	B2	B	B
B (low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC
CCC	Caa2	CCC	
CCC(low)	Caa3	CCC-	
CC	Ca	CC	
		C	
D	C	D	D

"Moody's" means Moody's Investors Service Limited or any successor to its rating business.

"S&P" means Standard & Poor's Credit Market Services Europe Limited or any successor to its rating business.

### Series 2015-1 Pay Out Events

If any one of the following events shall occur with respect to Series 2015-1:

- (i) failure on the part of the Transferor:
  - (a) to make any payment or deposit required to be made by it to the Receivables Trustee under the terms of the Receivables Securitisation Deed within five Business Days after the date that the payment or deposit is required to be made, including the payment of Collections into the Receivables Trustee Collection Account (as contemplated under the Transaction Documents); or
  - (b) duly to observe or perform any covenants or agreements of the Transferor in the Receivables Securitisation Deed or the Series 2015-1 Supplement that has a material adverse effect on the interests of the Series 2015-1 Investor Beneficiary and which continues unremedied for a period of 60 days after the date on which written notice of the failure, requiring it to be remedied, is given to the Transferor by the Receivables Trustee, or is given to the Transferor and the Receivables Trustee by the Loan Note Issuer acting on the instructions of persons holding together 50 per cent. or more of the total balance of the Series 2015-1 Related Debt outstanding at that time, and which continues during that 60 day period to have a material adverse effect on the interests of the Series 2015-1 Investor Beneficiary;
- (ii) any representation or warranty made by the Transferor in the Receivables Securitisation Deed or the Series 2015-1 Supplement, or any information contained in any computer file required to be delivered by the Transferor under the Receivables Securitisation Deed, proves to have been incorrect in any material respect when made or when delivered and continues to be incorrect in any material respect for a period of 60 days after the date on which written notice of the error, requiring it to be remedied, is given to the Transferor by the Receivables Trustee, or is given to the Transferor and the Receivables Trustee by the Loan Note Issuer acting on the instructions of persons holding together 50 per cent. or more of the total balance of the Series 2015-1 Related Debt outstanding at that time and which continues during that 60 day period to have a material adverse effect on the interests of the Series 2015-1 Investor Beneficiary.

Notwithstanding the above, no Series Pay Out Event in relation to this paragraph (ii) shall be deemed to have occurred if the Transferor has complied with its obligations relating to a breach of representation or warranty as set out in the Receivables Securitisation Deed;

- (iii) the average Portfolio Yield for a period of three consecutive Collection Periods is less than the average Expense Rate for that period;

- (iv) either:
  - (a) the aggregate of the Transferor Interest and the Originator VFN Excess Amount averaged over any period of thirty consecutive days is less than the Minimum Transferor Interest calculated as at the last day of such period and the Transferor Interest and/or the Originator VFN Excess Amount is not increased on or before the tenth Business Day following that thirty day period to an amount such that the average of the aggregate of the Transferor Interest and the Originator VFN Excess Amount for such thirty day period as a percentage of the Average Principal Receivables (computed by assuming that the amount of the increase of the Transferor Interest and/or the Originator VFN Excess Amount by the last day of the ten Business Day period, as compared to the Transferor Interest and/or the Originator VFN Excess Amount on the last day of the thirty day period, existed in the Receivables Trust during each day of the thirty day period) is at least equal to the Minimum Transferor Interest; or
  - (b) on the last day of any Collection Period, the Eligible Receivables Balance is less than the Minimum Aggregate Principal Receivables and the Eligible Receivables Balance fails to increase to an amount equal to or greater than the Minimum Aggregate Principal Receivables on or before the tenth Business Day following that last day;
- (v) any Servicer Default occurs that has a material adverse effect on the Series 2015-1 Investor Beneficiary;
- (vi) the Series 2015-1 Investor Interest is not reduced to zero on the Series 2015-1 Scheduled Redemption Date; or
- (vii) the Loan Note Issuer is required to withhold or deduct any amounts for or on account of tax on the payment of any principal or interest in respect of the Series 2015-1 Loan Notes, as a result of any change in the laws of the United Kingdom or any political subdivision or taxing authority thereof which change becomes effective on or after the Series 2015-1 Closing Date,

then, in the case of any event described in paragraphs (i), (ii) or (v) above after the applicable grace period set out in such paragraphs (if any), either the Receivables Trustee or the Loan Note Issuer by notice given in writing to the Transferor, the Originator, the Cash Manager and the Servicer (and to the Receivables Trustee if given by the Investor Beneficiary) may declare that a Pay Out Event (a "**Series Pay Out Event**") has occurred in respect of Series 2015-1 (**provided that**, if the Loan Note Issuer declares that a Series Pay Out Event has occurred in such circumstances, it must have acted on the instructions of persons holding, together, 50 per cent. or more of the Series 2015-1 Related Debt outstanding at that time) as of the date of such notice, and, in the case of any event described in paragraphs (iii), (iv), (vi) or (vii), a Series Pay Out Event shall occur without any notice or other action on the part of the Receivables Trustee or the Loan Note Issuer immediately upon the occurrence of such event.

"**Accumulation Reserve Investment Proceeds**" means, on any Transfer Date, the amounts of interest and earnings (net of losses and investment expenses) standing to the credit of the Series 2015-1 Accumulation Reserve Ledger on such Transfer Date.

"**Average Principal Receivables**" shall mean, for any period, an amount equal to (a) the Eligible Receivables Balance at the end of each day on which such calculation is required to be made during such period divided by (b) the number of days in such period.

"**Eligible Receivables Balance**" shall mean, on any date of determination, the aggregate Outstanding Face Amount of all Eligible Receivables (excluding Defaulted Receivables), plus any amounts of Cash Available for Investment, and plus the balance standing to the credit of the Originator Ring-fenced Account in respect of Designated Accounts (excluding, for these purposes, any amount of such balance which exceeds the aggregate credit balances on Designated Accounts which are in excess of £50).

**"Expense Rate"** shall mean, with respect to any Transfer Date, the annualised percentage equivalent of a fraction:

- (i) the numerator of which is the sum of (1) the Series 2015-1 Monthly Required Expense Amount for the preceding Collection Period, plus (2) an amount equal to the Investor Servicing Fee Amount paid for the preceding Collection Period; and
- (ii) the denominator of which is the Series 2015-1 Investor Interest as of the last Business Day preceding such Collection Period.

**"Minimum Aggregate Principal Receivables"** shall mean, in respect of any Series unless otherwise provided in the Supplement relating to that Series, as of any date of determination, an amount equal to the sum of the numerators used in the calculation of the Investor Percentages for Principal Collections for all Outstanding Series on such date, **provided, however, that**, in respect of the Originator VFN Series, the numerator used in the calculation of its Investor Percentage for Principal Collections shall be deemed to exclude that portion of the Originator VFN Investor Interest which represents the Originator VFN Excess Amount, and **provided, however, that**, with respect to any Outstanding Series in an Accumulation Period with an Investor Interest as of such date of determination equal to the amount standing to the credit of a principal funding ledger (howsoever described) in respect of such Outstanding Series, the numerator used in the calculation of the Investor Percentage for Principal Collections relating to such Outstanding Series shall, solely for the purpose of the definition of Minimum Aggregate Principal Receivables, be deemed to equal zero.

**"Minimum Transferor Interest"** shall mean, on any date of determination, in respect of any Series, an amount equal to the aggregate of: (i) 1.11 per cent. of the Average Principal Receivables over the previous 90 days (or, if less, the number of days from and including the Series 2015-1 Closing Date), the calculation of which for the purposes of this definition only shall be deemed to exclude any Cash Available for Investment and any balance standing to the credit of the Originator Ring-fenced Account which relates to Designated Accounts (to the extent such balance would otherwise increase the Average Principal Receivables) for such period; and (ii) the Required Cashback Amount as calculated by the Servicer, **provided, however, that** the Transferor (acting in accordance with the advice of the Servicer) may reduce the Minimum Transferor Interest upon satisfaction of the following conditions:

- (i) the giving of 30 days' prior notice of such reduction to the Receivables Trustee, each Rating Agency and any other person entitled to receive such notice pursuant to the relevant Supplement;
- (ii) the receipt by the Transferor of a Rating Confirmation; and
- (iii) the delivery to the Receivables Trustee and each Enhancement Provider of an Officer's Certificate stating that the Servicer reasonably believes that such reduction will not, based on the facts known to such officer at the time of such certification, then or thereafter cause a Pay Out Event to occur with respect to any Series.

**"Required Cashback Amount"** shall mean, on any date of determination, an amount equal to the aggregate amount of any accrued cashback entitlement of Obligors which has not yet been paid to Obligors or credited to their Accounts (or forfeited pursuant to the terms of the relevant cashback scheme) as calculated by the Servicer.

**"Portfolio Yield"** shall mean for Series 2015-1, with respect to any Collection Period, the annualised percentage equivalent of a fraction:

- (i) the numerator of which is an amount equal to the sum of:
  - (a) the amount of Finance Charge Collections allocated for calculation purposes (by credit to the Series 2015-1 Finance Charge Collections Ledger) to the Series 2015-1 Investor Beneficiary for such Collection Period, *plus*
  - (b) the portion of Investor Acquired Interchange Amount allocated for calculation purposes (by credit to the Series 2015-1 Finance Charge Collections Ledger) to the Series 2015-1 Investor Beneficiary for such Collection Period; *plus*

- (c) the Accumulation Reserve Investment Proceeds and Liquidity Reserve Investment Proceeds allocated for calculation purposes (by credit to the Series 2015-1 Finance Charge Collections Ledger) to the Series 2015-1 Investor Beneficiary for such Collection Period; *plus*
  - (d) the Accumulation Reserve Draw Amount for such Collection Period; *plus*
  - (e) the Principal Funding Investment Proceeds allocated for calculation purposes (by credit to the Series 2015-1 Finance Charge Collections Ledger) to the Series 2015-1 Investor Beneficiary for such Collection Period on the Transfer Date related to such Collection Period; *minus*
  - (f) the Series 2015-1 Investor Default Amount for such Collection Period; and
- (ii) the denominator of which is the Series 2015-1 Investor Interest as of the close of business on the last day of such Collection Period.

**"Series 2015-1 Related Debt"** shall mean each of the Class A Loan Note, the Class B Loan Note, the Class C Loan Note, the Class D Loan Note, the Class E Loan Note and the Class F Loan Note.

**"Originator Ring-fenced Account"** shall mean the bank account maintained by the Originator for the purposes of safeguarding amounts in respect of credit balances on Accounts which are in excess of £50 pursuant to regulation 19 of the Payment Services Regulations 2009.

#### **Governing Law**

Each of the Receivables Trust Deed and Servicing Agreement and the Series 2015-1 Supplement and all non-contractual obligations arising out of or in connection with them are governed by English law.



## THE NOTE TRUST DEED

The principal agreement governing the Notes will be the Note Trust Deed. The Note Trust Deed has five primary functions:

- (i) it constitutes the Notes;
- (ii) it sets out the covenants of the Issuer in relation to the Notes;
- (iii) it creates the security for the Issuer's obligations towards the Noteholders and the other Secured Creditors;
- (iv) it sets out the enforcement and post enforcement procedures relating to the Notes; and
- (v) it sets out the appointment, powers and responsibilities of the Note Trustee as well as certain limitations on its responsibilities and liabilities.

Each function is summarised below.

The Note Trust Deed sets out the terms and conditions of the Notes, the conditions for the registration of individual holdings of Notes and issue of Individual Note Certificates and the form of the Global Note Certificates and the Individual Note Certificates.

The Note Trust Deed also contains covenants made by the Issuer in favour of the Note Trustee and the Noteholders. The main covenants are that the Issuer will pay interest and repay principal on each of the Notes when due. Covenants are included to ensure that the Issuer remains insolvency remote and carries on its affairs in England and Wales. Some of the covenants also appear in the Note Conditions, see "*Terms and Conditions of the Notes*".

The Security granted by the Issuer to the Note Trustee (as trustee for itself and the other Secured Creditors) comprises the following:

- (i) an assignment by way of first fixed security of the Issuer's rights, title and interest in and to, and the entire benefit of, the Issuer Documents to which it is a party and sums received or recoverable thereunder;
- (ii) an assignment by way of first fixed security of the Issuer's right, title and interest in the Series 2015-1 Loan Notes;
- (iii) an assignment by way of first fixed security of the Issuer's right, title and interest in the security interest created in favour of the Security Trustee by the Loan Note Issuer in respect of the Series 2015-1 Loan Notes;
- (iv) an assignment by way of first fixed security of the Issuer's right, title, interest and benefit in and to all monies credited to the Issuer Distribution Account or to any bank or other account in which the Issuer may at any time have any right, title, interest or benefit; and
- (v) a first floating charge over all of its assets and undertaking to the extent that the same is not otherwise effectively encumbered pursuant to (i) to (iv) (inclusive) above (to which floating charge paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies).

The Note Trust Deed sets out the general procedures by which the Note Trustee may take steps to enforce the Security created by the Issuer in the Note Trust Deed so that the Note Trustee can protect the interests of the Noteholders in accordance with the Note Conditions. The Note Trust Deed gives the Note Trustee a general discretion to enforce the Security, but also provides for meetings of or resolutions by the Noteholders at or by which the Noteholders can determine the action taken by the Note Trustee in relation to the enforcement of the Notes (subject to being indemnified and/or secured and/or prefunded to its satisfaction against liabilities it may incur). The Note Trust Deed provides that the Class A Noteholders' interests take precedence for so long as the Class A Notes are outstanding, after that, the interests of the Class B Noteholders take precedence, until no more Class B Notes remain outstanding, after that, the interests of the Class C Noteholders take precedence, until no more Class C Notes remain outstanding, after that, the interests of the Class D Noteholders take precedence, until no more Class D Notes remain

outstanding, after that, the interests of the Class E Noteholders take precedence, until no more Class E Notes remain outstanding. The Note Trust Deed provides that resolutions of holders of the Most Senior Class of Notes outstanding can, subject to certain conditions, bind holders of other classes of Notes. However, certain basic terms of each class of Notes may not be amended without the consent of the majority of the holders of that class of Notes. This is described further in the "*Terms and Conditions of the Notes*".

The Note Trust Deed also sets out the terms on which the Note Trustee is appointed, the indemnification of the Note Trustee, the payment it receives and the extent of the Note Trustee's authority to act beyond its statutory powers under English law. The Note Trustee is also given the ability to appoint a delegate or agent in the execution of any of its duties under the Note Trust Deed. The Note Trust Deed also sets out the circumstances in which the Note Trustee may resign or retire.

The Note Trust Deed incorporates and supplements the provisions of the Trustee Act 1925 and the Trustee Act 2000 of England and Wales.

The Note Trust Deed and all non-contractual matters arising out of or in connection with it shall be governed by English law.

"**Secured Creditors**" for the purpose of Series 2015-1, means (i) the Noteholders; and (ii) the Note Trustee and any Receiver appointed by the Note Trustee, pursuant to the Note Trust Deed.

"**Security Beneficiaries**" for the purpose of Series 2015-1 means the Agents and the Issuer Account Bank.

## DESCRIPTION OF THE NOTES IN GLOBAL FORM

The Notes of each class will be in registered form and represented on issue by permanent global note certificates (the "**Global Note Certificates**"). On or about the Series 2015-1 Closing Date, the Notes will be registered in the name of, and the Global Note Certificates deposited with, a common depositary (the "**Common Depositary**") (or its nominee) for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking *société anonyme* ("**Clearstream, Luxembourg**"). The Common Depositary (or its nominee) will hold the Notes on behalf of, and the Global Note Certificates in custody for, Euroclear and Clearstream Luxembourg. Beneficial interests in Notes whilst they are represented by a Global Note Certificate may only be held through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg at any time (see "*Book-Entry Clearance Procedures*" below).

The nominal amount of the Notes of each class represented by the relevant Global Note Certificate shall be the aggregate amount from time to time entered in the records of Clearstream, Luxembourg and/or Euroclear. The records of Clearstream, Luxembourg and/or Euroclear (meaning the records that each of Clearstream, Luxembourg and/or Euroclear holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of the Notes represented by the relevant Global Note Certificate and, for these purposes, a statement issued by Clearstream, Luxembourg and/or Euroclear (which statement shall be made available to the registered holder of the relevant class of Notes upon request) stating the nominal amount of the relevant class of Notes represented by the relevant Global Note Certificate at any time shall be conclusive evidence of the records of Clearstream, Luxembourg and/or Euroclear at that time.

The Registrar will maintain a register (the "**Register**") in which it will register the Common Depositary (or its nominee) as the owner of the Notes of each class. Upon confirmation by the Common Depositary that it (or its nominee) has been registered as holder of, and has custody of the Global Note Certificate representing, each class of Notes, Euroclear or Clearstream, Luxembourg, as the case may be, will record the beneficial interests in such Notes (the "**Book-Entry Interests**").

### Issuance of Individual Note Certificates

The Global Note Certificates representing each class will become exchangeable in whole, but not in part, for Individual Note Certificates of the relevant class issued in the form, or substantially in the form, set out in the Note Trust Deed ("**Individual Note Certificates**") if (a) either Euroclear or Clearstream, Luxembourg are closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation by a revenue authority or a court of, or in the administration of, such laws or regulations, which becomes effective on or after the Series 2015-1 Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the relevant Notes registered in the names of individual Noteholders and a certificate to such effect signed by an Authorised Signatory of the Issuer is delivered to the Note Trustee (an "**Exchange Event**").

Whenever the Global Note Certificates are to be exchanged for Individual Note Certificates, such Individual Note Certificates will be issued within 30 days of the relevant Exchange Event and subject to the delivery, by or on behalf of the registered holder of the Notes (being the Common Depositary or its nominee), to the Registrar of such information as is required to register the Notes in the names of the customers of Euroclear and/or Clearstream, Luxembourg who previously held beneficial interests in the Notes whilst they were represented by the Global Note Certificates and complete and deliver such Individual Note Certificates to such persons (including, without limitation, the names and addresses of such persons and the principal amount of each such person's holding) against the surrender of the Global Note Certificates of the relevant class at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Paying Agency and Agent Bank Agreement and the regulations concerning the transfer and registration of the Notes scheduled thereto and, in particular, shall be effected without charge to any holder or the Note Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

"**Authorised Signatory**" shall mean any director of the Issuer or any other person or persons who are duly authorised to sign on behalf of the Issuer and in respect of whom a certificate has been provided signed by a director or another Authorised Signatory setting out the name and signature of such person and confirming such person's authority to act.

#### ***Conditions Applicable to the Notes Represented by Global Note Certificates***

Each Global Note Certificate will contain provisions which modify the Note Conditions as they apply to the Notes represented by the Global Note Certificate. The following is a summary of certain of those provisions:

- (i) *Notices*: Notwithstanding Note Condition 18 (*Notices*), while any class of Notes is represented by a Global Note Certificate and such Global Note Certificate is deposited with the Common Depositary (or its nominee), notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Note Condition 18 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.
- (ii) *Meetings*: The holder of the Notes represented by each Global Note Certificate will be treated as being two persons for the purposes of any quorum requirement of, or the right to demand a poll at, a meeting of holders of any class of Notes. On a poll, every voter shall have one vote in respect of each £ or such other amount as the Note Trustee may in its absolute discretion stipulate (or, in the case of Meetings of holders of Notes denominated in another currency, such amount in such other currency as the Note Trustee in its absolute discretion may stipulate) in nominal amount of the outstanding Note(s) represented or held by him.
- (iii) *Record Date*: Each payment in respect of a Note represented by a Global Note Certificate will be made to the person shown as the holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment, where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

#### **Book-entry Clearance Procedures**

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of either of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Note Trustee, the initial purchaser of any class of Notes, or any Agent party to the Paying Agency and Agent Bank Agreement (or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

#### ***Euroclear and Clearstream, Luxembourg***

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in the Notes represented by the Global Note Certificates

directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

#### ***Relationship of Participants with Clearing Systems***

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg, as the holder of a beneficial interest in any class of Notes represented by a Global Note Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Notes and in relation to all other rights arising under such Notes, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of any Notes represented by a Global Note Certificate, the Common Depositary, on whose behalf such Notes are held, will immediately credit the relevant participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Notes as shown in the records of the relevant Clearing System. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Notes held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices.

Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by Global Note Certificates and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of the relevant Notes in respect of each amount so paid. None of the Issuer, the Note Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Notes represented by a Global Note Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

#### ***Settlement and Transfer of Notes***

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participant's (and any intermediate Indirect Participant's) records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within a Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes unless and until interests in the relevant Notes held within a Clearing System are exchanged for individually registered holdings of Notes represented by Individual Note Certificates.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

#### ***Trading between Euroclear and/or Clearstream, Luxembourg Participants***

Secondary market sales of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of Book-Entry Interests in Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

***Pre-issue Trades Settlement***

It is expected that delivery of the Notes will be made against payment therefor on the Series 2015-1 Closing Date, which could be more than three Business Days following the date of pricing. Settlement procedures in other countries will vary. The Issuer may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the Series 2015-1 Closing Date should consult their own adviser.

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes (the "**Note Conditions**").

The £147,300,000 Class A Asset Backed Floating Rate Notes due 2018 (the "**Class A Notes**"), the £21,600,000 Class B Asset Backed Floating Rate Notes due 2018 (the "**Class B Notes**"), the £31,800,000 Class C Asset Backed Floating Rate Notes due 2018 (the "**Class C Notes**"), the £44,100,000 Class D Asset Backed Floating Rate Notes due 2018 (the "**Class D Notes**"), the £22,800,000 Class E Asset Backed Floating Rate Notes due 2018 (the "**Class E Notes**") and the £15,300,000 Class F Asset Backed Floating Rate Notes due 2018 (the "**Class F Notes**") and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Notes**") of NewDay Funding 2015-1 Plc (the "**Issuer**") were issued on or about 24 June 2015 (the "**Series 2015-1 Closing Date**") and are the subject of (a) a note trust deed dated on or about the Series 2015-1 Closing Date as from time to time amended or supplemented (the "**Note Trust Deed**") between the Issuer and HSBC Corporate Trustee Company (UK) Limited as trustee (the "**Note Trustee**", which expression includes any successor trustee(s) appointed from time to time in connection with the Notes) and (b) a paying agency and agent bank agreement dated on or about the Series 2015-1 Closing Date as from time to time amended or supplemented (the "**Paying Agency and Agent Bank Agreement**") between, amongst others, the Issuer, HSBC Bank plc as principal paying agent and as agent bank (in such respective capacities, the "**Principal Paying Agent**" and the "**Agent Bank**", which expressions include any successor principal paying agent or agent bank appointed from time to time in connection with the Notes under the Paying Agency and Agent Bank Agreement), any other paying agents appointed thereunder (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes, and the Paying Agents and the Agent Bank together the "**Agents**") and as registrar (the "**Registrar**") and the Note Trustee. The security for the Notes is created pursuant to, and on the terms and conditions set out in, the Note Trust Deed. Terms not defined in these Note Conditions have the meanings given in the issuer master framework agreement dated on or about the Series 2015-1 Closing Date as from time to time amended or supplemented (the "**Issuer Master Framework Agreement**") between, *inter alios*, the Issuer, the Note Trustee, the Registrar, the Principal Paying Agent and the Agent Bank and the rules of interpretation contained therein apply also to these Note Conditions. Certain provisions of these Note Conditions are summaries of the Note Trust Deed and the Paying Agency and Agent Bank Agreement and are subject to the detailed provisions of those documents. The holders of the Notes are bound by, and are deemed to have notice of, all the provisions of the Issuer Master Framework Agreement, the Note Trust Deed and the Paying Agency and Agent Bank Agreement applicable to them. Copies of the Issuer Master Framework Agreement, the Note Trust Deed and the Paying Agency and Agent Bank Agreement are available for inspection at the principal place of business for the time being of the Issuer and at the Specified Office of each Paying Agent. "**Series 2015-1 Loan Notes**" means each of the Class A Loan Note, the Class B Loan Note, the Class C Loan Note, the Class D Loan Note, the Class E Loan Note and the Class F Loan Note.

### 1. **Form and Denomination**

- (a) The Notes are issued in registered form in the minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof. The expression "**Notes**" includes beneficial interests in Notes registered in the name of a nominee for one or more Clearing Systems and the expression "**Noteholder**" shall, except where the context otherwise requires, mean and include any person entitled to any such beneficial interest.
- (b) The Principal Amount Outstanding (as defined in Note Condition 7 (*Redemption*)) of the Notes of each class, which are initially offered and sold outside the United States to non U.S. Persons pursuant to Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"), is represented by a global note certificate (each a "**Global Note Certificate**").
- (c) Beneficial interests in Notes registered in the name of a nominee for one or more Clearing Systems may be exchanged for individually registered holdings of Notes represented by individual serially-numbered note certificates ("**Individual Note Certificates**") and, together with the Global Note Certificates, the "**Note Certificates**") in the circumstances referred to in Note Condition 1(d) below.

- (d) If, while any Notes are registered in the name of a nominee for one or more Clearing Systems and represented by a Global Note Certificate:
- (i) in the case of a Global Note Certificate held on behalf of Euroclear or Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
  - (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof), or of any authority therein or thereof having power to tax, or in the interpretation by a revenue authority or a court of, or in the administration of, such laws or regulations which becomes effective on or after the Series 2015-1 Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the relevant Notes registered in the name of individual Noteholders and a certificate to such effect signed by an Authorised Signatory of the Issuer is delivered to the Note Trustee (an "**Exchange Event**"),

the Issuer will procure that the Registrar will, within 30 days of the relevant event, register as holders of the appropriate amount of Notes those persons whose accounts with the relevant Clearing Systems are credited with interests in the Notes represented by that Global Note Certificate. Each such person will, upon registration of their interest, be entitled to an Individual Note Certificate representing their holding of such Notes, which shall be delivered upon request. Beneficial interests in Notes held through the Clearing Systems will not be exchangeable for individually registered holdings of Notes, and Individual Note Certificates will not be issued, in any other circumstances.

"**Authorised Signatory**" shall mean any director of the Issuer or any other person or persons who are duly authorised to sign on behalf of the Issuer and in respect of whom a certificate has been provided signed by a director or another Authorised Signatory setting out the name and signature of such person and confirming such person's authority to act.

- (e) For the purposes of these Note Conditions, "**outstanding**" means, in relation to the Notes, all the Notes other than:
- (i) those which have been redeemed in full in accordance with these Note Conditions;
  - (ii) those in respect of which the date for redemption, in accordance with the provisions of these Note Conditions, has occurred and for which the redemption monies (including all interest accrued thereon to such date for redemption) have been duly paid to the Note Trustee or the Principal Paying Agent in the manner provided for in the Paying Agency and Agent Bank Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Note Condition 18 (*Notices*)) and remain available for payment in accordance with the Note Conditions;
  - (iii) those which have been redeemed and surrendered for cancellation as provided for in Note Condition 7 (*Redemption*) and notice of the cancellation of which has been given to the Note Trustee; and
  - (iv) those which have become void under the Note Conditions,

**provided that**, for each of the following purposes, namely:

- (A) the right to attend and vote at any meeting of Noteholders;
- (B) the determination of how many and which Notes are for the time being outstanding for the purposes of clauses 11 (*Cancellation of Notes*), 14



(Proceedings), 20.1 (Waiver), 20.2 (Modifications) and 21.1 (Appointment of a new Note Trustee) of the Note Trust Deed and Note Condition 11 (Events of Default), Note Condition 15(a) (Meetings of Noteholders) and Note Condition 16 (Enforcement) and schedule 4 (Provisions for Meetings of Noteholders) to the Note Trust Deed; and

- (C) any discretion, power or authority, whether contained in the Note Trust Deed or provided by law, which the Note Trustee is required to exercise in or by reference to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being held by the Issuer or a member of the NewDay Group, or for the benefit of the Issuer or a member of the NewDay Group, shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

## 2. **Status**

The Notes constitute direct, secured and unconditional obligations of the Issuer and Notes of each class will at all times rank *pari passu* without preference or priority among themselves.

The Class A Notes will rank in priority to the Class B Notes, which will rank in priority to the Class C Notes, which will rank in priority to the Class D Notes, which will rank in priority to the Class E Notes, which will rank in priority to the Class F Notes.

## 3. **Title and Transfers**

- (a) The person registered in the Register as the holder of any Note will (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing on the Note Certificate therefor or, if more than one person, the first named of such persons will be treated as the absolute owner of such Note.
- (b) The Issuer shall cause to be kept, at the Specified Office of the Registrar, the Register on which shall be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers and redemptions of the Notes.
- (c) No transfer of a Note will be valid unless and until entered on the Register.
- (d) Transfers of the Notes and any entries on the Register relating thereto will be made subject to any restrictions on transfers set forth in these Note Conditions, the detailed regulations concerning transfers of such Notes contained in the Paying Agency and Agent Bank Agreement, the Note Trust Deed and the legend appearing on the face of the Note Certificates. In no event will the transfer of a Note be made absent compliance with these Note Conditions and the regulations referred to above, and any purported transfer in violation of these Note Conditions or such regulations and other provisions shall be void *ab initio* and will not be honoured by the Issuer or the Note Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Note Trustee. A copy of the current regulations will be sent by the Principal Paying Agent or the Registrar to any holder of a Note who so requests and will be available upon request at the Specified Office of the Registrar or the Principal Paying Agent.
- (e) A Note may be transferred in whole or in part upon the surrender of the relevant Note Certificate, together with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the Registrar or the Principal Paying Agent, **provided that** no such transfer shall be registered if it would result in either the transferee or the transferor holding less than the minimum denomination specified in Note Condition 1(a) (*Form and Denomination*). In the case of a transfer of part only of the Notes represented by a Note Certificate, new Note Certificates in respect of both the balance transferred and the balance remaining will be issued to each of the transferee and the transferor by or by order of the Registrar.

- (f) Each new Note Certificate to be issued upon a transfer of any Notes will, within five Business Days of receipt of such request for transfer, be available for delivery at the Specified Office of the Registrar or the Principal Paying Agent, or be mailed at the risk of the holder entitled to the Notes represented thereby to such address as may be specified in such request.
- (g) Registration of any transfer of Notes will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.
- (h) No holder of a Note may require the transfer of such Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on such Note.
- (i) "**Specified Office**" has the meaning given in the Issuer Master Framework Agreement.

#### 4. **Security and Priority of Payments**

##### (a) *Security*

As security for the payment of all monies payable in respect of the Notes and otherwise under the Issuer Documents (as defined in Note Condition 5(b)(i) (*Negative Covenants of the Issuer*)) (including the remuneration, expenses and any other claims of the Note Trustee and any Receiver appointed under the Note Trust Deed), the Issuer will create the following security (the "**Security**") under the Note Trust Deed:

- (i) an assignment by way of first fixed security to the Note Trustee as trustee for itself and for the other Secured Creditors of all of the Issuer's rights, title, interest and entire benefit in and to the Issuer Documents (to which the Issuer is a party) (and sums received or recoverable thereunder);
- (ii) an assignment by way of first fixed security to the Note Trustee as trustee for itself and the other Secured Creditors of all of the Issuer's rights, title and interest in the Series 2015-1 Loan Notes;
- (iii) an assignment by way of first fixed security to the Note Trustee as trustee for itself and the other Secured Creditors of all of the Issuer's rights, title and interest in the security interest created in favour of the Security Trustee by the Loan Note Issuer in respect of the Series 2015-1 Loan Notes;
- (iv) an assignment by way of first fixed security to the Note Trustee as trustee for itself and the other Secured Creditors of the Issuer's rights, title, interest and benefit in and to all monies credited to the Issuer Distribution Account or to any other bank or other account in which the Issuer may at any time have any right, title, interest or benefit; and
- (v) charges to the Note Trustee as trustee for itself and for the other Secured Creditors by way of a first floating charge the whole of its undertaking and assets to the extent such undertaking and assets are not otherwise effectively encumbered by the security created by or pursuant to the Note Trust Deed,

all as more particularly described in the Note Trust Deed.

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to paragraph 4(a)(v) above.

(b) *Priority of Payments*

The Note Trust Deed will contain provisions regulating the priority of application of amounts both prior to and following the enforcement of Security being in relation to monies received by the Note Trustee as follows:

- (i) *first*, in no order of priority between themselves but *pro rata* to the respective amounts then due, to pay remuneration then due to any Receiver or the Note Trustee (and/or any appointee of the Note Trustee under the Note Trust Deed) and all amounts due in respect of legal fees and other costs, charges, liabilities, expenses, losses, damages, proceedings, claims and demands incurred by any Receiver or the Note Trustee (and/or any appointee of the Note Trustee under the Note Trust Deed) under and in respect of the Issuer Documents and in enforcing the Security created by or pursuant to the Note Trust Deed or in perfecting title to the Security, together with interest thereon as provided in any such document;
- (ii) *second*, (to the extent not met by paragraph (i) above) in payment or satisfaction (*pro rata* and *pari passu*) of all amounts then due and unpaid to any Receiver or the Note Trustee and/or any appointee of the Note Trustee under the Note Trust Deed, the Registrar, the Agents, the Issuer Account Bank, the Issuer Corporate Services Provider and the Holdings Corporate Services Provider;
- (iii) *third*, the Issuer Profit Amount to be retained by the Issuer as profit;
- (iv) *fourth*, in or towards payment *pari passu* and rateably of amounts due and unpaid in respect of the Class A Notes in priority first to interest and secondly (where applicable) to principal;
- (v) *fifth*, in or towards payment *pari passu* and rateably of amounts due and unpaid in respect of the Class B Notes in priority first to interest and secondly (where applicable) to principal;
- (vi) *sixth*, in or towards payment *pari passu* and rateably of amounts due and unpaid in respect of the Class C Notes in priority first to interest and secondly (where applicable) to principal;
- (vii) *seventh*, in or towards payment *pari passu* and rateably of amounts due and unpaid in respect of the Class D Notes in priority first to interest and secondly (where applicable) to principal;
- (viii) *eighth*, in or towards payment *pari passu* and rateably of amounts due and unpaid in respect of the Class E Notes in priority first to interest and secondly (where applicable) to principal;
- (ix) *ninth*, in or towards payment *pari passu* and rateably of amounts due and unpaid in respect of the Class F Notes in priority first to interest and secondly (where applicable) to principal;
- (x) *tenth*, in or towards payment of any sums due from (or required to be provided for by) the Issuer to meet its liabilities to any taxation authority (including in respect of corporation tax to HM Revenue & Customs) to the extent not capable of being paid from Issuer Profit Amount;
- (xi) *eleventh*, in or towards payment of any other sums due to Noteholders or sums due to third parties under obligations incurred in the course of the Issuer's business or pursuant to the Subscription Agreement; and
- (xii) *twelfth*, to the Loan Note Issuer as deferred subscription price for the Series 2015-1 Loan Notes.

## 5. Negative Covenants of the Issuer

So long as any of the Notes remain outstanding, the Issuer shall not, save to the extent permitted by the Issuer Documents or with the prior written consent of the Note Trustee:

- (a) create or permit to subsist any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital);
- (b) carry on any business other than as described in the Prospectus dated on or about the Series 2015-1 Closing Date relating to the issue of the Notes and in respect of that business shall not engage in any activity or do anything whatsoever except:
  - (i) preserve and/or exercise and/or enforce any of its rights and perform and observe its obligations as applicable under the Notes, the Issuer Master Framework Agreement, the Paying Agency and Agent Bank Agreement, the Issuer Account Bank Agreement, the Note Trust Deed, the Subscription Agreement, the Issuer Corporate Services Agreement and the Holdings Corporate Services Agreement (together, the "**Issuer Documents**") and any other agreement or document executed for the purpose of this transaction;
  - (ii) use, invest or dispose of any of its property or assets except in the manner provided in or contemplated by the Issuer Documents; or
  - (iii) perform any act incidental to or necessary in connection with (i) or (ii) above;
- (c) have or form, or cause to be formed, any subsidiaries or subsidiary undertakings or undertakings of any other nature or have any employees or premises or have an interest in a bank account other than the Issuer Distribution Account;
- (d) create, incur or suffer to exist any indebtedness (other than indebtedness permitted to be incurred under the terms of its Articles of Association and pursuant to or as contemplated in any of the Issuer Documents) or give any guarantee or indemnity in respect of any obligation of any person;
- (e) repurchase any of its shares or declare or pay any dividend or other distribution to its shareholders other than a lawful dividend under English law of amounts not exceeding the Issuer Profit Amount from time to time received by it (after payment of any applicable taxes thereon);
- (f) waive, modify or amend, or consent to any waiver, modification or amendment of, any of the provisions of the Issuer Documents without (i) the prior written consent of the Note Trustee, (ii) the approval of an Extraordinary Resolution of each affected class of Notes, if such waiver, modification or amendment constitutes a Basic Terms Modification or (iii) in the case of any waiver, modification or amendment relating to (A) any Rate of Interest (as defined in Note Condition 6(b) (*Rate of Interest*)); or (B) any Interest Period (as defined in Note Condition 6(a) (*Accrual of Interest*)), without the prior written consent of the Transferor Beneficiary; or
- (g) offer to surrender to any company any amounts which are available for surrender by way of group relief.

**"Issuer Account Bank Agreement"** means an agreement dated on or about the Series 2015-1 Closing Date between the Issuer, HSBC Bank plc as Issuer Account Bank and the Note Trustee, whereby HSBC Bank plc has agreed to operate the Issuer Distribution Account on the terms and conditions set out therein, or any replacement for such agreement if the Issuer Distribution Account is no longer held at HSBC Bank plc.

**"Issuer Distribution Account"** means the sterling denominated bank account in the name of the Issuer opened for the purpose of receiving certain payments of principal and interest under the Series 2015-1 Loan Notes, currently located at HSBC Bank plc.

"**Series 2015-1 Supplement**" means a deed dated on or about the Series 2015-1 Closing Date between NewDay Funding Receivables Trustee Ltd (the "**Receivables Trustee**"), NewDay Funding Loan Note Issuer Ltd (the "**Loan Note Issuer**") and others, which is supplemental to a Receivables Trust Deed and Servicing Agreement dated on or about the Series 2015-1 Closing Date, as amended and restated from time to time.

"**Series 2015-1 Loan Note Supplement**" means a deed dated on or about the Series 2015-1 Closing Date between, among others, the Security Trustee and the Loan Note Issuer, which is supplemental to the STDCMA.

"**STDCMA**" means the security trust deed and cash management agreement dated on or about the Series 2015-1 Closing Date, as amended from time to time, between, among others, the Security Trustee and the Loan Note Issuer pursuant to which the Security Trustee will act as trustee for the benefit of the secured creditors of the Loan Note Issuer.

"**Subscription Agreement**" means the subscription agreement dated on or about 12 June 2015 between, *inter alios*, the Issuer, NCL, the Receivables Trustee, the Loan Note Issuer and the Joint Lead Managers in respect of the Notes.

## 6. **Interest**

### (a) *Accrual of Interest*

Each class of Notes bears interest on its Principal Amount Outstanding (as defined in Note Condition 7 (*Redemption*)) from (and including) the Series 2015-1 Closing Date. Interest in respect of the Notes is payable in arrear in sterling on each Interest Payment Date.

"**Interest Payment Date**" means 15 August 2015 and the 15<sup>th</sup> day of each calendar month thereafter or (if such date is not a Business Day) the immediately following Business Day.

To the extent that the monies which are deposited in the Issuer Distribution Account by the Loan Note Issuer on or immediately prior to an Interest Payment Date in accordance with the provisions of the Series 2015-1 Loan Note Supplement are insufficient to pay the full amount of interest on any class of Notes on such Interest Payment Date, payment of the shortfall ("**Deferred Interest**"), which will be borne by each Note of the relevant class in a proportion equal to the proportion that the Principal Amount Outstanding of the relevant Note (as applicable) bears to the aggregate Principal Amount Outstanding of all Notes of the relevant class (in each case as determined on the Interest Payment Date on which such Deferred Interest arises), will not then fall due but will instead be deferred until the first Interest Payment Date thereafter on which funds are available to the Issuer (by being deposited in the Issuer Distribution Account by the Loan Note Issuer on or immediately prior to such Interest Payment Date in accordance with the provisions of the Series 2015-1 Loan Note Supplement) to pay such Deferred Interest to the extent of such available funds. Such Deferred Interest will accrue interest ("**Additional Interest**") at the applicable Rate of Interest (as defined in Note Condition 6(b) (*Rate of Interest*)) plus a margin of one per cent. per annum, and payment of any Additional Interest will also be deferred until the first Interest Payment Date thereafter on which funds are available to the Issuer (by being deposited in the Issuer Distribution Account by the Loan Note Issuer on or immediately prior to such Interest Payment Date in accordance with the provisions of the Series 2015-1 Loan Note Supplement) to pay such Additional Interest to the extent of such available funds.

Each period beginning on (and including), in the case of the first Interest Period, the Series 2015-1 Closing Date or, thereafter, any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**". The first interest payment will be made on the first Interest Payment Date in respect of the Interest Period from (and including) the Series 2015-1 Closing Date to (but excluding) the first Interest Payment Date.

Interest will cease to accrue on any part of the Principal Amount Outstanding of a Note from the due date for redemption unless payment of principal is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Note Condition (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Note Trustee has notified the relevant Noteholders in accordance with Note Condition 18 (*Notices*) that it has received all sums due in respect of the relevant class of Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(b) ***Rate of Interest***

The rate of interest applicable to the Class A Notes (the "**Rate of Interest**") for each Interest Period will be the Reference Rate plus the Margin.

The rate of interest applicable to the Class B Notes (the "**Rate of Interest**") for each Interest Period will be the Reference Rate plus the Margin.

The rate of interest applicable to the Class C Notes (the "**Rate of Interest**") for each Interest Period will be the Reference Rate plus the Margin.

The rate of interest applicable to the Class D Notes (the "**Rate of Interest**") for each Interest Period will be the Reference Rate plus the Margin.

The rate of interest applicable to the Class E Notes (the "**Rate of Interest**") for each Interest Period will be the Reference Rate plus the Margin.

The rate of interest applicable to the Class F Notes (the "**Rate of Interest**") for each Interest Period will be the Reference Rate plus the Margin.

(c) ***Calculation of Interest in respect of the Notes***

The Agent Bank will, in relation to each Interest Period, as soon as practicable after the Series 2015-1 Closing Date in respect of the first Interest Period and thereafter the first day of the relevant Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Principal Amount Outstanding of each Note for such Interest Period. The Interest Amount in respect of each class of Notes will be calculated by applying the applicable Rate of Interest to the Principal Amount Outstanding of such class of Notes at the commencement of such Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 365 (or 366 in the case of any Interest Period ending in a leap year) and rounding the resulting figure to the nearest penny (half a penny being rounded upwards). On each Interest Payment Date, the Agent Bank shall determine the actual amount of interest which will be paid on each class of Notes on that Interest Payment Date and the amount of Deferred Interest (if any) on each class of Notes in respect of the related Interest Period and the amount of Additional Interest (if any) which will be paid on such Interest Payment Date. The amount of Additional Interest shall be calculated by applying the Rate of Interest for the relevant class of Notes (plus a margin of 1 per cent. per annum) to the Deferred Interest from prior Interest Periods which remains unpaid, multiplying by the actual number of days in the relevant Interest Period and dividing by 365 (or 366 in the case of any Interest Period ending in a leap year) and rounding the resultant figure to the nearest penny (half a penny being rounded upwards). In the event that, on any Interest Payment Date, the amount of monies which are deposited in the Issuer Distribution Account by the Loan Note Issuer on such day in accordance with the provisions of the Series 2015-1 Loan Note Supplement is insufficient to pay in full the Interest Amount for any class of Notes, any outstanding Deferred Interest and any Additional Interest due on such Interest Payment Date in respect of the relevant class of Notes, such monies will be applied first to the payment of any Interest Amount, secondly to the payment of any outstanding Deferred Interest in respect of the relevant class and thereafter to the payment of any Additional Interest in respect of the relevant class.

(d) ***Failure of Agent Bank***

If the Agent Bank fails at any time to calculate an Interest Amount or amount of Deferred Interest (if any) or amount of Additional Interest (if any), the Note Trustee, or its appointed agent without accepting any liability therefor, will calculate such Interest Amount or amount of Deferred Interest (if any) or amount of Additional Interest (if any), in accordance with paragraph (a) or (c) above (as applicable), and each such determination or calculation shall be deemed to have been made by the Agent Bank.

(e) ***Publication***

The Agent Bank will cause each Interest Amount, amount of Deferred Interest (if any) and amount of Additional Interest (if any) determined by it, together with the relevant Interest Payment Date, to be notified to the Issuer, the Paying Agents, the Note Trustee and, for so long as the Notes are admitted to trading on the Regulated Market of the London Stock Exchange (the "**London Stock Exchange**"), an approved Regulatory Information Service of the London Stock Exchange as soon as practicable after such determination but in any event not later than the seventh day thereafter or such earlier day as the London Stock Exchange may require and will cause the same to be published in accordance with Note Condition 18 (*Notices*) as soon as possible thereafter.

(f) ***Recalculation***

The Agent Bank will be entitled to recalculate any Interest Amount, amount of Additional Interest and Deferred Interest (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

(g) ***Notifications etc.***

All notifications, opinions, determinations, certificates, calculations and decisions given, expressed, made or obtained for the purposes of these Note Conditions, whether by the Agent Bank or the Note Trustee, will be binding on the Issuer, the Paying Agents, the Note Trustee, the Agent Bank and the Noteholders and (subject to as otherwise provided in these Note Conditions or the Issuer Documents) no liability to any such person will attach to the Agent Bank or the Note Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions for such purposes.

(h) ***Interpretation***

In this Note Condition 6:

"**Business Day**" means a day other than a Saturday, a Sunday or a day on which banking institutions in London, England or Jersey, Channel Islands are authorised or obliged by law or executive order to be closed.

"**Controlled Accumulation Period**" means, unless a Pay Out Event shall have occurred prior thereto, the period commencing at the close of business on (i) the Series 2015-1 Scheduled Accumulation Commencement Date or (ii) such later date as is determined in accordance with clause 6.6(e) (*Controlled Accumulation Period*) of the Receivables Trust Deed and Servicing Agreement (as supplemented by the Series 2015-1 Supplement), and ending on the first to occur of:

- (i) the commencement of the Rapid Amortisation Period; and
- (ii) the Series 2015-1 Scheduled Redemption Date.

"**Distribution Date**" means 15 August 2015 and the 15th day of each calendar month thereafter or, if such day is not a Business Day, the next succeeding Business Day.

"**Interest Determination Date**" means each Interest Payment Date or, in the case of the first Interest Period, the Series 2015-1 Closing Date and an Interest Determination Date shall relate to an Interest Period (and be the "**Related Interest Determination Date**" in

respect of such Interest Period) where the Interest Period commences on such Interest Determination Date.

**"Margin"** means:

- (i) in respect of the Class A Notes, from the Series 2015-1 Closing Date up to but excluding the Step-Up Date, 1.00 per cent. per annum and, from and including the Step-Up Date, 2.00 per cent. per annum;
- (ii) in respect of the Class B Notes, from the Series 2015-1 Closing Date up to but excluding the Step-Up Date, 1.55 per cent. per annum and, from and including the Step-Up Date, 2.55 per cent. per annum;
- (iii) in respect of the Class C Notes, from the Series 2015-1 Closing Date up to but excluding the Step-Up Date, 1.95 per cent. per annum and, from and including the Step-Up Date, 2.95 per cent. per annum;
- (iv) in respect of the Class D Notes, from the Series 2015-1 Closing Date up to but excluding the Step-Up Date, 2.50 per cent. per annum and, from and including the Step-Up Date, 3.50 per cent. per annum;
- (v) in respect of the Class E Notes, from the Series 2015-1 Closing Date up to but excluding the Step-Up Date, 3.50 per cent. per annum and, from and including the Step-Up Date, 4.50 per cent. per annum; and
- (vi) in respect of the Class F Notes, from the Series 2015-1 Closing Date up to but excluding the Step-Up Date, 4.50 per cent. per annum and, from and including the Step-Up Date, 5.50 per cent. per annum.

**"Rapid Amortisation Period"** means the period commencing on the Business Day succeeding the day, if any, on which a "Pay Out Event" occurs and will continue until the earlier of (i) the Series 2015-1 Termination Date, or (ii) the dissolution of the Receivables Trust pursuant to the terms of the Receivables Trust Deed and Servicing Agreement.

**"Reference Banks"** means the principal London office of four major banks in the London interbank market, in each case, selected by the Issuer at the relevant time.

**"Reference Rate"** means, on any Interest Determination Date, the floating rate determined by the Agent Bank by reference to the Screen Rate on such date or, if on such date the Screen Rate is unavailable:

- (i) the Rounded Arithmetic Mean of the offered quotations as at or about 11:00 a.m. (London time) on that date of the Reference Banks to major banks for Sterling deposits for the Relevant Period in the London interbank market in the Representative Amount determined by the Agent Bank after making a request of each of the Reference Banks;
- (ii) if, on such date, two or three only of the Reference Banks provide such quotations, the rate determined in accordance with paragraph (i) above on the basis of the quotations of those Reference Banks providing such quotations; or
- (iii) if, on such date, one only or none of the Reference Banks provide such a quotation, the Reserve Reference Rate.

**"Relevant Period"** means, in relation to an Interest Determination Date, the length in months of the related Interest Period.

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time.



**"Reserve Reference Rate"** means, on any Interest Determination Date, if the Agent Bank cannot determine the Reference Rate in accordance with paragraphs (i) and (ii) of that definition, the Reference Rate in effect for the most recent date prior to such date of determination for which the Reference Rate can, as at such date, be determined.

**"Revolving Period"** means the period from and including the Series 2015-1 Closing Date to, but not including, the earlier of (a) the day that the Controlled Accumulation Period commences and (b) the day the Rapid Amortisation Period commences.

**"Rounded Arithmetic Mean"** means the arithmetic mean (rounded, if necessary, to the nearest 0.0001 per cent., with 0.00005 being rounded upwards).

**"Screen Rate"** shall mean the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for sterling for the relevant period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters.

**"Series 2015-1 Investor Interest"** has the meaning given to it in the Series 2015-1 Supplement.

**"Series 2015-1 Scheduled Accumulation Commencement Date"** shall mean 1 July 2017 (or any later date specified in a Series Extension Notice).

**"Series 2015-1 Termination Date"** shall mean the earlier to occur of:

- (i) the Distribution Date on which the Series 2015-1 Investor Interest is reduced to zero and is not capable of reinstatement pursuant to the Receivables Trust Deed and Servicing Agreement as supplemented by the Series 2015-1 Supplement; or
- (ii) the Distribution Date falling in July 2023.

## 7. **Redemption**

### (a) ***Scheduled Redemption and Mandatory, Early Redemption***

Unless the Rapid Amortisation Period has earlier commenced, the Notes will be redeemed in full on the Interest Payment Date falling in July 2018 or, if a Series Extension Notice is delivered pursuant to (and as defined in) the Series 2015-1 Supplement, any Distribution Date falling no more than 12 months thereafter as specified in such Series Extension Notice (the "**Series 2015-1 Scheduled Redemption Date**") as follows and to the following extent:

#### **Class A**

- (a) if, on the Series 2015-1 Scheduled Redemption Date, the Loan Note Issuer deposits in the Issuer Distribution Account (in respect of the Class A Loan Note), in accordance with the provisions of the Series 2015-1 Loan Note Supplement, an amount equal to the Principal Amount Outstanding of the Class A Notes on the Series 2015-1 Scheduled Redemption Date, then the Class A Notes will be redeemed in full; or
- (b) if, on the Series 2015-1 Scheduled Redemption Date, the Loan Note Issuer deposits in the Issuer Distribution Account (in respect of the Class A Loan Note), in accordance with the provisions of the Series 2015-1 Loan Note Supplement, an amount which is less than the Principal Amount Outstanding of the Class A Notes on the Series 2015-1 Scheduled Redemption Date, then the Class A Notes will be redeemed *pro rata* in part to the extent of the amount which is so deposited by the Loan Note Issuer in the Issuer Distribution Account on the Series 2015-1 Scheduled Redemption Date and the Rapid Amortisation

Period will commence with effect from the Series 2015-1 Scheduled Redemption Date;

**Class B**

- (a) if, on the Series 2015-1 Scheduled Redemption Date, the Loan Note Issuer deposits in the Issuer Distribution Account (in respect of the Class B Loan Note), in accordance with the provisions of the Series 2015-1 Loan Note Supplement, an amount equal to the Principal Amount Outstanding of the Class B Notes on the Series 2015-1 Scheduled Redemption Date, then the Class B Notes will be redeemed in full; or
- (b) if, on the Series 2015-1 Scheduled Redemption Date, the Loan Note Issuer deposits in the Issuer Distribution Account (in respect of the Class B Loan Note), in accordance with the provisions of the Series 2015-1 Loan Note Supplement, an amount which is less than the Principal Amount Outstanding of the Class B Notes on the Series 2015-1 Scheduled Redemption Date, then the Class B Notes will be redeemed *pro rata* in part to the extent of the amount which is so deposited by the Loan Note Issuer in the Issuer Distribution Account on the Series 2015-1 Scheduled Redemption Date and the Rapid Amortisation Period will commence with effect from the Series 2015-1 Scheduled Redemption Date;

**Class C**

- (a) if, on the Series 2015-1 Scheduled Redemption Date, the Loan Note Issuer deposits in the Issuer Distribution Account (in respect of the Class C Loan Note), in accordance with the provisions of the Series 2015-1 Loan Note Supplement, an amount equal to the Principal Amount Outstanding of the Class C Notes on the Series 2015-1 Scheduled Redemption Date, then the Class C Notes will be redeemed in full; or
- (b) if, on the Series 2015-1 Scheduled Redemption Date, the Loan Note Issuer deposits in the Issuer Distribution Account (in respect of the Class C Loan Note), in accordance with the provisions of the Series 2015-1 Loan Note Supplement, an amount which is less than the Principal Amount Outstanding of the Class C Notes on the Series 2015-1 Scheduled Redemption Date, then the Class C Notes will be redeemed *pro rata* in part to the extent of the amount which is so deposited by the Loan Note Issuer in the Issuer Distribution Account on the Series 2015-1 Scheduled Redemption Date and the Rapid Amortisation Period will commence with effect from the Series 2015-1 Scheduled Redemption Date;

**Class D**

- (a) if, on the Series 2015-1 Scheduled Redemption Date, the Loan Note Issuer deposits in the Issuer Distribution Account (in respect of the Class D Loan Note), in accordance with the provisions of the Series 2015-1 Loan Note Supplement, an amount equal to the Principal Amount Outstanding of the Class D Notes on the Series 2015-1 Scheduled Redemption Date, then the Class D Notes will be redeemed in full; or
- (b) if, on the Series 2015-1 Scheduled Redemption Date, the Loan Note Issuer deposits in the Issuer Distribution Account (in respect of the Class D Loan Note), in accordance with the provisions of the Series 2015-1 Loan Note Supplement, an amount which is less than the Principal Amount Outstanding of the Class D Notes on the Series 2015-1 Scheduled Redemption Date, then the Class D Notes will be redeemed *pro rata* in part to the extent of the amount which is so deposited by the Loan Note Issuer in the Issuer Distribution Account on the Series 2015-1 Scheduled Redemption Date and the Rapid Amortisation

Period will commence with effect from the Series 2015-1 Scheduled Redemption Date;

**Class E**

- (a) if, on the Series 2015-1 Scheduled Redemption Date, the Loan Note Issuer deposits in the Issuer Distribution Account (in respect of the Class E Loan Note), in accordance with the provisions of the Series 2015-1 Loan Note Supplement, an amount equal to the Principal Amount Outstanding of the Class E Notes on the Series 2015-1 Scheduled Redemption Date, then the Class E Notes will be redeemed in full; or
- (b) if, on the Series 2015-1 Scheduled Redemption Date, the Loan Note Issuer deposits in the Issuer Distribution Account (in respect of the Class E Loan Note), in accordance with the provisions of the Series 2015-1 Loan Note Supplement, an amount which is less than the Principal Amount Outstanding of the Class E Notes on the Series 2015-1 Scheduled Redemption Date, then the Class E Notes will be redeemed *pro rata* in part to the extent of the amount which is so deposited by the Loan Note Issuer in the Issuer Distribution Account on the Series 2015-1 Scheduled Redemption Date and the Rapid Amortisation Period will commence with effect from the Series 2015-1 Scheduled Redemption Date; and

**Class F**

- (a) if, on the Series 2015-1 Scheduled Redemption Date, the Loan Note Issuer deposits in the Issuer Distribution Account (in respect of the Class F Loan Note), in accordance with the provisions of the Series 2015-1 Loan Note Supplement, an amount equal to the Principal Amount Outstanding of the Class F Notes on the Series 2015-1 Scheduled Redemption Date, then the Class F Notes will be redeemed in full; or
- (b) if, on the Series 2015-1 Scheduled Redemption Date, the Loan Note Issuer deposits in the Issuer Distribution Account (in respect of the Class F Loan Note), in accordance with the provisions of the Series 2015-1 Loan Note Supplement, an amount which is less than the Principal Amount Outstanding of the Class F Notes on the Series 2015-1 Scheduled Redemption Date, then the Class F Notes will be redeemed *pro rata* in part to the extent of the amount which is so deposited by the Loan Note Issuer in the Issuer Distribution Account on the Series 2015-1 Scheduled Redemption Date and the Rapid Amortisation Period will commence with effect from the Series 2015-1 Scheduled Redemption Date.

If the Rapid Amortisation Period commences as a result of the circumstances referred to in any paragraph (b) above, then, on each Interest Payment Date (after the Series 2015-1 Scheduled Redemption Date) which thereafter occurs during the Rapid Amortisation Period, the Notes will be redeemed in whole or, as the case may be, *pro rata* in part to the extent of the amount which is deposited in the Issuer Distribution Account (in respect of the relevant class) by the Loan Note Issuer on such day in accordance with the provisions of the Series 2015-1 Loan Note Supplement until the earlier of such time as each class of Notes have been redeemed in full or the Interest Payment Date falling in July 2023.

If a Partial Amortisation Date occurs under (and as defined in) the Series 2015-1 Supplement, then each class of Notes will be redeemed in whole or in part on the immediately following Interest Payment Date in an amount equal to such amount of the Partial Amortisation Amount (as defined in the Series 2015-1 Supplement) as is allocated to such class, being the principal amount repaid on the related Loan Note and deposited in the Issuer Distribution Account on such date.

With respect to any Interest Payment Date (including the Series 2015-1 Scheduled Redemption Date) on which the Loan Note Issuer deposits into the Issuer Distribution Account monies which are available to be applied in or towards redemption of any class of Notes (in whole or in part) as referred to in this Note Condition 7 (*Redemption*), the amount so deposited shall be "**Available Repayment Funds**" for the relevant class for such Interest Payment Date. On each Interest Payment Date, the Principal Paying Agent shall determine (i) the amount of each "**Principal Payment**" payable on the Notes of each class, which will be allocated *pro rata* to the Notes in that class in accordance with the relevant Principal Amounts Outstanding from the Available Repayment Funds available for redemption of the relevant class of Notes, and (ii) the Principal Amount Outstanding of each class of Notes on the first day of the Interest Period commencing on that Interest Payment Date (after deducting any Principal Payment due to be made in respect of each class of Notes on the Interest Payment Date).

The Principal Paying Agent will cause each Principal Payment and Principal Amount Outstanding to be notified to the Issuer, the Paying Agents and the Note Trustee and will cause notice to be published in accordance with Note Condition 18 (*Notices*) as soon as possible thereafter.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Note Condition by the Principal Paying Agent will be binding on the Issuer, the Paying Agents, the Note Trustee and the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

If the Principal Paying Agent fails at any time to determine a Principal Payment or Principal Amount Outstanding as aforesaid, the Note Trustee (or a person appointed by the Note Trustee) shall calculate such Principal Payment or Principal Amount Outstanding in accordance with the above provisions of this Note Condition, and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent. Any such determination or calculation will be binding on the Issuer, the Paying Agents, the Note Trustee and the Noteholders.

"**Principal Amount Outstanding**" means, in relation to a Note on any date, the principal amount of that Note on the Series 2015-1 Closing Date, less the aggregate amount of all repayments of principal in respect of that Note that have become due and payable by the Issuer to the Noteholder concerned by virtue of the Issuer having received funds in respect thereof from the Loan Note Issuer as described in this Note Condition 7 (*Redemption*) prior to such date in accordance with the conditions of the Series 2015-1 Loan Notes, **provided that**, solely for the purpose of calculating the Principal Amount Outstanding under Note Conditions 6 (*Interest*), 7 (*Redemption*), 11 (*Events of Default*) and 15 (*Meetings of Noteholders, Modification and Waiver, Substitution and Addition*), all such repayments of principal due and unpaid on or prior to such date shall also be taken into account as forming part of such Principal Amount Outstanding.

(b) ***Final Redemption***

If any class of Notes have not previously been redeemed in full pursuant to this Note Condition 7 (including any case where any interest (including Deferred Interest and Additional Interest) thereon has not earlier been paid), the Notes of that class will be finally redeemed at their then Principal Amount Outstanding together with accrued interest (including Deferred Interest and Additional Interest) thereon on the Interest Payment Date falling in July 2023 (the "**Series 2015-1 Final Redemption Date**").

(c) ***Other Redemption***

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in this Note Condition 7.

(d) ***Cancellation***

All Notes redeemed pursuant to the foregoing provisions shall be cancelled forthwith and may not be reissued or resold.

(e) ***Purchase***

The Issuer may not, at any time, purchase Notes in the open market or otherwise.

8. **Limited Recourse**

(a) If at any time following:

(i) the occurrence of either:

(A) the Series 2015-1 Final Redemption Date or any earlier date upon which all of the Notes of each class are due and payable; or

(B) the service of an Enforcement Notice; and

(ii) realisation of the property of the Issuer subject to the security created by or pursuant to the Note Trust Deed (the "**Secured Property**") and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with Note Condition 4(b) (*Priority of Payments*),

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with Note Condition 4(b) (*Priority of Payments*), to pay in full all amounts then due and payable under any class of Notes, then the amount remaining to be paid (after such application in full of the amounts first referred to in (ii) above) under such class of Notes (and any class of Notes junior to that class of Notes) shall, immediately following such application in full of the amounts referred to in (ii) above, cease to be due and payable by the Issuer.

(b) For the purposes of this Note Condition 8 (*Limited Recourse*), "**Realisation**" means, in relation to any Secured Property, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Secured Property including (without limitation) through sale or through performance by an Obligor.

9. **Payments**

(a) ***Principal and Interest***

Payments of principal and interest on any Note will be made to the persons in whose names the Notes are registered in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment. Such date is called the "**Record Date**". Payments will be made by wire transfer of immediately available funds, if the registered holder of the Note has provided wiring instructions no less than five Business Days prior to the Record Date, or otherwise by cheque mailed to the address of the registered holder of the Note as it appears in the Register at the opening of business on the Record Date. In the case of final redemption of a Note, and **provided that** payment is to be made in full, payment will only be made against surrender of the relevant Note Certificate to the Registrar.

(b) ***Payments Subject to Fiscal Laws***

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Note Condition 10 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(c) ***Payments on Business Days***

Where payment is to be made by transfer to a sterling account, payment instructions (for value the due date, or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated. A holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Business Day or (B) a cheque mailed in accordance with this Note Condition 9 arriving after the due date for payment or being lost in the mail.

(d) ***Partial Payments***

If a Paying Agent makes a partial payment in respect of any Note presented to it for payment, such Paying Agent will notify the Registrar and the Registrar will endorse on the Register a statement indicating the amount and date of such payment.

10. **Taxation**

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by any jurisdiction or political subdivision or any authority in or of any jurisdiction having power to tax, unless such withholding or deduction is required by the law of any relevant jurisdiction. In that event, the Issuer, the Note Trustee or the Paying Agents shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted.

Notwithstanding any other provision in these Note Conditions, the Issuer, the Note Trustee and the Paying Agents shall be permitted to withhold or deduct any amounts 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 (or any amended or successor provisions), any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto ("**FATCA withholding**").

None of the Issuer, the Note Trustee or the Paying Agents will be required to make any additional payments to holders of the Notes in respect of any withholding or deduction applicable to any payment of principal or interest. None of the Issuer, the Note Trustee or the Paying Agents shall have any obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, the Note Trustee, a Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.

11. **Events of Default**

If any of the following events (each an "**Event of Default**") occurs and is continuing:

- (a) ***Non-payment***: the Issuer fails to pay any amount of principal in respect of the Notes within 7 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 15 days of the due date for payment thereof; or
- (b) ***Breach of other obligations***: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Issuer Documents (other than, in any such case, any obligation for the payment of any principal or interest on the Notes) and such default is materially prejudicial to the interests of the Noteholders and (except where such default is incapable of remedy) such default remains unremedied for 30 days after such notice; or
- (c) ***Security enforced***: a secured party or encumbrancer takes possession of, or a receiver, administrative receiver, administrator, examiner, manager or other similar officer is legally and validly appointed over, the whole or any part of the business, assets and revenues of the Issuer or execution is levied against any of the assets of the Issuer which

is not frivolous or vexatious and, in each case, is not discharged within five Business Days; or

- (d) **Insolvency Event:** an Insolvency Event occurs in relation to the Issuer; or
- (e) **Obligations legal, valid and binding:** any action, condition or thing at any time required to be taken, fulfilled or done in order:
  - (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes and the documents relating to them; or
  - (ii) to ensure that those obligations are legal, valid, binding and enforceable, except as that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally and general principles of equity,

is not taken, fulfilled or done and the failure to do so is materially prejudicial to the interests of the Noteholders; or

- (f) **Unlawfulness:** it is or becomes unlawful for the Issuer to comply with any of its obligations under or in respect of the Notes or any of the other Issuer Documents; or
- (g) **Government intervention:** (i) all or substantially all of the business, assets and revenues of the Issuer is seized or otherwise appropriated by any person acting under the authority of any national, regional or local government, or (ii) the Issuer is prevented by any person acting under the authority of any national, regional or local government from exercising normal control over all or substantially all of its business, assets and revenues,

then the Note Trustee may at its sole discretion and, if so required by holders of at least one-quarter of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution (as defined in the Note Trust Deed) of the Most Senior Class of Notes, shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) be bound to give written notice (an "**Enforcement Notice**") to the Issuer declaring all of the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Principal Amount Outstanding together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to the Noteholders by the Issuer.

"**Insolvency Event**" means, in respect of a company, the occurrence of any one of the following events:

- (a) the company consents to the appointment of, or takes any corporate action to appoint, a receiver, administrator, administrative receiver, liquidator, trustee in bankruptcy or similar officer of it or over all or substantially all of its revenues and assets;
- (b) proceedings are started against the company under any applicable liquidation, insolvency, composition or reorganisation or similar laws for its winding up, dissolution, administration or reorganisation (other than a solvent reorganisation) and the proceedings are not frivolous or vexatious or discharged within 60 days, or a receiver, administrator, administrative receiver, liquidator, trustee in bankruptcy or similar officer of it or relating to all or substantially all of its revenues and assets is legally and validly appointed and is not discharged within 30 days; or
- (c) a duly authorised officer of the company admits in writing that it is unable to pay its debts when they fall due within the meaning of Section 123(1) of the Insolvency Act 1986 or the company makes a general assignment or trust for the benefit of or a composition with its creditors or voluntarily suspends payment of its obligations.

"**Most Senior Class of Notes**" means the Class A Notes so long as any of the Class A Notes remain outstanding, and thereafter the Class B Notes so long as any of the Class B Notes remain outstanding, and thereafter the Class C Notes so long as any of the Class C Notes remain

outstanding, and thereafter the Class D Notes so long as any of the Class D Notes remain outstanding, and thereafter the Class E Notes so long as any of the Class E Notes remain outstanding, and thereafter the Class F Notes.

12. **Prescription**

Claims for principal shall become void unless claimed within ten years of the appropriate Relevant Date (as defined below). Claims for interest shall become void unless claimed within five years of the appropriate Relevant Date.

In these Note Conditions, "**Relevant Date**" means whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in London by the Principal Paying Agent or the Note Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Note Condition 18 (*Notices*).

13. **Replacement of Note Certificates**

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

14. **Note Trustee and Agents**

The Note Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders.

In the exercise of its powers and discretions under these Note Conditions and the Note Trust Deed, the Note Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence (in particular any tax consequence) for individual holders of Notes as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Paying Agency and Agent Bank Agreement, and in connection with the Notes, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Note Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The Note Trustee is relieved of liability for making searches or other enquiries in relation to the assets comprising the security. The Note Trustee has no responsibility in relation to the legality and the enforceability of the trust arrangements and the connected security. The Note Trustee will not be obliged to take any action which might result in its incurring liabilities other than in its capacity as Note Trustee. The Note Trustee is not obliged to monitor or investigate the performance of any other person under the documents relating to the Loan Note Issuer or the documents relating to the Receivables Trust and shall be entitled to assume, that all such persons are properly performing their duties and that no Trust Pay Out Event or Series Pay Out Event has occurred, unless it receives express notice to the contrary.

The Note Trustee is not responsible for any deficiency which may arise because it is liable to tax in respect of the proceeds of security.

The Note Trustee is not responsible for checking the calculations contained in or otherwise verifying any information coming into its possession in relation to the Receivables Trust.

The Note Trustee and its related companies are entitled to enter into business transactions with the Issuer, the Loan Note Issuer, the Receivables Trustee, NCL, NFT and/or related companies of any of them without accounting for any profit resulting therefrom.



The Note Trustee may retire at any time upon giving not less than three months' notice in writing to the Issuer without giving any reason and without being responsible for any liabilities incurred by reason of such retirement. The holders of the Most Senior Class of Notes may, at any time, resolve by way of Extraordinary Resolution to direct the Issuer to remove the Note Trustee and such Extraordinary Resolution shall contain a direction to the Issuer as to which person to appoint as successor Note Trustee. Upon receiving such Extraordinary Resolution, the Issuer shall be vested with the power to appoint such successor Note Trustee and shall promptly make such appointment as detailed in Clause 20.6 (*Successor Note Trustee*) of the Note Trust Deed by written instrument, in duplicate, one copy of which instrument shall be delivered to the Note Trustee being removed and one copy to the successor Note Trustee. The retirement or removal of the outgoing Note Trustee shall not be capable of being effective unless and until such appointment of a new Note Trustee has also become effective.

The initial Paying Agents and Agent Bank and their initial specified offices are listed in the Prospectus. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or the Agent Bank and to appoint successor or additional paying agents or a successor agent bank, **provided that** the Issuer shall at all times maintain (a) a Principal Paying Agent outside the United States of America, and (b) a Paying Agent in London, if and for so long as any of the Notes are admitted to the Official List and to trading on the London Stock Exchange and the rules of the London Stock Exchange so require. Notice of any change in the Paying Agents or the Agent Bank, or in the specified office of any Paying Agent or the Agent Bank, shall promptly be given to the Noteholders in accordance with Note Condition 18 (*Notices*).

#### 15. **Meetings of Noteholders, Modification and Waiver, Substitution and Addition**

##### (a) ***Meetings of Noteholders***

The Note Trust Deed contains provisions for convening meetings of Class A Noteholders, Class B Noteholders, Class C Noteholders, Class D Noteholders, Class E Noteholders and Class F Noteholders to consider matters relating to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes respectively, including the modification of any provision of these Note Conditions or the Note Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution.

The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more voters holding or representing a clear majority of the aggregate Principal Amount Outstanding of the relevant class of Notes for the time being outstanding or, at any adjourned meeting, two or more voters holding or representing the relevant class of Notes whatever the Principal Amount Outstanding of the relevant class of Notes so held or represented for the time being outstanding, **provided, however, that** no proposal; (a) to change any date fixed for payment of principal or interest in respect of the Notes or any class of Notes; (b) to reduce, cancel or alter the amount of principal or interest payable on any date in respect of the Notes or any class of Notes; (c) to alter the method of calculating the amount of any payment (including the priority of payment) in respect of the Notes or the date for any such payment; (d) to change the currency of any payment under the Notes or any class of Notes; (e) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or (f) to amend (a) to (e) above (any such proposed modification or resolution being referred to below as a "**Basic Terms Modification**"). No Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of a class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other classes of Notes (to the extent that there are Notes outstanding in such other classes) which, in the opinion of the Note Trustee, are or may be materially prejudiced by such Extraordinary Resolution. The necessary quorum for passing an Extraordinary Resolution in respect of a Basic Terms Modification shall be two or more voters holding or representing in the aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of the relevant class of Notes for the time being outstanding, or, at any adjourned meeting, two or more voters holding or representing in the aggregate not

less than 25 per cent. of the aggregate Principal Amount Outstanding so held or represented for the time being outstanding of the relevant class of Notes.

When consulted by the Issuer in relation to its giving a Term Series Direction (as defined in the STDCMA), the Note Trustee may, in accordance with the terms of the Note Trust Deed, obtain directions from the Noteholders before concurring with the giving of any directions to the Security Trustee.

Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant class (whether or not they are present at the meeting at which such resolution was passed). The majority required for an Extraordinary Resolution shall be 75 per cent. of the votes cast on that Extraordinary Resolution. The Note Trust Deed contains provisions regulating the effect of Extraordinary Resolutions of the Noteholders.

Any resolution passed at a Meeting of Noteholders duly convened and held shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and: (i) any resolution passed at a meeting of the Class A Noteholders shall also be binding upon all the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders; (ii) any resolution passed at a meeting of the Class B Noteholders shall also be binding upon all the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders; (iii) any resolution passed at a meeting of the Class C Noteholders shall also be binding upon all the Class D Noteholders, the Class E Noteholders and the Class F Noteholders; (iv) any resolution passed at a meeting of the Class D Noteholders shall also be binding upon all the Class E Noteholders and the Class F Noteholders; and (v) any resolution passed at a meeting of the Class E Noteholders shall also be binding upon all the Class F Noteholders.

No Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Class of Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each other Class of Notes then outstanding ranking senior to such Class(es) (to the extent that such Class(es) of Notes ranking senior to such class are then outstanding) unless the Note Trustee considers that the holders of each such Class of Notes ranking senior to such Class would not be materially prejudiced by such Extraordinary Resolution.

**"Class A Noteholder"** means a Person in whose name a Class A Note is registered in the Register (or, in the case of joint holders, the first named thereof) and **"Class A Noteholders"** means all of them.

**"Class B Noteholder"** means a Person in whose name a Class B Note is registered in the Register (or, in the case of joint holders, the first named thereof) and **"Class B Noteholders"** means all of them.

**"Class C Noteholder"** means a Person in whose name a Class C Note is registered in the Register (or, in the case of joint holders, the first named thereof) and **"Class C Noteholders"** means all of them.

**"Class D Noteholder"** means a Person in whose name a Class D Note is registered in the Register (or, in the case of joint holders, the first named thereof) and **"Class D Noteholders"** means all of them.

**"Class E Noteholder"** means a Person in whose name a Class E Note is registered in the Register (or, in the case of joint holders, the first named thereof) and **"Class E Noteholders"** means all of them.

**"Class F Noteholder"** means a Person in whose name a Class F Note is registered in the Register (or, in the case of joint holders, the first named thereof) and **"Class F Noteholders"** means all of them.

A "**Person**" or "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing.

(b) ***Waiver***

The Note Trustee may, without any consent or sanction of the Noteholders or any other Secured Creditor or Security Beneficiary and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Noteholders of the Most Senior Class of Notes shall not be materially prejudiced thereby, (i) authorise or waive, on such terms and conditions (if any) as it may decide, any breach or proposed breach of any of the covenants or other provisions contained in the Note Trust Deed or the Notes or any of the other Issuer Documents or (ii) determine that any Event of Default in relation to the Notes shall not, or shall not subject to specified conditions, be treated as such for the purposes of the Note Trust Deed or the Notes and any such authorisation, waiver or determination shall be binding on the Noteholders, the other Secured Creditors and the Security Beneficiaries and, unless the Note Trustee agrees otherwise, the Issuer shall cause such authorisation, waiver or determination to be notified to the Noteholders, the other Secured Creditors and the Security Beneficiaries as soon as practicable thereafter in accordance with these Note Conditions; **provided that** the Note Trustee shall not exercise any powers conferred upon it by this Note Condition 15(b) (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the Most Senior Class of Notes or of a request in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any such breach or proposed breach relating to a Basic Terms Modification unless the holders of each affected class of outstanding Notes have, by Extraordinary Resolution, so authorised its exercise.

(c) ***Modification, Consent or Direction***

The Note Trustee may, without any consent or sanction of the Noteholders or any other Secured Creditor or Security Beneficiary, at any time and from time to time concur with the Issuer in making any modification to the Note Trust Deed or the Note Conditions or any of the other Issuer Documents (other than any Basic Terms Modification) or give any consent or direction sought from it under the terms of the STDCMA, the Series 2015-1 Loan Note Supplement and the terms of the Series 2015-1 Loan Notes, **provided that** the Note Trustee is of the opinion that such modification, consent or direction (i) will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes or (ii) is of a formal, minor or technical nature or to correct a manifest error.

Any such modification, consent or direction shall be binding upon the Noteholders and the other Secured Creditors and Security Beneficiaries and, unless the Note Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders and the other Secured Creditors in accordance with the Note Conditions. In addition, so long as any of the Notes are rated by the Rating Agencies, any such modification shall be notified in writing by the Issuer to the Rating Agencies as soon as reasonably practicable thereafter.

(d) ***Substitution***

As more fully set forth in the Note Trust Deed (and subject to the conditions and more detailed provisions which are contained therein), subject to such amendment of the Note Trust Deed and such other conditions as the Note Trustee may require, but without the consent of the Noteholders, the Note Trustee may also agree to the substitution of any other body corporate in place of the Issuer as principal debtor under the Note Trust Deed and the Notes and, in the case of such a substitution, the Note Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Note Trust Deed, **provided that** such change would not in the opinion of the Note Trustee be materially prejudicial to the interests of the Noteholders. Any such

substitution shall be notified to the Noteholders in accordance with Note Condition 18 (*Notices*) as soon as practicable thereafter.

16. **Enforcement**

At any time after the Notes become due and repayable and, without prejudice to its rights of enforcement in relation to the Security, the Note Trustee may, at its sole discretion and without notice, deliver an Enforcement Notice, or take any steps or actions or institute such proceedings as it thinks fit to enforce payment of the Notes (including the right to repayment of the Notes together with accrued interest thereon) and shall be bound to do so if (and only if):

- (a) it shall have been so directed by holders of at least one-quarter of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes or by an Extraordinary Resolution of holders of the Most Senior Class of Notes; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages, liabilities and expenses which it may incur by doing so,

and **provided that** the Note Trustee shall not be held liable for the consequence of the taking of any such action and may take such action without having regard to the effect of such action on individual Noteholders or any other beneficiary of the Note Trust Deed.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes or the Note Trust Deed unless (i) the Note Trustee has become bound to institute proceedings and has failed to do so within a reasonable time and (ii) such failure is continuing.

17. **No Action by Noteholders or any other Secured Creditor**

Only the Note Trustee may pursue the remedies available under the general law or under the Issuer Documents to enforce the Security and no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Security. In particular, none of the Noteholders or any other Secured Creditor (nor any person on its or their behalf, other than the Note Trustee where appropriate) are entitled:

- (a) otherwise than as permitted by these Note Conditions, to direct the Note Trustee to enforce the Security or take any proceedings against the Issuer to enforce the Security;
- (b) to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to such Noteholders or any other Secured Creditors;
- (c) until the date falling two years after the Final Discharge Date, to initiate or join any person in initiating any insolvency proceeding in relation to the Issuer; or
- (d) to take or join in the taking of any steps or proceedings which would result in the priority of payments set out in Note Condition 4(b) (*Priority of Payments*) not being observed.

**"Final Discharge Date"** means the date on which the Note Trustee is satisfied that all of the Secured Obligations and/or all other moneys and other liabilities due or owing by the Issuer have been paid or discharged in full.

18. **Notices**

- (a) Notices to the Noteholders shall be deemed to have been duly validly given if published in a leading English language daily newspaper published in London (which is expected to be the Financial Times). Any such notice shall be deemed to have been given on the date of first publication.
- (b) Until such time as any Notes are individually registered in the name of Noteholders following an Exchange Event, there may, so long as each class of Notes is held in its

entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of beneficial interests in the Notes. Any such notice shall be deemed to have been given to the holders of the relevant beneficial interests in the Notes on the seventh day after the day on which such notice was given to Euroclear and Clearstream, Luxembourg.

- (c) Any notices specifying a Rate of Interest, an Interest Amount, an amount of Additional Interest or of Deferred Interest, a Principal Payment or a Principal Amount Outstanding shall be deemed to have been duly given if the information contained in such notice appears on the relevant page of the Reuters Screen or such other medium for the electronic display of data as may be notified to the relevant Noteholders (the "**Relevant Screen**"). Any such notice shall be deemed to have been given on the first date on which such information appeared on the Relevant Screen. If it is impossible or impracticable to give notice in accordance with this paragraph, then notice of the matters referred to in this paragraph (c) shall be given in accordance with paragraph (b) above.
- (d) Copies of all notices given in accordance with these provisions shall, for so long as the Notes are listed thereon, be sent to the London Stock Exchange and, for so long as Notes are held through the Clearing Systems, Euroclear and Clearstream, Luxembourg.

19. **Third Party Rights**

No person shall have any right to enforce any term or condition of the Notes or the Note Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

20. **Governing Law and Jurisdiction**

The Notes and all non-contractual matters arising out of or connected with the Notes are governed by, and shall be construed in accordance with, English law. The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with the Notes. The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

## QUALIFYING SWAP AGREEMENTS

The Loan Note Issuer may from time to time enter into a Qualifying Swap Agreement in relation to one or more Series, including Series 2015-1, which Series will comprise a Qualifying Swap Group for the purposes of that Qualifying Swap Agreement. As at the date of this Prospectus, the Loan Note Issuer has not entered into any Qualifying Swap Agreement, including in respect of Series 2015-1.

If the Loan Note Issuer proposes to enter into a Qualifying Swap Agreement in respect of a Qualifying Swap Group, then the conditions for any such swap agreement to be a "Qualifying Swap Agreement" (which will include the provision of a Rating Confirmation) will need to be met.

The making and receipt of payments by the Loan Note Issuer under any Qualifying Swap Agreement, in respect of a Qualifying Swap Group of which Series 2015-1 forms part, are contemplated in the Series 2015-1 Supplement and the Series 2015-1 Loan Note Supplement and are more particularly described in the section entitled "*Series 2015-1 – Application of Available Funds*". Any collateral posted to the Loan Note Issuer pursuant to any such Qualifying Swap Agreement will not form part of the calculation of Available Funds and will not be available to make payments under the Series 2015-1 Loan Notes, other than pursuant to the terms of the relevant Qualifying Swap Agreement.

If a Qualifying Swap Transaction is entered into and Series 2015-1 is identified as forming part of the relevant Qualifying Swap Group, Qualifying Swap Amounts referable to Series 2015-1, excluding Qualifying Swap Partial Termination Payments, Qualifying Swap Permitted Tax Credit Payments and Qualifying Swap Subordinated Termination Payments, will rank in priority to the payment of amounts to fund interest on the Class A Notes. Qualifying Swap Partial Termination Payments and Qualifying Swap Permitted Tax Credit Payments will rank *pro rata* and *pari passu* with payments used to fund interest on the Class A Notes, with Qualifying Swap Subordinated Termination Payments ranking below all payments used to fund interest on the Notes.

## THE SECURITY TRUST DEED AND CASH MANAGEMENT AGREEMENT

### General

The Series 2015-1 Loan Notes issued by the Loan Note Issuer will be constituted by a Security Trust Deed and Cash Management Agreement to be dated on or about the Series 2015-1 Closing Date, as amended from time to time between, *inter alios*, HSBC Corporate Trustee Company (UK) Limited (the "**Security Trustee**"), the Loan Note Issuer, the Receivables Trustee, NCL as Servicer and Cash Manager, HSBC Bank plc as Calculation Agent and NFT as Transferor (the "**Security Trust Deed and Cash Management Agreement**" or "**STDCMA**"). The STDCMA will be varied and supplemented, from time to time, upon the issue of each series of Loan Notes by a loan note supplement (each a "**Loan Note Supplement**", which, in the case of Series 2015-1, shall be the "**Series 2015-1 Loan Note Supplement**"). Under the STDCMA, the Security Trustee declares that it will hold secured property on the terms of the security trust set out in the STDCMA (as varied and supplemented by any Loan Note Supplement) for the secured creditors in respect of each series of Loan Notes (each, a "**Loan Note Series**" and the corresponding loan notes, the "**Loan Notes**"), and for each other person which from time to time becomes an additional secured creditor, in accordance with the terms of the STDCMA and the relevant Loan Note Supplement. Each Loan Note Supplement will create additional security in respect of the relevant Loan Note Series and will, together with the STDCMA, constitute the Loan Notes issued by the Loan Note Issuer in respect of such Loan Note Series. Together, the terms of the STDCMA and the terms of any Loan Note Supplement for a Loan Note Series, will set out the following:

- (i) the constitution of the Loan Notes for the relevant Series;
- (ii) the applicable covenants of the relevant Loan Note Issuer in relation to such Loan Notes;
- (iii) the security for the Loan Notes;
- (iv) the enforcement and post-enforcement procedures relating to such Loan Notes;
- (v) the appointment of the Cash Manager and its responsibilities;
- (vi) the appointment of the Calculation Agent and its responsibilities; and
- (vii) the appointment of the Security Trustee, its powers and responsibilities and the limitations on those responsibilities.

Each of the above items is summarised briefly below.

### Constitution of the Loan Notes

The STDCMA, when supplemented by a Loan Note Supplement, sets out the terms and conditions of each Loan Note for the relevant Series. It also sets out the terms and conditions of such Loan Notes, and the conditions for the increase in Principal Amount Outstanding of (if applicable) and cancellation of any Loan Note.

### Covenants of the Loan Note Issuer

The STDCMA also contains positive and negative covenants made by the Loan Note Issuer in favour of the Security Trustee on trust for each holder of a Loan Note (each, a "**Loan Note Holder**") of a Series issued by the Loan Note Issuer. One of the covenants is that the Loan Note Issuer will pay interest and repay principal on each Loan Note when due. Other covenants have been included to ensure, among other things, that the Loan Note Issuer remains bankruptcy remote and gives the Security Trustee access to all information and reports that it may need in order to discharge its responsibilities in relation to the holders of such Loan Notes.

## Loan Note Security

Each Loan Note Supplement creates the security for each Series of Loan Notes issued by the Loan Note Issuer. The STDCMA creates security for all Series of Loan Notes of which the Loan Note Issuer is issuer, comprising:

- (i) an assignment by way of first fixed security of the Loan Note Issuer's right, title and interest in and to, and the entire benefit of, the Loan Note Issuer Corporate Services Agreement and the Loan Note Issuer Account Bank Agreement; and
- (ii) a floating charge granted by the Loan Note Issuer over all of its undertakings and assets not otherwise secured under the STDCMA or any Loan Note Supplement in favour of the Security Trustee.

Each Loan Note Supplement in respect of a Loan Note Series will create separate security interests in respect of each Loan Note Series. The security created under the terms of the Series 2015-1 Loan Note Supplement includes an assignment by way of security of, or first fixed charge over, all of the Loan Note Issuer's right, title and interests:

- (i) as an Investor Beneficiary of the Receivables Trust in respect of Series 2015-1;
- (ii) to any agreement or document relating to Series 2015-1 which the Loan Note Issuer has the benefit of or has any rights under;
- (iii) in respect of (A) funds standing to the credit of the Series 2015-1 Ledger of the Loan Note Issuer Distribution Account; (B) any amounts representing or derived from Trust Property to which it is entitled as the Series 2015-1 Investor Beneficiary; and (C) all other sums of money which may now or hereafter from time to time be credited to any other ledgers or bank accounts in which the Loan Note Issuer may at any time in respect of Series 2015-1 have or acquire any right, title, interest or benefit together with (in each case) all interest accruing from time to time thereon and the debts represented thereby; and
- (iv) to any Permitted Investments in respect of Series 2015-1 acquired with any sums described above.

The above-described security created under the STDCMA and Series 2015-1 Loan Note Supplement in respect of Series 2015-1 is described as the "**Loan Note Security**".

Each Series of Loan Notes shall be secured on, and only on, such security specified in the STDCMA for the Series and the relevant Loan Note Supplement with recourse limited to such security.

## Enforcement and Priority of Payments

The terms and conditions of the STDCMA also set out the general procedures by which the Security Trustee may take steps to enforce the Loan Note Security so that the Security Trustee may protect the interests of each of the Loan Note Holders (and any other secured parties) in accordance with the terms and conditions of each Loan Note. The STDCMA provides for a general discretion of the Security Trustee to enforce the security once it has become enforceable and also provides for the Security Trustee to be instructed by the Loan Note Holders (subject, in the case of the Issuer as Series 2015-1 Loan Note Holder, to the terms of the Note Trust Deed and the Note Conditions) to take action in relation to the acceleration of the relevant Loan Notes and the enforcement of the relevant security. The Security Trustee may consult the Loan Note Holders prior to taking any enforcement action and the Note Trustee may consult the Noteholders (in accordance with the Note Conditions) before permitting the Issuer to give any direction following such consultation (see "*Terms and Conditions of the Notes*"). The Security Trustee is not, however, obliged to act on the Note Trustee's directions unless it is indemnified and/or secured and/or prefunded to its satisfaction.

The STDCMA and each Loan Note Supplement together set out the priority in which the Security Trustee will pay out any monies that it receives under the Loan Notes constituted by the relevant Loan Note Supplement before and after the security is enforced. This is described further in "*The Series 2015-1 Loan Notes*".



### **Appointment and Responsibilities of the Cash Manager**

Pursuant to the STDCMA, the Loan Note Issuer has appointed NCL as Cash Manager, to provide calculational and information advisory services in respect of amounts received or to be received by the Loan Note Issuer in respect of any Investor Interest and NCL shall have full power and authority, acting alone or through any party properly designated by it thereunder, to do any and all things in connection with the provision of such calculational and information advisory services necessary for the Loan Note Issuer to comply with its obligations. The Cash Manager shall follow such instructions in regard to the exercise of its power and authority as the Loan Note Issuer may from time to time direct.

Without prejudice to the generality of the foregoing, the Cash Manager's chief responsibilities are to advise the Loan Note Issuer to make withdrawals and payments, from the Loan Note Issuer's bank accounts, in accordance with such instructions as set forth in the STDCMA and any Loan Note Supplement.

The Cash Manager may delegate its responsibilities under the STDCMA in the ordinary course of its business. Such delegation will not relieve the Cash Manager of its obligations under the STDCMA and, unless explicitly provided for in the STDCMA, will be at the cost of the Cash Manager. If any such delegation is to a party other than an affiliate of the Cash Manager, notification thereof will be given to the Rating Agencies.

The Cash Manager may not resign but the Loan Note Issuer may give notice (a "**Termination Notice**") to the Cash Manager terminating its appointment upon the occurrence and continuation of one of the following events (a "**Cash Manager Default**"):

- (i) any failure by the Cash Manager to give advice or notice to the Loan Note Issuer pursuant to an agreed schedule of collections and allocations or to advise the Loan Note Issuer to make any required drawing, withdrawal, or payment pursuant to the Relevant Documents or the Series Documents on or before the date occurring five Business Days after the date such payment, withdrawal or drawing or such advice or notice is required to be made or given, as the case may be, under the terms of the STDCMA or any other Relevant Document or Series Document;
- (ii) failure on the part of the Cash Manager duly to observe or perform in any respect any other covenants or agreements of the Cash Manager set forth in the STDCMA or any other Relevant Document or Series Document which has a Material Adverse Effect on the interests of any Loan Note Holders in respect of any Loan Notes with Principal Amounts Outstanding of greater than zero and which continues unremedied for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Cash Manager by the Loan Note Issuer, or to the Cash Manager and the Loan Note Issuer by Loan Note Holders holding more than 50 per cent. of the Principal Amount Outstanding of the Loan Notes adversely affected thereby and continues to have a Material Adverse Effect on the interests of such Loan Note Holders in respect of such Loan Notes for such period;
- (iii) delegation by the Cash Manager of its duties under the STDCMA to any other entity, except as permitted by the STDCMA, which has a Material Adverse Effect on the interests of the Beneficiaries in respect of any Outstanding Series;
- (iv) any relevant representation, warranty or certification made by the Cash Manager in the STDCMA or any Loan Note Supplement or in any certificate delivered pursuant hereto proves to have been incorrect when made, which has a Material Adverse Effect on the interests of the Loan Note Holders in respect of Loan Notes with Principal Amounts Outstanding of greater than zero and continues to be incorrect in any material respect for a period of 60 days after the date on which written notice of such breach of representation, warranty or certification, requiring the same to be remedied, shall have been given to the Cash Manager by the Loan Note Issuer or to the Cash Manager and the Loan Note Issuer by Loan Note Holders holding more than 50 per cent. or more of the Principal Amount Outstanding of the Loan Notes adversely affected thereby, and continues to have a Material Adverse Effect on the interests of such Loan Note Holders in respect of such Loan Notes for such period;

- (v) an order of the court is made for the winding-up, dissolution, administration or reorganisation (except for a solvent re-organisation) or similar proceedings of the Cash Manager and such order shall have remained in force undischarged or unstayed for a period of 60 days;
- (vi) a receiver, administrator, administrative receiver, liquidator, trustee or similar officer is legally and validly appointed over the Cash Manager or relating to all of the Cash Manager's revenues and assets;
- (vii) the Cash Manager shall consent to or take any corporate action relating to the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or relating to all or substantially all of its revenues and assets or an order of the court is made for its winding-up, dissolution, administration or re-organisation (except for a solvent re-organisation) and such order shall have remained in force undischarged or unstayed for a period of 60 days; or
- (viii) a duly authorised officer of the Cash Manager shall admit in writing that the Cash Manager is unable to pay its debts as they fall due within the meaning of Section 123(1) of the Insolvency Act 1986 or the Cash Manager makes a general assignment for the benefit of or a composition with its creditors or voluntarily suspends payment of its obligations with a view to the general readjustment or rescheduling of its indebtedness.

If the Loan Note Issuer becomes entitled to terminate the appointment of the Cash Manager, it shall do so if requested by all of the Loan Note Holders and shall not do so without the prior agreement of all of the Loan Note Holders.

The Back-Up Cash Manager has been appointed by the Loan Note Issuer under the terms of the Back-Up Cash Management Agreement. Following delivery of a Termination Notice, the Back-Up Cash Manager shall be required to be appointed as the successor Cash Manager under the STDCMA and each Loan Note Supplement and assume the cash management responsibilities of the Cash Manager under the STDCMA as set out in the Back-Up Cash Management Agreement.

**"Back-Up Cash Management Agreement"** shall mean the back-up cash management agreement to be entered into on or about the Series 2015-1 Closing Date, and made between, *inter alios*, the Back-Up Cash Manager, the Cash Manager, the Transferor, the Loan Note Issuer and the Security Trustee.

**"Series Documents"** means, in relation to a Series of Loan Notes, the STDCMA, the relevant Loan Note Supplement, the Loan Note Certificates of such Series, any Supplemental Security Document and any other relevant document creating or evidencing the rights and obligations of the Loan Note Issuer specific to such Series and any other documents entered into in connection with such Series.

#### **Appointment and Responsibilities of the Calculation Agent**

The Loan Note Issuer has appointed HSBC Bank plc as Calculation Agent under the STDCMA for the purposes of determining the interest rate for each Loan Note interest period (where applicable).

The Calculation Agent may resign its appointment upon not less than 90 days' notice in writing to the Loan Note Issuer (with a copy to the Security Trustee and the Cash Manager). The Loan Note Issuer may, with the consent of the Security Trustee, revoke the appointment of the Calculation Agent upon not less than two Business Days' written notice to the Calculation Agent (with a copy to the Security Trustee). The Security Trustee shall give such consent if it is so directed by the Loan Note Holders. In each case, the termination of the Calculation Agent's appointment will not be effective until a successor Calculation Agent has been appointed. The appointment of the Calculation Agent shall be terminated forthwith if certain insolvency events occur in relation to the Calculation Agent.

#### **Appointment, Powers, Responsibilities and Liability of the Security Trustee**

The STDCMA sets out the terms on which the Security Trustee is appointed and the terms relating to the indemnification of the Security Trustee, the remuneration it is entitled to receive and the extent of the Security Trustee's authority to act beyond its statutory powers as a trustee under English law. It also contains provisions limiting or excluding liability in certain circumstances. The Security Trustee is also given the ability to appoint a delegate or agent in the execution of any of its duties under the STDCMA. The STDCMA also sets out the circumstances in which the Security Trustee may resign or retire.

The STDCMA states that the Security Trustee is entitled to be indemnified and/or secured and/or prefunded and relieved from responsibility in certain circumstances including, without restriction, in relation to acting on a direction to enforce security or debt which it holds. The Security Trustee is also entitled to be paid its costs and expenses in priority to the claims of the Loan Note Holders.

The STDCMA provides that the Security Trustee is not responsible for any liability which may be suffered because any assets comprised in the security, or any deeds or documents of title to such assets, are inadequately insured or are held by custodians on behalf of the Security Trustee.

The STDCMA provides that the Security Trustee and its related companies are entitled to enter into business transactions with the other parties to the STDCMA or related companies of any of these without accounting for any profit resulting from those transactions.

The STDCMA provides that the Security Trustee is relieved of liability for making searches or other enquiries in relation to the assets comprising the security. The Security Trustee has no responsibility in relation to the legality and the enforceability of the trust arrangements and the connected security set out in the STDCMA. The Security Trustee will not be obliged to take any action which might result in its incurring personal liabilities under the STDCMA. The Security Trustee is not obliged to monitor or investigate the performance of any other person under the documents relating to the Loan Note Issuer or the documents relating to the Receivables Trust and shall be entitled to assume, until it has actual notice to the contrary, that all such persons are properly performing their duties and that no Trust Pay Out Event, Series Pay Out Event, Servicer Default, Event of Default or Loan Note Event of Default has occurred, unless it receives express notice to the contrary.

The STDCMA provides that the Security Trustee is not responsible for any deficiency which may arise because it is liable to tax in respect of the proceeds of security.

The STDCMA provides that the Security Trustee is not responsible for checking the calculations contained in or otherwise verifying any information coming into its possession in relation to the Receivables Trust.

The STDCMA and the Series 2015-1 Loan Note Supplement and all non-contractual obligations arising out of or in connection with them will be governed by English law.

## THE SERIES 2015-1 LOAN NOTES

On the Series 2015-1 Closing Date the Loan Note Issuer will issue the Class A £147,300,000 Series 2015-1 Loan Note (the "**Class A Loan Note**"), the Class B £21,600,000 Series 2015-1 Loan Note (the "**Class B Loan Note**"), the Class C £31,800,000 Series 2015-1 Loan Note (the "**Class C Loan Note**"), the Class D £44,100,000 Series 2015-1 Loan Note (the "**Class D Loan Note**"), the Class E £22,800,000 Series 2015-1 Loan Note (the "**Class E Loan Note**") and the Class F £15,300,000 Series 2015-1 Loan Note (the "**Class F Loan Note**") (together, the "**Series 2015-1 Loan Notes**") to the Issuer (which will then assign by way of security the Issuer's right, title and interest in the Series 2015-1 Loan Notes to the Note Trustee as security for the Issuer's obligations under the Notes). The issue of the Series 2015-1 Loan Notes was authorised by a resolution of the Board of Directors of the Loan Note Issuer passed on 10 June 2015. The issue price of each of the Series 2015-1 Loan Notes will be 100 per cent. of its principal amount. Each of the Series 2015-1 Loan Notes is expected to be redeemed on the Series 2015-1 Scheduled Redemption Date, but may be subject to earlier mandatory redemption in certain circumstances as described below. The Issuer as holder is described in relation to the Class A Loan Note as the "**Class A Loan Note Holder**", in relation to the Class B Loan Note as the "**Class B Loan Note Holder**", in relation to the Class C Loan Note as the "**Class C Loan Note Holder**", in relation to the Class D Loan Note as the "**Class D Loan Note Holder**", in relation to the Class E Loan Note as the "**Class E Loan Note Holder**" and in relation to the Class F Loan Note as the "**Class F Loan Note Holder**".

The Series 2015-1 Loan Notes will bear interest at a rate equivalent to the related class of Notes for a period equal to an Interest Period under the Notes and will be registered notes. The Issuer will be the holder of the Series 2015-1 Loan Notes and accordingly, prior to any enforcement of such security by the Note Trustee, will have the right to receive all amounts of interest and principal due and payable in respect of the Series 2015-1 Loan Notes. This right will be subject to the security granted by the Issuer under the terms of the Note Trust Deed, and the Note Trustee will give an instruction that, prior to any enforcement of such security by the Note Trustee, the Issuer will have the right to receive all amounts of interest and principal due and payable in respect of the Series 2015-1 Loan Notes. This instruction will automatically be revoked upon the occurrence of an Event of Default.

The Series 2015-1 Loan Notes will comprise one of three Loan Note Series issued by the Loan Note Issuer under the STDCMA on or about the Series 2015-1 Closing Date, the remaining two Loan Note Series being the Originator VFN Series and Series 2015-VFN. A Loan Note issued in respect of one Loan Note Series may differ from Loan Notes issued in respect of other Loan Note Series as to principal, interest and recourse to security, as set out in the Loan Note Supplement which constitutes that Loan Note. See "*The Security Trust Deed and Cash Management Agreement*" and "*Other Series Issued*".

The aggregate proceeds of the Series 2015-1 Loan Notes will be £282,900,000. Such proceeds will be paid to the Receivables Trustee by the Loan Note Issuer and will comprise a Contribution to the Receivables Trust. Such Contribution will increase the Aggregate Investor Interest of the Loan Note Issuer as an Investor Beneficiary of the Receivables Trust. The Aggregate Investor Interest of the Loan Note Issuer will be evidenced by annotation of the Trust Register. See "*The Receivables Trust – General Entitlement of Beneficiaries to Trust Property*" and "*The Receivables Trust – General Legal Structure*".

The initial principal amount of the undivided beneficial interest calculated as allocated to the Series 2015-1 Investor Beneficiary, as a consequence of the Contribution made with the proceeds of the Series 2015-1 Loan Notes, will be equal to the Series 2015-1 Initial Investor Interest. See "*Cashflows of the Loan Note Issuer*", below. See also "*Series 2015-1 – Beneficial Entitlement of the Loan Note Issuer to Trust Property – Rights of the Investor Beneficiary in Respect of Series 2015-1*" to find further information on the cash flows relating to the Series 2015-1 Investor Interest.

As Series 2015-1 Investor Beneficiary of the Receivables Trust, the Loan Note Issuer will be entitled to receive payment, at specified times, of a portion of Finance Charge Collections and Principal Collections in respect of Receivables assigned by the Transferor to the Receivables Trustee as well as certain other amounts.

See also "*Series 2015-1 – Calculation and Distribution of Finance Charge Collections and Acquired Interchange to the Loan Note Issuer*", "*Series 2015-1 Investor Interest*" and "*Series 2015-1 - Calculation of Principal Collections to be Distributed to the Loan Note Issuer in Respect of Series 2015-1*" for further

information on the cash flows relating to the Series 2015-1 Investor Interest utilised to pay interest on and to redeem the Series 2015-1 Loan Notes.

The ability of the Loan Note Issuer to meet its obligations to repay the principal of, and pay interest on, the Series 2015-1 Loan Notes will be entirely dependent on the receipt by it of funds from the Receivables Trust. See "*Risk Factors*" for more information on the rights associated with the receipt of such funds.

The Loan Note Issuer and the Security Trustee will have no recourse to NCL, NFT or any of their affiliates except to the extent that the Loan Note Issuer is able to benefit, through its interest in the Receivables Trust, from the rights of the Receivables Trustee against the Transferor and/or the Servicer under the Receivables Securitisation Deed and/or the Receivables Trust Deed and Servicing Agreement for any breach of representations or other obligations in respect of the Receivables.

The Series 2015-1 Loan Notes will be governed by English law.

### **Scope of Security and Limited Recourse**

To secure the obligations of the Loan Note Issuer under and in respect of the Series 2015-1 Loan Notes, the Loan Note Issuer will grant certain security interests in favour of the Security Trustee under the terms of the STDCMA and the Series 2015-1 Loan Note Supplement (see "*The Security Trust Deed and Cash Management Agreement – Loan Note Security*"). In addition, the Loan Note Issuer will grant additional security interests in respect of other series of Loan Notes from time to time. The security for Series 2015-1 and any other Series will be granted by the Loan Note Issuer in favour of the Security Trustee. It should be noted that, if the net proceeds of the enforcement of the Loan Note security following a mandatory redemption, after meeting the expenses of the Security Trustee and any receiver, are insufficient to make all payments due on the Series 2015-1 Loan Notes, the assets of the Loan Note Issuer separately securing any other series of Loan Notes will not be available for payment of that shortfall.

### **Cashflows of the Loan Note Issuer**

The Series 2015-1 Loan Note Supplement sets out how money is distributed to the holders of each of the Series 2015-1 Loan Notes. Payments will be made by the Loan Note Issuer from the account of the Loan Note Issuer (the "**Loan Note Issuer Distribution Account**") established pursuant to an account bank agreement to be dated on or about the Series 2015-1 Closing Date between the Loan Note Issuer and the Loan Note Issuer Account Bank (the "**Loan Note Issuer Account Bank Agreement**") for the purpose of making and receiving payments under the Relevant Documents. Such payments will be made monthly and are due on each Distribution Date, which will also be the monthly Interest Payment Date in respect of the Series 2015-1 Loan Notes, but will be paid to the holders of each of the Series 2015-1 Loan Notes one Business Day in advance on the relevant Transfer Date. The Interest Payment Dates of each of the Class A Loan Note, the Class B Loan Note, the Class C Loan Note, the Class D Loan Note, the Class E Loan Note and the Class F Loan Note correspond to the Interest Payment Dates of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes respectively (see "*Terms and Conditions of the Notes*"). The order of priority of payments and the relevant bank accounts and ledgers from which they are made will be the same regardless of whether the security in respect of Series 2015-1 has been or is being enforced. See "*Series 2015-1*" for the order of priority for the payments made to the Loan Note Issuer in respect of Series 2015-1 on each Transfer Date as the characterisation of such payments under the Series 2015-1 Supplement forms the basis for determining the equivalent payment to be made by the Loan Note Issuer on such Transfer Date. All payments to or by the Loan Note Issuer (including in relation to receiving amounts from a Qualifying Swap Provider (other than Qualifying Swap Collateral Amounts) allocable to Series 2015-1 pursuant to a Qualifying Swap Agreement) in relation to Series 2015-1 will be made to or from the ledger established in the Loan Note Issuer Distribution Account with respect to Series 2015-1 (the "**Series 2015-1 Ledger**").

On each Transfer Date, amounts described below transferred on or before such Transfer Date to the Series 2015-1 Ledger shall be applied as follows in respect of amounts due on the following Distribution Date:

- (i) an amount equal to the Investor Aggregate Trustee Payment Amount for the related Transfer Date plus any Investor Aggregate Trustee Payment Amount remaining unpaid in respect of any previous Transfer Date shall be paid to the Receivables Trustee as Additional Funds, identified as an Investor Aggregate Trustee Payment Amount referable to Series 2015-1;

- (ii) in no order of priority between them but in proportion to the respective amounts due, (i) an amount equal to the Loan Note Issuer Costs Amount for such Transfer Date plus any Loan Note Issuer Costs Amounts remaining unpaid on any previous Transfer Date shall be retained in the Series 2015-1 Ledger of the Loan Note Issuer Distribution Account for payment to such person to whom such costs are owed, and (ii) an amount equal to the Issuer Cost Amounts for such Transfer Date plus any previously unpaid amounts in respect thereto shall be paid to the Issuer Distribution Account;
- (iii) in no order of priority between them but in proportion to the respective amounts due, amounts equal to: (i) the Loan Note Issuer Profit Amount for Series 2015-1 plus any Loan Note Issuer Profit Amounts remaining unpaid on any previous Transfer Date will be retained in the Loan Note Issuer Distribution Account and (ii) the Issuer Profit Amount plus any Issuer Profit Amounts remaining unpaid on any previous Transfer Date shall be paid to the Issuer Distribution Account;
- (iv) an amount equal to the Investor Servicing Fee Amount referable to Series 2015-1 (exclusive of the Servicer Interchange Amount referable to Series 2015-1 in respect of such Transfer Date) for the related Transfer Date and any previously unpaid Investor Servicing Fee Amounts (exclusive of the Servicer Interchange Amount referable to Series 2015-1) shall be paid to the Receivables Trustee as Additional Funds;
- (v) if Series 2015-1 is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Amounts referable to Series 2015-1 that are due and payable on or around the immediately following Distribution Date, excluding any Qualifying Swap Partial Termination Payments, Qualifying Swap Permitted Tax Credit Payments or Qualifying Swap Subordinated Termination Payments, shall be paid to the relevant Qualifying Swap Providers and recorded on the Series 2015-1 Ledger;
- (vi) *pro rata* and *pari passu*, between them: (i) an amount equal to the Class A Monthly Distribution Amount shall be paid to the Issuer Distribution Account as payment of the Interest Amount in respect of the Class A Loan Note and any Deferred Interest and Additional Interest due and unpaid on the Class A Loan Note which is due and payable on the immediately following Distribution Date; and (ii) if Series 2015-1 is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Partial Termination Payments and Qualifying Swap Permitted Tax Credit Payments referable to Series 2015-1 that are due and payable on the immediately following Distribution Date shall be paid to the relevant Qualifying Swap Providers and recorded on the Series 2015-1 Ledger;
- (vii) an amount equal to the Class B Monthly Distribution Amount shall be paid to the Issuer Distribution Account as payment of the Interest Amount in respect of the Class B Loan Note and any Deferred Interest and Additional Interest due and unpaid on the Class B Loan Note which is due and payable on the immediately following Distribution Date;
- (viii) an amount equal to the Class C Monthly Distribution Amount shall be paid to the Issuer Distribution Account as payment of the Interest Amount in respect of the Class C Loan Note and with any Deferred Interest and Additional Interest due and unpaid on the Class C Loan Note which is due and payable on the immediately following Distribution Date;
- (ix) an amount equal to the Class D Monthly Distribution Amount shall be paid to the Issuer Distribution Account as payment of the Interest Amount in respect of the Class D Loan Note and any Deferred Interest and Additional Interest due and unpaid on the Class D Loan Note which is due and payable on the immediately following Distribution Date;
- (x) if such Transfer Date is during the Revolving Period or the Controlled Accumulation Period, then an amount equal to the amount (if any) of Additional Funds to be identified as Loss Make-Up (Default) and paid in respect of the Class A Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;
- (xi) in respect of Transfer Dates falling within the Revolving Period or the Controlled Accumulation Period, an amount (if any) of Additional Funds to be identified as Loss Make-Up (Charge-off)

and paid in respect of the Class A Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;

- (xii) if such Transfer Date is during the Revolving Period or the Controlled Accumulation Period, then an amount equal to the amount (if any) of Additional Funds to be identified as Loss Make-Up (Default) and paid in respect of the Class B Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;
- (xiii) in respect of Transfer Dates falling within the Revolving Period or the Controlled Accumulation Period, an amount (if any) of Additional Funds to be identified as Loss Make-Up (Charge-off) and paid in respect of the Class B Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;
- (xiv) if such Transfer Date is during the Revolving Period or the Controlled Accumulation Period, then an amount equal to the amount (if any) of Additional Funds to be identified as Loss Make-Up (Default) and paid in respect of the Class C Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;
- (xv) in respect of Transfer Dates falling within the Revolving Period or the Controlled Accumulation Period, an amount (if any) of Additional Funds to be identified as Loss Make-Up (Charge-off) and paid in respect of the Class C Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;
- (xvi) if such Transfer Date is during the Revolving Period or the Controlled Accumulation Period then an amount equal to the amount (if any) of Additional Funds to be identified as Loss Make-Up (Default) and paid in respect of the Class D Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;
- (xvii) in respect of Transfer Dates falling within the Revolving Period or the Controlled Accumulation Period, an amount (if any) of Additional Funds to be identified as Loss Make-Up (Charge-off) and paid in respect of the Class D Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;
- (xviii) an amount equal to the Class E Monthly Distribution Amount shall be paid to the Issuer Distribution Account as payment of the Interest Amount in respect of the Class E Loan Note and any Deferred Interest and Additional Interest due and unpaid on the Class E Loan Note which is due and payable on the immediately following Distribution Date;
- (xix) if such Transfer Date is during the Revolving Period or the Controlled Accumulation Period, then an amount equal to the amount (if any) of Additional Funds to be identified as Loss Make-Up (Default) and paid in respect of the Class E Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;
- (xx) in respect of Transfer Dates falling within the Revolving Period or the Controlled Accumulation Period, an amount equal to the amount (if any) of Additional Funds to be identified as Loss Make-Up (Charge-off) and paid in respect of the Class E Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;
- (xxi) an amount equal to the Class F Monthly Distribution Amount shall be paid to the Issuer Distribution Account as payment of the Interest Amount in respect of the Class F Loan Note and any Deferred Interest and Additional Interest due and unpaid on the Class F Loan Note which is due and payable on the immediately following Distribution Date;
- (xxii) if such Transfer Date is during the Revolving Period or the Controlled Accumulation Period, then an amount equal to the amount (if any) of Additional Funds to be identified as Loss Make-Up (Default) and paid in respect of the Class F Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;
- (xxiii) in respect of Transfer Dates falling within the Revolving Period or the Controlled Accumulation Period, an amount equal to the amount (if any) of Additional Funds to be identified as Loss Make-Up (Charge-off) and paid in respect of the Class F Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;

- (xxiv) an amount equal to the aggregate amount (if any) of Additional Funds to be identified as Loss Make-Up (Charge-off) and paid in respect of the Series 2015-1 Originator VFN Subordination portion of the Originator VFN Investor Interest for the preceding Collection Period shall be paid to the Receivables Trustee and identified as such;
- (xxv) an amount (if any) equal to the amount deposited in the Loan Note Issuer Distribution Account (each such amount being hereafter referred to as an "**Group One Series Available Excess Amount**") shall be available to be paid to the relevant Investor Beneficiary (which may include the Loan Note Issuer) in respect of each Series in Group One. Such amount shall be payable only to the extent that there are amounts which the Cash Manager has, in accordance with the relevant Loan Note Supplement for such Series and acting on the advice of the Servicer, identified as Group One Series Finance Charge Shortfalls for the relevant Transfer Date in respect of each such Series. The Group One Series Available Excess Amount so available, when aggregated with the Group One Series Available Excess Amounts available to each other Series in Group One, is referred to as the "**Aggregate Group One Available Excess Amounts**".

Where, on any Transfer Date (i) the Loan Note Issuer has a Group One Series Available Excess Amount in respect of Series 2015-1 and (ii) the Aggregate Group One Series Finance Charge Shortfalls are greater than zero, then, in respect of each Series in Group One experiencing a Group One Series Finance Charge Shortfall (each, a "**Group One Shortfall Series**"), the Loan Note Issuer shall allocate the Group One Series Shared Excess Finance Charge Amount in respect of Series 2015-1 between each Group One Shortfall Series *pro rata* to the Group One Shortfall experienced by each of them by transferring the relevant Group One Series Shortfall Payment to the relevant Investor Beneficiary in respect of each Group One Shortfall Series.

Any amount of the Group One Series Available Excess Amount in respect of Series 2015-1 transferred by the Loan Note Issuer to any Investor Beneficiary in respect of any other Series as provided above in this paragraph (xxv) is referred to as "**Excess Finance Charges**";

- (xxvi) if Series 2015-1 is in a Qualifying Swap Group, an amount equal to any Qualifying Swap Subordinated Termination Payments referable to Series 2015-1 that are due and payable on such Transfer Date to the relevant Qualifying Swap Provider shall be paid to the relevant Qualifying Swap Provider and recorded on the Series 2015-1 Ledger; and
- (xxvii) an amount (if any) equal to any part of a Group One Series Available Excess Amount which is not applied in funding a transfer of Excess Finance Charges or making any Qualifying Swap Subordinated Termination Payments shall be identified as "**Excess Spread**" and shall be paid to the Receivables Trustee as Additional Funds, identified as such,

**provided that**, for the avoidance of doubt, but subject to the provisions of the Series 2015-1 Loan Note Supplement, where the full amount of any payment described above cannot be made due to any insufficiency in the funds credited to the Loan Note Issuer Distribution Account which are available to make such payment, that payment shall not be payable to that extent, **provided however that** such deficiency in payment shall be deferred to the immediately succeeding Transfer Date, if such deferral is expressly contemplated above or otherwise in the Relevant Documents, **further provided that**, for the avoidance of doubt, where the full amount for any payment of Loan Note Issuer Costs Amount cannot be made due to any insufficiency in the funds credited to the Loan Note Issuer Distribution Account which are available to make such payment, that payment shall be made in the following order of priority: *first*, the full amount due to the Security Trustee and any Receiver or Appointee appointed pursuant to the Security Trust Deed and Cash Management Agreement, and *second, pro rata and pari passu*, to the Loan Note Issuer, the Receivables Trustee Account Bank, the Loan Note Issuer Account Bank, the Loan Note Issuer Corporate Services Provider, the Calculation Agent, the Cash Manager and the Back-Up Cash Manager pursuant to the Transaction Documents referable to Series 2015-1.

On each Transfer Date on which a Group One Series Finance Charge Shortfall occurs in respect of Series 2015-1, the Loan Note Issuer will notify the amount of such Group One Series Finance Charge Shortfall to all Investor Beneficiaries in respect of other Series in Group One and will utilise any amounts transferred to the Loan Note Issuer by the Investor Beneficiaries in respect of such other Series in Group One by way of payments for its Supported Group One Series Finance Charge Shortfall and Excess Finance Charges (each as defined in the relevant Loan Note Supplement for such Series) and apply the



same as payments for its Supported Group One Series Finance Charge Shortfall and Group One Series 2015-1 Excess Finance Charges.

Where the full amount of any payment described in the foregoing paragraphs cannot be made due to insufficiency in the funds credited to the Series 2015-1 Ledger which (after making all prior-ranking payments to the extent possible in the order set out above) are available to make such payment, that payment will not be payable to that extent. However, any such shortfall will be deferred to the next and succeeding Transfer Date but only if such a deferral is expressly contemplated above or otherwise in the Relevant Documents.

**"Aggregate Group One Series Finance Charge Shortfalls"** means, in respect of any Transfer Date, the aggregate of all Group One Series Finance Charge Shortfalls for each Series in Group One.

**"Group One Series Shared Excess Finance Charge Amount"** means, in respect of any Group One Reallocation Series (including Series 2015-1), an amount equal to the lesser of (A) the product of (1) a fraction the numerator of which is the Group One Series Available Excess Amount for the relevant Group One Reallocation Series and the denominator of which is the Aggregate Group One Available Excess Amounts and (2) the Aggregate Group One Series Finance Charge Shortfalls and (B) the Group One Series Available Excess Amount for the relevant Group One Reallocation Series.

**"Group One Series Shortfall Payment"** means, in respect of any Group One Reallocation Series (including Series 2015-1), an amount for each Group One Shortfall Series equal to the product of (1) a fraction the numerator of which is the Group One Series Finance Charge Shortfall for the relevant Group One Shortfall Series and the denominator of which is the Aggregate Group One Series Finance Charge Shortfalls and (2) the Group One Series Shared Excess Finance Charge Amount for the relevant Group One Reallocation Series.

#### **Interest and Payments**

The interest amount in respect of the Class A Loan Note will be equal to the Class A Monthly Finance Amount. The interest amount in respect of the Class B Loan Note will be equal to the Class B Monthly Finance Amount. The interest amount in respect of the Class C Loan Note will be equal to the Class C Monthly Finance Amount. The interest amount in respect of the Class D Loan Note will be equal to the Class D Monthly Finance Amount. The interest amount in respect of the Class E Loan Note will be equal to the Class E Monthly Finance Amount. The interest amount in respect of the Class F Loan Note will be equal to the Class F Monthly Finance Amount.

#### **Scheduled Redemption of the Series 2015-1 Loan Notes**

Unless the Rapid Amortisation Period has commenced prior to such date (see "*Mandatory Redemption of the Series 2015-1 Loan Notes during the Rapid Amortisation Period*" below), the Series 2015-1 Loan Notes will be redeemed on the Series 2015-1 Scheduled Redemption Date to the extent of the amount which the Receivables Trustee, acting on behalf of the Loan Note Issuer, has on that day deposited in the Loan Note Issuer Distribution Account for such purpose, in accordance with the provisions of the Series 2015-1 Supplement and in respect of amounts owing under the Series 2015-1 Investor Interest. See "*Series 2015-1 - Distributions of Principal Collections to the Loan Note Issuer*" and "*Series 2015-1 - Controlled Accumulation Period*".

#### **Mandatory Redemption of the Series 2015-1 Loan Notes during the Rapid Amortisation Period**

If the Rapid Amortisation Period commences prior to or on the Series 2015-1 Scheduled Redemption Date, then the principal amounts credited to the Series 2015-1 Ledger by the Receivables Trustee will, in accordance with the provisions of the Series 2015-1 Supplement, be applied as follows:

- (i) principal amounts in respect of the Class A Investor Interest will be applied in redeeming the Class A Loan Note until the earlier of (A) redemption of the Class A Loan Note in full or (B) the Distribution Date falling in July 2023;
- (ii) principal amounts in respect of the Class B Investor Interest will be applied in redeeming the Class B Loan Note until the earlier of (A) redemption of the Class B Loan Note in full or (B) the Distribution Date falling in July 2023;

- (iii) principal amounts in respect of the Class C Investor Interest will be applied in redeeming the Class C Loan Note until the earlier of (A) redemption of the Class C Loan Note in full or (B) the Distribution Date falling in July 2023;
- (iv) principal amounts in respect of the Class D Investor Interest will be applied in redeeming the Class D Loan Note until the earlier of (A) redemption of the Class D Loan Note in full or (B) the Distribution Date falling in July 2023;
- (v) principal amounts in respect of the Class E Investor Interest will be applied in redeeming the Class E Loan Note until the earlier of (A) redemption of the Class E Loan Note in full or (B) the Distribution Date falling in July 2023; and
- (vi) principal amounts in respect of the Class F Investor Interest will be applied in redeeming the Class F Loan Note until the earlier of (A) redemption of the Class F Loan Note in full or (B) the Distribution Date falling in July 2023.

See "*Series 2015-1 - Distributions of Principal Collections to the Loan Note Issuer*" and "*Series 2015-1 - Rapid Amortisation Period*".

### **Partial Amortisation**

On each Partial Amortisation Date, any Partial Amortisation Amount credited to the Series 2015-1 Ledger by the Receivables Trustee will, in accordance with the provisions of the Series 2015-1 Supplement, be applied as follows:

- (i) Partial Amortisation Amounts identified as being allocable to the Class A Investor Interest will be applied in redeeming the Class A Loan Note in an amount equal to such Partial Amortisation Amount;
- (ii) Partial Amortisation Amounts identified as being allocable to the Class B Investor Interest will be applied in redeeming the Class B Loan Note in an amount equal to such Partial Amortisation Amount;
- (iii) Partial Amortisation Amounts identified as being allocable to the Class C Investor Interest will be applied in redeeming the Class C Loan Note in an amount equal to such Partial Amortisation Amount;
- (iv) Partial Amortisation Amounts identified as being allocable to the Class D Investor Interest will be applied in redeeming the Class D Loan Note in an amount equal to such Partial Amortisation Amount;
- (v) Partial Amortisation Amounts identified as being allocable to the Class E Investor Interest will be applied in redeeming the Class E Loan Note in an amount equal to such Partial Amortisation Amount; and
- (vi) Partial Amortisation Amounts identified as being allocable to the Class F Investor Interest will be applied in redeeming the Class F Loan Note in an amount equal to such Partial Amortisation Amount.

See "*Series 2015-1 – Partial Amortisation*".

### **Loan Note Events of Default**

For Series 2015-1, the occurrence and continuation of the following events shall constitute a "**Loan Note Event of Default**":

- (i) the Loan Note Issuer fails to pay any amount of principal on any Series 2015-1 Loan Note within 7 days of the due date for its payment or fails to pay any amount of interest on any such Loan Note within 15 days of its due date; or
- (ii) the Loan Note Issuer fails to perform or observe any of its other obligations under any Series 2015-1 Loan Note, the Series 2015-1 Loan Note Supplement or, insofar as such obligation relates

to that Series, the Security Trust Deed and Cash Management Agreement and such default is materially prejudicial to the interests of the Series 2015-1 Loan Note Holder and, except where the failure is incapable of remedy, it remains unremedied for 30 days after notice thereof is given to the Loan Note Issuer; or

- (iii) a secured party or encumbrancer takes possession of, or a receiver, administrative receiver, administrator, examiner, manager or other similar officer is legally and validly appointed over, the whole or any part of the business, assets and revenues of the Loan Note Issuer or an enforcement action is begun for unpaid rent or execution is levied against any of the assets of the Loan Note Issuer which is not frivolous or vexatious and, in each case, is not discharged within five business days; or
- (iv) an Insolvency Event occurs in relation to the Loan Note Issuer; or
- (v) any action, condition or thing at any time required to be taken, fulfilled or done in order:
  - (a) to enable the Loan Note Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Series 2015-1 Loan Notes and the documents relating to them; or
  - (b) to ensure that those obligations are legal, valid, binding and enforceable, except as that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally and general principles of equity,

is not taken, fulfilled or done and that the failure to do so is materially prejudicial to the interests of the Series 2015-1 Loan Note Holder; or

- (vi) it is or becomes unlawful for the Loan Note Issuer to perform or comply with any of its material obligations under or in respect of Series 2015-1 Loan Notes or the documents related to them; or
- (vii) (i) all or substantially all of the business, assets and revenues of the Loan Note Issuer is seized or otherwise appropriated by any person acting under the authority of any national, regional or local government, or (ii) the Loan Note Issuer is prevented by any person acting under the authority of any national, regional or local government from exercising normal control over all or substantially all of its business, assets and revenues.

If a Loan Note Event of Default occurs then the Security Trustee shall be bound to deliver a Loan Note Enforcement Notice if it is indemnified and/or secured and/or prefunded to its satisfaction and it is instructed to do so by the Note Trustee as holder of the Security.

A "**Loan Note Enforcement Notice**" is a written notice to the Loan Note Issuer declaring the Series 2015-1 Loan Notes to be immediately due and payable. When it is given, each of the Series 2015-1 Loan Notes will become immediately due and payable at its principal amount outstanding together with accrued and unpaid interest thereon without further action or formality. The Security Trustee shall notify the Issuer that it has served a Loan Note Enforcement Notice on the Loan Note Issuer as soon as possible. A declaration that the Series 2015-1 Loan Notes have become immediately due and payable will not, of itself, accelerate the timing or amount of redemption of the Notes.

## OTHER SERIES ISSUED

### Series 2015-VFN

"**Series 2015-VFN**" will be created, and the Loan Note Issuer will become the Series 2015-VFN Investor Beneficiary and will issue the Series 2015-VFN Loan Note, on or about the Series 2015-1 Closing Date. The Series 2015-VFN Loan Note is a Loan Note in the form of a variable funding note with a final redemption date falling on the Interest Payment Date falling in July 2023. Series 2015-VFN will be a member of Group One, will be a relevant Series (for the purposes of certain cash settlement arrangements between, among others, the Transferor and the Receivables Trustee) and will not be subordinated to any other Investor Beneficiary or Series.

The Loan Note Issuer (acting on the advice of the Servicer) may, subject to the conditions specified in the relevant Loan Note Supplement, require the holders of the Series 2015-VFN Loan Note to make further instalments of subscription price to the Loan Note Issuer thereunder in order to fund further contributions to the Receivables Trust by the Loan Note Issuer. Such further instalments of subscription price will result in the principal amount outstanding under the Series 2015-VFN Loan Note increasing, and such contributions will result in the Series 2015-VFN Investor Interest increasing, by a corresponding amount. The Loan Note Issuer may, on each Distribution Date, be required to repay all or part of the Series 2015-VFN Loan Note, which the Loan Note Issuer may fund through the payments received by it in respect of the Series 2015-VFN Investor Interest or through other sources of funds available to it.

"**Series 2015-VFN Investor Beneficiary**" shall mean the Loan Note Issuer, in its capacity as Investor Beneficiary in respect of Series 2015-VFN.

### Originator VFN Series

The "**Originator VFN Series**" and the Originator VFN Investor Interest will be created, and the Loan Note Issuer will issue the Originator VFN Loan Note to NewDay Funding Transferor Ltd, on or about the Series 2015-1 Closing Date. The "**Originator VFN Loan Note**" is a Loan Note in the form of a variable funding note with a final redemption date falling on the Interest Payment Date in July 2024, that may be extended so that the final redemption date of the Originator VFN Loan Note is one year later than the termination date of any Series in Group One. The Originator VFN Series is a member of Group One and will be a relevant Series (for the purposes of certain cash settlement arrangements between, among others, the Transferor and the Receivables Trustee).

The Originator VFN Series will operate to provide credit enhancement and support for shortfalls in available funds in respect of each Series in Group One with a Series Originator VFN Subordination of greater than zero (each being "**Series Originator VFN Subordination**").

"**Series 2015-1 Originator VFN Subordination**" shall mean, on any date, an amount of the Originator VFN Investor Interest (or, as the case may be, the principal amount outstanding of the Originator VFN Loan Note) equal to £17,100,000 as:

- (a) increased at any time by increases in the Originator VFN Investor Interest (or, as the case may be, the principal amount outstanding of the Originator VFN Loan Note) that are notionally allocated to the Series 2015-1 Originator VFN Subordination by agreement between the Loan Note Issuer and the holders of the Originator VFN Loan Note or by the holders of the Originator VFN Loan Note directing that the notional Originator VFN Excess Amount be reduced and the notional Series 2015-1 Originator VFN Subordination be increased by an equal amount; or
- (b) decreased at any time by decreases in the Originator VFN Investor Interest (or, as the case may be, the principal amount outstanding of the Originator VFN Loan Note) that are notionally allocated to the Series 2015-1 Originator VFN Subordination by way of agreement between the Loan Note Issuer and the holders of the Originator VFN Loan Note or by the holders of the Originator VFN Loan Note directing that the notional Originator VFN Excess Amount be increased and the notional Series 2015-1 Originator VFN Subordination be decreased by an equal amount, **provided that** a Rating Confirmation has been obtained and provided further that the Series 2015-1 Originator VFN Subordination may not be decreased below £17,100,000.

See "*Series 2015-1 – The Originator VFN and the Series Originator VFN Subordination*" for details of the Required Series Originator VFN Subordination for Series 2015-1. Details of the Series 2015-1

Originator VFN Subordination are set out at "*Series 2015-1 – the Originator VFN and the Series Originator VFN Subordination*" above. The total amount of credit enhancement provided by the Originator VFN Series will be the aggregate of each Series Originator VFN Subordination (the "**Originator VFN Subordination**"). Each Series only has access to the Originator VFN Series for the purposes of additional credit enhancement in an amount equal to the Series Originator VFN Subordination for such Series as reduced by the Investor Default Amounts and Investor Dilution Losses allocated thereto, to the extent not reinstated from available funds for the Originator VFN Series (see below).

**"Required Series Originator VFN Subordination"** shall have the meaning set out in the supplement for each Series in Group One. The amount available to provide credit enhancement at any time shall be the "**Available Series Originator VFN Subordination**" for that Series or, in aggregate for all Series, the "**Available Originator VFN Subordination**".

The Originator VFN Investor Interest less the Available Originator VFN Subordination is the Originator VFN Excess Amount. The Originator VFN Excess Amount and the Transferor Interest, taken together, must at all times be at least equal to the Minimum Transferor Interest.

Finance Charge Collections, Principal Collections and Investor Default Amounts are allocated to the Originator VFN Series *pari passu* with the allocation to other Series in Group One. The Originator VFN Series cannot enter a rapid amortisation period until such time as all other Series in Group One with a Required Series Originator VFN Subordination of greater than zero have passed their Series termination date.

The Loan Note Issuer (acting on the advice of the Servicer) may request that the holder of the Originator VFN Loan Note makes further instalments of subscription price to the Loan Note Issuer thereunder in order to fund further contributions to the Receivables Trust by the Loan Note Issuer. Such further instalments of subscription price will, if made by the holder of the Originator VFN Loan Note (in its sole discretion), result in the principal amount outstanding under the Originator VFN Loan Note increasing, and such contributions will result in the Originator VFN Investor Interest increasing, by a corresponding amount. The Loan Note Issuer may, on each Distribution Date, repay all or part of the Originator VFN Series (subject to this not causing the Transferor Interest to fall below the Minimum Aggregate Principal Receivables, not causing a breach of the Transferor's undertaking in respect of Article 405 of the CRR and Article 51 of the AIFMR and not resulting in any repayment of any Series Originator VFN Subordination whilst the corresponding Series is still outstanding), which the Loan Note Issuer may fund through the payments received by it in respect of the Originator VFN Investor Interest or through other sources of funds available to it.

## UNITED KINGDOM TAXATION TREATMENT OF THE NOTES

### United Kingdom Taxation

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom. This section does not discuss the United Kingdom taxation treatment of any other Series of Notes or Loan Notes.

### Interest on the Notes

The Notes will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The London Stock Exchange is a recognised stock exchange, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be included in the United Kingdom official list and admitted to trading on the Regulated Market of that Exchange.

In all cases falling outside the exemption described above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

### Provision of Information

HMRC have powers to obtain information, including in relation to interest or payments treated as interest and payments derived from securities. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information in connection with transactions relating to the Notes. Information obtained by HMRC may be provided to tax authorities in other countries.

### EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent.. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

However, the European Commission has proposed the repeal of the Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

#### **Other Rules Relating to United Kingdom Withholding Tax**

Where interest has been paid under deduction of United Kingdom income tax, noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Note Condition 15 and does not consider the tax consequences of any such substitution.

## **MATERIAL JERSEY TAX CONSIDERATIONS**

### **Taxation of the Receivables Trustee in Jersey**

The following summary of the anticipated tax treatment in Jersey of the Receivables Trustee is based on Jersey taxation law and practice in force at the date of this document. It does not constitute legal or tax advice and does not address all aspects of Jersey law and practice (including such law and practice as it applies to any land or building situated in Jersey). Prospective investors should consult their professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Notes under the laws of the jurisdictions in which they may be liable to taxation. Prospective investors should be aware that tax rules and practice and their interpretation may change.

The Receivables Trustee is regarded as resident for tax purposes in Jersey and on the basis that the Receivables Trustee is neither a financial services company nor a utility company for the purposes of the Income Tax (Jersey) Law 1961, as amended, the Receivables Trustee is subject to income tax in Jersey at a rate of zero per cent..

### **EU Savings Directive**

From 1 January 2015, paying agents established in Jersey must report to the Jersey Comptroller of Taxes details of all payments of interest, or other similar income, made to an individual beneficial owner resident in a Member State. The Jersey Comptroller of Taxes will be required to provide to the tax authorities of the Member State in which such a beneficial owner is resident details of such payments made to such beneficial owner.

This exchange of information system in Jersey is implemented by means of bilateral agreements with each of the Member States and the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005, as amended with reference to Guidance Notes issued by the Chief Minister's Department of the States of Jersey. Based on these provisions and what is understood to be the current practice of the Jersey tax authorities, the Receivables Trustee would not be obliged under those provisions to report to the Jersey Comptroller of Taxes payments of interest, or other similar income, made by it to a paying agent established outside Jersey.

Jersey, along with other dependent and associated territories, will consider the effect of the Amending Directive in the context of existing bilateral agreements and domestic law. It is not expected that this will result in changes to the treatment of payments by the Receivables Trustee.



## FOREIGN ACCOUNT TAX COMPLIANCE ACT

### **Withholding of U.S. Tax on Account of FATCA**

The United States has enacted rules, commonly referred to as "FATCA", that generally impose a new reporting and withholding regime with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends and certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA.

The United States has entered into an intergovernmental agreement regarding the implementation of FATCA with the United Kingdom (the "IGA"). Under the IGA, as currently drafted, the Issuer does not expect non-U.S. source payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future.

While the Notes are in global form and held within the Clearing Systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer or any paying agent, given that each of the entities in the payment chain beginning with the Issuer and ending with the Clearing Systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the Clearing Systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA withholding. However, such definitive notes will only be printed in remote circumstances. Potential investors should be aware that no additional amounts will be payable if any payments in relation to the Notes are subject to withholding or deduction under FATCA.

**FATCA is particularly complex and its application is uncertain at this time. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.**

## SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated on or about 12 June 2015 between NCL, the Joint Lead Managers, the Co-Arrangers, the Receivables Trustee, the Loan Note Issuer, the Originator, the Servicer, NewDay Group Holdings S.à r.l. ("**LuxCo**") and the Issuer (the "**Subscription Agreement**"), the Transferor has agreed to subscribe and pay for 100 per cent. of the Class A Notes, the Class B Notes and the Class C Notes at the issue price of 100 per cent. of the aggregate principal amount of such Notes as at the Series 2015-1 Closing Date, and a third party investor has agreed to purchase and pay for 100 per cent. of such Notes on the Series 2015-1 Closing Date from the Transferor (in each case, subject to certain conditions). Pursuant to the Subscription Agreement, Deutsche Bank AG has agreed (subject to certain conditions) to purchase 100 per cent. of the aggregate principal amount of the Class D Notes on the Series 2015-1 Closing Date, which may or may not be re-offered in the secondary market at its sole discretion, including to a member of the NewDay Group, and the Transferor will also (subject to certain conditions) subscribe and pay for 100 per cent. of the Class E Notes and Class F Notes on the Series 2015-1 Closing Date.

The Issuer, the Loan Note Issuer, the Receivables Trustee, the Transferor, the Originator and LuxCo have agreed to indemnify the Joint Lead Managers against certain liabilities and the Issuer has agreed to pay certain costs and expenses in connection with the issue of the Notes.

This Prospectus does not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.

The Transferor will undertake in the Series 2015-1 Supplement (in favour of the Series 2015-1 Investor Beneficiary) and has undertaken in the Subscription Agreement (in favour of the Joint Lead Managers) that it will, whilst any of the Notes remain outstanding: (i) retain a material net economic interest of not less than 5% in the nominal value of the securitisation in accordance with Article 405 of the CRR and Article 51 of the AIFMR until the Series 2015-1 Final Redemption Date by way of a retention in accordance with paragraph 1(b) of Article 405 of the CRR and paragraph 1(b) of Article 51 of the AIFMR (as in force at the Series 2015-1 Closing Date) of an originator's interest of not less than 5 per cent. of the nominal value of the securitised exposures (such retention being in the form of the Originator VFN Loan Note); and (ii) provide on a timely basis all information required to be made available by the originator pursuant to Article 409 of the CRR as implemented by the UK PRA, subject always to any requirement of law and **provided that** the Transferor will not be in breach of such undertaking if it fails to so comply due to events, actions or circumstances beyond the control of the Transferor. The form of the retention of the originator's interest will be through the Transferor undertaking to retain the Originator VFN Loan Note in an amount of not less than 5 per cent. of the Outstanding Face Amount of the Eligible Receivables. The continued compliance of the Transferor with its undertaking to maintain its interest in accordance with the CRR and AIFMR will be disclosed in the investor reports which will be made available to Noteholders.

### **General**

#### ***No action to permit public offering***

Each Joint Lead Manager acknowledges that, other than with respect to the admission of the Notes to listing, trading and/or quotation by the London Stock Exchange, no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

#### ***Joint Lead Managers' compliance with applicable laws***

Each Joint Lead Manager undertakes to the Issuer and the Transferor that it and its agents will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus or any related offering material, in all cases at its own expense.

## **United States**

### ***No registration under Securities Act***

The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

### ***Compliance by Issuer and the Transferor with United States securities laws***

The Issuer, the Loan Note Issuer, the Originator, the Servicer, the Receivables Trustee and the Transferor each represents, warrants and undertakes to each Joint Lead Manager that neither it nor any of its Affiliates (including any person acting on behalf of it or any of its Affiliates, other than the Joint Lead Managers or any of their Affiliates or agents) has offered or sold, or will offer or sell, any Notes in any circumstances which would require the registration of any of the Notes under the Securities Act or qualification of the Note Trust Deed as an indenture under the Trust Indenture Act and, in particular, the Issuer and the Transferor each represents, warrants and undertakes that:

*No directed selling efforts:* the Issuer and its Affiliates will not engage in any directed selling efforts within the meaning of Rule 902 under the Securities Act with respect to the Notes;

*Offering restrictions:* it and its Affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act;

*Use of proceeds:* the Issuer shall use the net proceeds from the issue of the Notes in the manner specified in this Prospectus; and

*No integration:* before the completion of the placement of the Notes, it will not, and will not permit any person acting on its behalf to, offer, sell or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) the offering of which security would be integrated with the sale of the Notes in a manner that would require the registration of any of the Notes under the Securities Act.

### ***Joint Lead Managers' compliance with United States securities laws***

Each Joint Lead Manager represents, warrants and undertakes to the Issuer that it has offered and sold the Notes, and will offer and sell the Notes:

- (i) *Original distribution:* as part of their distribution, at any time; and
- (ii) *Outside original distribution:* otherwise, until 40 days after the later of the commencement of the offering of the Notes and the Series 2015-1 Closing Date,

only in accordance with Rule 903 of Regulation S under the Securities Act and accordingly, that:

*No directed selling efforts:* neither it nor any of its Affiliates (including any person acting on behalf of such Joint Lead Manager or any of its Affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes;

*Offering restrictions:* it and its Affiliates (including any person acting on behalf of the Joint Lead Manager or any of its Affiliates) have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act; and

*Prescribed form of confirmation:* at or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases the Notes from it during the 40 day distribution compliance period a confirmation or notice in substantially the following form:

"The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Series 2015-1 Closing Date, except in

either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

### **Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State other than:

- (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Joint Lead Manager or Joint Lead Managers nominated by the Issuer for any such offer; or
- (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

**provided that** no such offer of Notes shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive) and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

### **United Kingdom**

Each Joint Lead Manager represents to and agrees with the Issuer and each other Joint Lead Manager that:

*Financial promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

*General compliance:* it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### **Jersey**

Each Joint Lead Manager represents, warrants and undertakes to the Issuer and each other Joint Lead Manager that it has not circulated, and will not circulate, in Jersey any offer for the subscription, sale or exchange of the Notes.

### **France**

Each Joint Lead Manager represents and agrees with the Issuer that it has not offered or sold directly or indirectly, nor may this Prospectus or any other offering material relating to the Notes be distributed, to the public in France except an offer of the Notes to the public in France will be made only in compliance with the Prospectus Directive and the applicable laws, regulations and procedures in France and formalities required by French laws and regulations to permit the offering and sale of the Notes in France. For the purpose of this provision only the expression "**the public in France**" does not include (a) providers of investment services in relation to portfolio management for the account third parties

(*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, investing for their own account, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier* and other applicable regulations.

### **Sweden**

Each Joint Lead Manager represents to and agrees with the Issuer that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy the Notes or distribute any draft or final document in relation to any such offer, invitation or sale in Sweden except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (lag (1991: 980) om handel med finansiella instrument).

### **Italy**

Each Joint Lead Manager represents to and agrees with the Issuer that the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, and no copies of this Prospectus and any other document relating to the Notes may be distributed in the Republic of Italy except:

- (a) to "**qualified investors**", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**"), and defined in article 34-ter, paragraph 1, letter (b) of CONSOB Regulation no. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**");
- (b) that the Notes may be offered, sold or delivered or copies of this Prospectus may be distributed in an offer to the public in the period commencing on the date of publication of this Prospectus, **provided that** the Prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive and the 2010 PD Amending Directive, as implemented in Italy under Decree No. 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of approval of this Prospectus; and
- (c) in any other circumstances where an express exemption from compliance with the solicitation restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

### **Germany**

Each Joint Lead Manager has represented and agreed that it has not offered or sold and that it will not offer or sell the Notes in the Federal Republic of Germany other than in accordance with the German Securities Prospectus Act (Wertpapierprospektgesetz) and any other applicable laws in the Federal Republic of Germany governing the issue, sale and offering of securities.

### **Switzerland**

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA and investors in the Notes will not benefit from protection or supervision by such authority.

## TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

### Offers and Sales by the Purchasers

The Notes (including interests therein represented by a Book-Entry Interest) may only be offered, sold, resold, delivered or transferred: (i) outside the United States to a non U.S. person in an offshore transaction in reliance on Rule 903 or 904 of Regulation S; or (ii) following the expiration of the distribution compliance period, pursuant to an applicable exemption from the registration requirements of the Securities Act and in accordance with any applicable securities law of any state of the United States.

### Investor Representations and Restrictions on Resale

By its purchase of the Notes, each purchaser of the Notes (each initial purchaser, together with each subsequent transferee, are referred to herein as the "**Purchaser**", which term for the purposes of this section will be deemed to include any interests in the Notes, including Book-Entry Interests) will be deemed to have represented and agreed to the following (undefined terms used in this section that are defined in Regulation S are used herein as defined therein):

- (a) the Notes have not been and will not be registered under the Securities Act and such Notes are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such Notes, then it agrees that it will offer, resell, pledge or transfer such Notes only: (i) to a purchaser who is not a U.S. Person (as defined in Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate, and who is not acquiring the Notes for the account or benefit of a U.S. Person and who is acquiring the Notes in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S; or (ii) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States; **provided that** the agreement of such purchaser is subject to any requirement of law that the disposition of the purchaser's property shall at all times be and remain within its control;
- (b) unless the relevant legend set out below has been removed from the Notes such purchaser shall notify each transferee of Notes (as applicable) from it that: (i) such Notes have not been registered under the Securities Act; (ii) the holder of such Notes is subject to the restrictions on the resale or other transfer thereof described in paragraph (a) above; (iii) such transferee shall be deemed to have represented that such transferee is acquiring the Notes in an offshore transaction and that such transfer is made pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S; and (iv) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;
- (c) the Issuer, the Registrar, the Co-Arrangers, the Joint Lead Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements;
- (d) the Notes and related documentation may be amended or supplemented from time to time to modify the restrictions on and procedures for resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or in practices relating to the resales or other transfer of restricted securities such as the Notes generally, and that it will be deemed, by its acceptance or purchase of such Notes, to have agreed to any such amendment or supplement (each of which shall be conclusive and binding on the holder hereof and all future holders of this security and any securities issued in exchange or substitution thereof);
- (e) the Issuer may receive a list of participants holding positions in its securities from one or more book entry depositaries, and that those participants may further disclose to the Issuer the names and positions of holders of its securities;
- (f) it will promptly: (i) inform the Issuer if, during any time it holds a Note, there shall be any change in its ability to give the acknowledgements, representations and agreements contained above or if they shall become false for any reason; and (ii) deliver to the Issuer such other representations and agreements as to such matters as the Issuer may, in the future, request in order to comply with applicable law and the availability of any exemption therefrom; and

- (g) if acquiring the Notes as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Each Purchaser understands that: (i) the sale of the Notes (including interests therein represented by a Book-Entry Interest) to it is being made in reliance on Regulation S; and (ii) the Notes (including interests therein represented by a Book-Entry Interest) may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below:

THE NOTES REPRESENTED BY THIS NOTE CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND THE ISSUER (AS DEFINED IN THE NOTE TRUST DEED) HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**") AND, AS A MATTER OF U.S. LAW, PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING OF THE OFFERING THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE EXCEPT TO A NON U.S. PERSON IN AN OFFSHORE TRANSACTION PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND IN PRINCIPAL AMOUNT OF NOT LESS THAN £100,000.

THE PURCHASER OF THE NOTES REPRESENTED BY THIS NOTE CERTIFICATE OR ANY INTEREST IN SUCH NOTES SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT: (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST IN SUCH NOTES WILL NOT BE, A BENEFIT PLAN INVESTOR AS DEFINED IN SECTION 3(42) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"); AND (II) IF IT IS OR MAY BECOME A GOVERNMENTAL OR OTHER EMPLOYEE BENEFIT PLAN WHICH IS NOT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, (THE "**CODE**"), ITS PURCHASE AND HOLDING OF SUCH NOTES OR ANY INTEREST IN SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY U.S. FEDERAL, STATE OR LOCAL LAW OR ANY NON U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE. "**BENEFIT PLAN INVESTOR**," AS DEFINED IN SECTION 3(42) OF ERISA, INCLUDES (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE CODE, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS FOR PURPOSES OF ERISA OR SECTION 4975 OF THE CODE BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY.

THE PURCHASER IS HEREBY NOTIFIED THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK ENTRY DEPOSITARIES, AND THAT THOSE PARTICIPANTS MAY FURTHER DISCLOSE TO THE ISSUER THE NAMES AND POSITIONS OF HOLDERS OF ITS SECURITIES.

PRIOR TO THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD, AN INTEREST IN THE NOTES REPRESENTED BY THIS NOTE CERTIFICATE MAY BE HELD ONLY THROUGH EUROCLEAR OR CLEARSTREAM, LUXEMBOURG.

*Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.*

## LISTING AND GENERAL INFORMATION

- (a) It is expected that the admission of the Notes to the Official List and the admission of the Notes to trading on the London Stock Exchange's Regulated Market will be granted on or around the Series 2015-1 Closing Date. Prior to listing, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for settlement in Sterling and for delivery on the second working day after the date of the transaction.
- (b) There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since 13 January 2015 (being the date of incorporation of the Issuer) which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer.
- (c) No statutory or non-statutory accounts within the meaning of Section 434 and 435 of the Companies Act 2006 (as amended) in respect of any financial year of the Issuer have been prepared. So long as the Notes are admitted to trading on the London Stock Exchange's Regulated Market, the most recently published audited annual accounts of the Issuer from time to time will be available at the Specified Office of the Principal Paying Agent in London. The Issuer will not publish interim accounts.
- (d) For so long as the Notes are admitted to the Official List and to trading on the London Stock Exchange's Regulated Market, the Issuer shall maintain a Paying Agent in the United Kingdom.
- (e) The credit ratings included or referred to in this Prospectus have been issued by the Rating Agencies, each of which is established and operating in the European Union and registered under the CRA Regulation.
- (f) Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of its business.
- (g) Since 13 January 2015 (being the date of incorporation of the Issuer), there has been: (a) no material adverse change in the financial position or prospects of the Issuer; and (b) no significant change in the financial or trading position of the Issuer.
- (h) The issue of the Notes was authorised pursuant to a resolution of the Board of Directors of the Issuer passed on 10 June 2015.
- (i) The following Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISIN and Common Code:

<u>Class of Notes</u>	<u>ISIN</u>	<u>Common Code</u>
Class A Notes .....	XS1244057698	124405769
Class B Notes .....	XS1244058316	124405831
Class C Notes .....	XS1244058589	124405858
Class D Notes .....	XS1244058746	124405874
Class E Notes .....	XS1244059553	124405955
Class F Notes .....	XS1244060304	124406030

- (j) The Issuer will make available to investors via the Bloomberg service (or any other replacement service designated by the Servicer (on behalf of the Issuer) and notified to Noteholders) and/or on the website [www.newday.co.uk](http://www.newday.co.uk): (i) post issuance information in relation to the Securitised Portfolio; and (ii) post issuance transaction information in the form of monthly investor reports containing material information relevant to Noteholders including confirmation of ongoing retention for the purposes of the CRR. The website and the contents thereof do not form part of this Prospectus.
- (k) The monthly Servicer's reports produced on behalf of the Issuer will contain information as required by the Receivables Trust Deed and Servicing Agreement and the Series 2015-1 Supplement, including, but not limited to, information in respect of the Receivables, a confirmation of the Transferor's retained economic interest in the securitisation as required by Article 405 of the CRR and Article 51 of the AIFMR and details with respect to the rates of interest, Note principal and interest payments and other payments by the Issuer.



- (l) Other than as outlined in paragraphs (j) and (k) above, the Issuer does not intend to provide post-issuance transaction information regarding the Notes or the Securitised Portfolio.
- (m) The Issuer confirms that the Receivables comprised in the Securitised Portfolio ultimately backing the issue of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. Investors are advised to review carefully any disclosure in this Prospectus together with any amendments or supplements thereto.

#### **Documents Available for Inspection**

For so long as any of the Notes remain outstanding, copies of the following documents may be inspected at the Specified Office of the Principal Paying Agent during usual business hours on any weekday, apart from public holidays, by electronic means:

- (i) this Prospectus;
- (ii) the Master Framework Agreement;
- (iii) the Receivables Securitisation Deed;
- (iv) the Receivables Trust Deed and Servicing Agreement;
- (v) the Series 2015-1 Supplement;
- (vi) the Beneficiaries Deed;
- (vii) the Security Trust Deed and Cash Management Agreement;
- (viii) the Indemnity Deed;
- (ix) the Series 2015-1 Loan Note Supplement;
- (x) any Qualifying Swap Agreement;
- (xi) the Paying Agency and Agent Bank Agreement;
- (xii) the Back-Up Cash Management Agreement;
- (xiii) the Note Trust Deed;
- (xiv) the Issuer Master Framework Agreement;
- (xv) the Issuer Account Bank Agreement;
- (xvi) the Loan Note Issuer Account Bank Agreement;
- (xvii) the Receivables Trustee Account Bank Agreement;
- (xviii) the Issuer Corporate Services Agreement;
- (xix) the Loan Note Issuer Corporate Services Agreement;
- (xx) the Holdings Corporate Services Agreement;
- (xxi) the Receivables Trustee Corporate Services Agreement;
- (xxii) the memorandum and articles of association of the Issuer;
- (xxiii) the memorandum and articles of association of the Loan Note Issuer; and
- (xxiv) the memorandum and articles of association of the Receivables Trustee.

This Prospectus will be made available in electronic form on the website of the regulated market of the London Stock Exchange at [http://www.londonstockexchange.com/exchange/news/market\\_news/market\\_news\\_home.html](http://www.londonstockexchange.com/exchange/news/market_news/market_news_home.html).

## INDEX OF APPENDICES

The appendices are an integral part of this Prospectus.

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## APPENDIX A PORTFOLIO INFORMATION

The following tables show information relating to the historical performance of Accounts originated using the Originator's (or its predecessor's) underwriting criteria which (to the extent such Accounts remain open and together with Accounts which are originated or acquired by the Originator for the Transferor in the future) comprise the total portfolio of the Transferor's credit card accounts (the "**Total Portfolio**"). A representative cross-section of the Total Portfolio will comprise the Securitised Portfolio on the Series 2015-1 Closing Date. Data is provided by reference to both the "Organic Portfolio", which comprises, during the periods covered by such data, Accounts originated under the aqua brand, and the Total Portfolio, which comprises all Accounts in respect of the own-brand business, however originated, including the Organic Portfolio.

### Receivables Yield Considerations

The following table sets forth the gross revenues from finance charges and fees debited and accrued to accounts in the Total Portfolio and the Organic Portfolio, for each of the years ended 2009, 2010, 2011, 2012, 2013, 2014 and for the three months ended 31 March 2015. Each table has been provided by the Transferor and has not been audited. These revenues vary for each account based on the type and volume of activity for each Account. The historical yield figures in these tables are calculated on a debited and accrued basis. Collections of Receivables included in the Receivables Trust will be on a cash basis and may not reflect the historical yield experience in the table.

#### Total Portfolio Yield

	3 months to 31 March 2015	Year Ended					
		2014	2013	2012	2011	2010	2009
Average Receivables Balance Outstanding (£) <sup>(1)</sup> .....	567,705,602	471,721,853	410,073,227	493,502,364	644,097,177	916,637,178	429,987,863
Finance Charges And Fees (£) <sup>(2)</sup> .....	46,054,090	152,945,947	126,164,365	123,714,825	152,207,560	217,278,698	113,138,077
Interchange (£) .....	1,334,293	4,717,807	3,116,368	2,809,110	2,856,765	5,296,000	2,678,745
Average Number of Accounts <sup>(3)</sup> .....	650,938	623,854	537,998	460,189	521,398	685,900	343,345
Average Account Balance (£) <sup>(4)</sup> .....	872	756	762	1,072	1,235	1,336	1,252
Yield From Finance Charges And Fees <sup>(5)(7)</sup> .....	32.45%	32.42%	30.77%	25.07%	23.63%	23.70%	26.31%
Yield From Interchange <sup>(6)(7)</sup> .....	0.94%	1.00%	0.76%	0.57%	0.44%	0.58%	0.62%
Yield From Charges, Fees And Interchange <sup>(7)</sup> .....	33.39%	33.42%	31.53%	25.64%	24.07%	24.28%	26.93%

- (1) Average Receivables Balance Outstanding refers to the average of the month end balances for the period indicated.
- (2) Finance Charges and Fees are the sum of debited and accrued monthly periodic finance charges and other fees for the period indicated.
- (3) Accounts are Open Accounts which do not include Accounts that are charged off, sold to a third party or closed by either the Originator or closed by the customer and which have a nil balance.
- (4) Average Account Balance is calculated as the Average Receivables Balance Outstanding divided by the average number of Open Accounts for the period indicated.
- (5) Yield from Finance Charges and Fees is the result of dividing Finance Charges and Fees by the Average Receivables Balance Outstanding for period indicated.
- (6) Yield from Interchange is the result of dividing Interchange by Average Receivables Balance Outstanding for period indicated.
- (7) All data is presented on an annualised basis.

#### Organic Portfolio Yield

	3 Months to 31 March 2015	Year Ended					
		2014	2013	2012	2011	2010	2009
Average Receivables Balance Outstanding (£) <sup>(1)</sup> .....	361,901,995	245,459,113	134,255,791	90,089,228	82,385,643	91,468,610	102,558,292
Finance Charges And Fees (£) <sup>(2)</sup> .....	31,193,221	87,388,992	50,825,380	30,385,239	24,703,275	30,084,203	35,321,015
Interchange (£) .....	965,103	3,029,202	1,591,279	932,421	460,831	373,580	537,370
Average Number of Accounts <sup>(3)</sup> .....	503,777	407,522	264,299	144,538	103,995	100,894	118,701
Average Account Balance (£) <sup>(4)</sup> .....	718	602	508	623	792	907	864
Yield From Finance Charges And Fees <sup>(5)(7)</sup> .....	34.48%	35.60%	37.86%	33.73%	29.98%	32.89%	34.44%
Yield From Interchange <sup>(6)(7)</sup> .....	1.07%	1.23%	1.19%	1.03%	0.56%	0.41%	0.52%
Yield From Charges, Fees And Interchange <sup>(7)</sup> .....	35.54%	36.84%	39.04%	34.76%	30.54%	33.30%	34.96%

- (1) Average Receivables Balance Outstanding refers to the average of the month end balances for the period indicated.
- (2) Finance Charges and Fees are the sum of debited and accrued monthly Periodic Finance Charges and other fees for the period indicated.
- (3) Accounts are Open Accounts which do not include Accounts that are charged off, sold to a third party or closed by either the Originator or closed by the customer and which have a nil balance.

- (4) Average Account Balance is calculated as the Average Receivables Balance Outstanding divided by the average number of Open Accounts for the period indicated.
- (5) Yield from Finance Charges and Fees is the result of dividing Finance Charges and Fees by the Average Receivables Balance Outstanding for period indicated.
- (6) Yield from Interchange is the result of dividing Interchange by Average Receivables Balance Outstanding for period indicated.
- (7) All data is presented on an annualised basis.

### **Delinquency and Loss Experience**

The delinquency statistics are obtained from month end positions.

The following tables set forth the delinquency and loss experience of the Total Portfolio and the Organic Portfolio for each of the periods shown. Because the economic environment may change, no assurance can be made that the delinquency and loss experience of the Securitised Portfolio will be the same as the historical experience set forth below.

## Delinquency Experience – Total Portfolio

	31 March 2015		31 December 2014		31 December 2013		31 December 2012		31 December 2011		31 December 2010		31 December 2009	
	Receivables (£)	Percentage of Total Receivables	Receivables (£)	Percentage of Total Receivables	Receivables (£)	Percentage of Total Receivables	Receivables (£)	Percentage of Total Receivables	Receivables (£)	Percentage of Total Receivables	Receivables (£)	Percentage of Total Receivables	Receivables (£)	Percentage of Total Receivables
End of Year Receivables Balance Outstanding <sup>(1)</sup> .....	579,640,852		544,937,705		430,147,443		421,837,449		564,622,789		763,480,733		1,154,346,306	
Up to 29 Days.....	16,860,436	2.91%	15,895,185	2.92%	14,471,141	3.36%	14,667,328	3.48%	22,480,217	3.98%	44,055,178	5.77%	55,220,230	4.78%
30 to 59 Days.....	9,987,989	1.72%	9,627,654	1.77%	8,131,952	1.89%	7,549,241	1.79%	11,424,035	2.02%	21,372,892	2.80%	30,323,560	2.63%
60 to 89 Days.....	8,216,385	1.42%	8,008,770	1.47%	6,771,838	1.57%	6,616,592	1.57%	9,563,169	1.69%	15,488,987	2.03%	24,326,549	2.11%
90 to 119 Days.....	7,125,801	1.23%	6,771,802	1.24%	5,259,402	1.22%	6,232,117	1.48%	8,514,641	1.51%	13,897,636	1.82%	20,597,699	1.76%
120 to 149 Days.....	6,395,767	1.10%	5,649,808	1.04%	4,882,256	1.14%	6,065,449	1.44%	7,523,944	1.33%	12,188,783	1.60%	12,717,628	1.10%
150 to 179 Days <sup>(2)</sup> .....	6,210,218	1.07%	5,436,231	1.00%	4,762,556	1.11%	5,391,871	1.28%	7,307,107	1.29%	11,241,517	1.47%	9,463,494	0.82%
<b>Total 30 Days or more Delinquent.....</b>	<b>37,936,160</b>	<b>6.54%</b>	<b>35,494,265</b>	<b>6.51%</b>	<b>29,808,005</b>	<b>6.93%</b>	<b>31,855,270</b>	<b>7.55%</b>	<b>44,332,897</b>	<b>7.85%</b>	<b>74,189,814</b>	<b>9.72%</b>	<b>97,128,730</b>	<b>8.41%</b>

(1) The End of Year Receivables Balance Outstanding on the Accounts consists of the sum of current and delinquent amounts due from Obligor as posted to the Accounts as of the end of the month.

(2) An Account is charged off by the Servicer as uncollectable in line with its usual servicing procedures, generally once an Account becomes 180 days past due, although this could be earlier in special circumstances such as Obligor death or bankruptcy.

## Delinquency Experience – Organic Portfolio

	31 March 2015		30 December 2014		31 December 2013		31 December 2012		31 December 2011		31 December 2010		31 December 2009	
	Receivables (£)	Percentage of Total Receivables	Receivables (£)	Percentage of Total Receivables	Receivables (£)	Percentage of Total Receivables	Receivables (£)	Percentage of Total Receivables	Receivables (£)	Percentage of Total Receivables	Receivables (£)	Percentage of Total Receivables	Receivables (£)	Percentage of Total Receivables
End of Year Receivables Balance Outstanding <sup>(1)</sup> .....	377,469,821		332,910,841		180,248,335		97,422,947		83,255,927		85,792,046		100,367,635	
Up to 29 Days.....	12,536,709	3.32%	11,093,211	3.33%	7,558,285	4.19%	4,297,450	4.41%	4,291,509	5.15%	4,918,951	5.73%	6,643,092	6.62%
30 to 59 Days.....	7,937,210	2.10%	7,103,360	2.13%	4,896,746	2.72%	2,576,366	2.64%	2,424,373	2.91%	2,792,765	3.26%	3,502,519	3.49%
60 to 89 Days.....	6,785,444	1.80%	6,217,827	1.87%	4,308,540	2.39%	2,149,258	2.21%	1,913,891	2.30%	2,277,278	2.65%	2,728,844	2.72%
90 to 119 Days.....	5,833,774	1.55%	5,249,676	1.58%	3,367,681	1.87%	1,974,588	2.03%	1,740,189	2.09%	2,070,010	2.41%	2,540,591	2.53%
120 to 149 Days.....	5,257,834	1.39%	4,466,332	1.34%	2,820,964	1.57%	1,825,552	1.87%	1,664,261	2.00%	1,848,026	2.15%	2,229,789	2.22%
150 to 179 Days <sup>(2)</sup> .....	4,904,074	1.30%	4,116,919	1.24%	2,730,164	1.51%	1,758,645	1.81%	1,462,961	1.76%	1,725,755	2.01%	2,154,540	2.15%
<b>Total 30 Days or more Delinquent.....</b>	<b>30,718,337</b>	<b>8.14%</b>	<b>27,154,114</b>	<b>8.16%</b>	<b>18,124,096</b>	<b>10.06%</b>	<b>10,284,408</b>	<b>10.56%</b>	<b>9,205,675</b>	<b>11.06%</b>	<b>10,713,834</b>	<b>12.49%</b>	<b>13,156,283</b>	<b>13.11%</b>

(1) The End of Year Receivables Balance Outstanding on the Accounts consists of the sum of current and delinquent amounts due from Obligor as posted to the Accounts as of the end of the month.

(2) An Account is charged off by the Servicer as uncollectable in line with its usual servicing procedures, generally once an Account becomes 180 days past due, although this could be earlier in special circumstances such as Obligor death or bankruptcy.

## Charge off Experience – Total Portfolio

	Year Ended						
	3 Months to 31 March 2015	2014	2013	2012	2011	2010	2009
Average Receivables Balance Outstanding (£) <sup>(1)</sup>	567,705,602	471,721,853	410,073,227	493,502,364	644,097,177	916,637,178	429,987,863
Total Gross Charge offs (£) <sup>(2)</sup>	16,525,719	59,226,133	59,185,984	70,681,202	116,364,208	166,548,152	66,523,679
Total Gross Charge offs (as % of average receivables outstanding) <sup>(3)</sup>	11.64%	12.56%	14.43%	14.32%	18.07%	18.17%	15.47%
Recoveries (£)	4,788,025	11,225,606	15,098,000	18,889,484	28,877,868	9,187,801	7,383,389
Total Net Charge offs (£)	11,737,694	48,000,527	44,087,985	51,791,717	87,486,340	157,360,351	59,140,290
Total Net Charge offs (as % of average receivables outstanding) <sup>(3)</sup>	8.27%	10.18%	10.75%	10.49%	13.58%	17.17%	13.75%

(1) Average Receivables Balance Outstanding refers to the average of the month end balances for the period indicated.

(2) Total Gross Charge offs are total principal and interest charge offs and do not include the amount of any reductions in Average Receivables Balance Outstanding due to third party fraud, returned goods, customer disputes or other miscellaneous credit adjustments.

(3) All data is presented on an annualised basis.

## Charge off Experience – Organic Portfolio

	Year Ended						
	3 Month to 31 March 2015	2014	2013	2012	2011	2010	2009
Average Receivables Balance Outstanding (£) <sup>(1)</sup>	361,901,995	245,459,113	134,255,791	90,089,228	82,385,643	91,468,610	102,558,292
Total Gross Charge offs (£) <sup>(2)</sup>	13,003,034	40,825,617	26,458,432	19,529,101	19,609,455	24,461,793	26,775,123
Total Gross Charge offs (as % of average receivables outstanding) <sup>(3)</sup>	14.37%	16.63%	19.71%	21.68%	23.80%	26.74%	26.11%
Recoveries (£)	3,293,582	6,742,600	4,422,729	5,363,112	2,921,077	3,625,688	1,905,774
Total Net Charge offs (£)	9,709,451	34,083,018	22,035,703	14,165,989	16,688,378	20,836,105	24,869,349
Total Net Charge offs (as % of average receivables outstanding) <sup>(3)</sup>	10.73%	13.89%	16.41%	15.72%	20.26%	22.78%	24.25%

(1) Average Receivables Balance Outstanding refers to the average of the month end balances for the period indicated.

(2) Total Gross Charge offs are total principal and interest charge offs and do not include the amount of any reductions in Average Receivables Balance Outstanding due to third party fraud, returned goods, customer disputes or other miscellaneous credit adjustments.

(3) All data is presented on an annualised basis.

## Maturity Assumptions

The following table sets forth the highest and lowest Obligor monthly payment rates for the Total Portfolio and the Organic Portfolio during any month in the periods shown and the average of the Obligor monthly payment rates for all months during the periods shown, in each case calculated as a percentage of total opening monthly Receivables outstanding during the periods shown. Payment rates shown in the table are based on amounts which consist of Principal Receivables and Finance Charge Receivables with respect to the related credit accounts.

## Cardholder Monthly Payment Rates - Total Portfolio

	Year Ended						
	3 Month to 31 March 2015	2014	2013	2012	2011	2010	2009
Monthly Average <sup>(1)(2)</sup>	11.92%	12.30%	12.07%	9.27%	7.98%	9.09%	7.63%
Highest Month <sup>(1)(3)</sup>	13.02%	13.06%	12.99%	11.41%	8.53%	10.93%	9.09%
Lowest Month <sup>(1)(4)</sup>	10.92%	11.10%	10.71%	8.21%	7.06%	7.50%	6.55%

(1) Monthly payment rates expressed are sums of all payments received in the month over the outstanding balance at the start of the month.

(2) Monthly Average is the average of the monthly payment rate over the period indicated.

(3) Highest Month is the highest monthly payment rate within the period indicated.

(4) Lowest Month is the smallest monthly payment rate within the period indicated.

## Cardholder Monthly Payment Rates – Organic Portfolio

	Year Ended						
	3 Month to 31 March 2015	2014	2013	2012	2011	2010	2009
Monthly Average <sup>(1)(2)</sup> .....	12.31%	13.41%	15.24%	9.98%	6.43%	5.74%	6.29%
Highest Month <sup>(3)</sup> .....	13.42%	15.14%	17.22%	15.85%	7.18%	6.58%	7.15%
Lowest Month <sup>(4)</sup> .....	11.27%	11.57%	14.13%	7.47%	5.47%	5.30%	5.47%

- (1) Monthly payment rates expressed are sums of all payments received in the month over the outstanding balance at the start of the month.
- (2) Monthly Average is the average of the monthly payment rate over the period indicated.
- (3) Highest Month is the highest monthly payment rate within the period indicated.
- (4) Lowest Month is the smallest monthly payment rate within the period indicated.

Each table has been provided by the Transferor and has not been audited. Since the composition of the Total Portfolio changes over time, these tables are not necessarily indicative of the composition of the Total Portfolio (or the Securitised Portfolio) at any time subsequent to 31 March 2015.

For an indication of the credit quality of the customers whose Receivables are, as at the date of this Prospectus and during the periods covered by such information, included in the Total Portfolio, investors should refer to the discussion under "*The Securitised Portfolio*" and to the historical performance of the Total Portfolio and the Organic Portfolio included in this Appendix A.

### Total Portfolio – 31 March 2015

Account Balance	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables (£)	Percentage of Total Receivables
Credit Balance.....	27,744	4.15%	-1,207,638	-0.21%
No Balance.....	119,301	17.86%	0	0.00%
£0.01 - £100 .....	45,011	6.74%	2,245,734	0.39%
£100.01 - £200 .....	38,622	5.78%	5,922,561	1.02%
£200.01 - £300 .....	62,136	9.30%	15,507,965	2.68%
£300.01 - £400 .....	40,314	6.03%	14,178,269	2.45%
£400.01 - £600 .....	70,665	10.58%	35,409,938	6.11%
£600.01 - £900 .....	69,721	10.44%	51,972,943	8.97%
£900.01 - £1,200 .....	47,330	7.09%	49,209,098	8.49%
£1,200.01 - £2,000 .....	68,214	10.21%	106,095,523	18.30%
£2,000.01 - £3,000 .....	39,454	5.91%	96,068,982	16.57%
£3,000.01 - £5,000 .....	26,235	3.93%	97,401,765	16.80%
£5,000.01 - £7,500 .....	7,008	1.05%	42,741,665	7.37%
£7,500.01 - £10,000 .....	3,468	0.52%	30,073,342	5.19%
£10,000.01 or more .....	2,805	0.42%	34,020,707	5.87%
<b>Total .....</b>	<b>668,028</b>	<b>100.00%</b>	<b>579,640,852</b>	<b>100.00%</b>
<b>Average Balance</b>			<b>£868</b>	
Credit Limit	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables (£)	Percentage of Total Receivables
£0	28	0.00%	382	0.00%
Less than £100 .....	20,725	3.10%	1,187,440	0.20%
£100.01 - £200 .....	2,835	0.42%	433,502	0.07%
£200.01 - £300 .....	131,779	19.73%	19,912,656	3.44%
£300.01 - £400 .....	19,718	2.95%	4,748,885	0.82%
£400.01 - £600 .....	81,599	12.21%	29,882,302	5.16%
£600.01 - £900 .....	63,458	9.50%	34,648,649	5.98%
£900.01 - £1,200 .....	67,004	10.03%	37,732,774	6.51%
£1,200.01 - £2,000 .....	89,036	13.33%	85,557,669	14.76%
£2,000.01 - £3,000 .....	65,805	9.85%	83,079,384	14.33%
£3,000.01 - £5,000 .....	71,709	10.73%	120,375,238	20.77%
£5,000.01 - £7,500 .....	22,500	3.37%	43,817,865	7.56%
£7,500.01 - £10,000 .....	12,983	1.94%	35,228,776	6.08%
£10,000.01 or more .....	18,849	2.82%	83,035,332	14.33%
<b>Total .....</b>	<b>668,028</b>	<b>100.00%</b>	<b>579,640,852</b>	<b>100.00%</b>
<b>Average Credit Limit</b>			<b>£1,937</b>	
Retail APR	Total Number of Accounts	Percentage of Total Number of Accounts	Total Receivables (£)	Percentage of Total Receivables
0.00% .....	2,096	0.31%	2,925,689	0.57%
0.01% - 14.90% .....	18,051	2.70%	15,362,703	3.01%
14.91% - 24.90% .....	33,083	4.95%	11,625,824	2.27%
24.91% - 29.90% .....	95,372	14.28%	60,334,803	11.81%
29.91% - 34.90% .....	116,312	17.41%	91,897,002	17.98%
34.91% - 39.90% .....	159,641	23.90%	134,160,420	26.25%
39.91% - 44.90% .....	79,982	11.97%	62,402,036	12.21%
44.91% - 49.90% .....	139,129	20.83%	87,025,315	17.03%
49.91% - 54.90% .....	18,752	2.81%	44,963,796	8.80%
54.91% - 59.90% .....	1	0.00%	1,616	0.00%
59.91% or more .....	5,609	0.84%	348,756	0.07%
<b>Total .....</b>	<b>668,028</b>	<b>100.00%</b>	<b>511,047,961</b>	<b>100.00%</b>
<b>Weighted Average Retail APR</b>			<b>38.43%</b>	



<b>Cash APR</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
0.00% .....	1,677	0.25%	488,894	0.97%
0.01% - 14.90% .....	17,280	2.59%	1,808,206	3.60%
14.91% - 24.90% .....	11,259	1.69%	197,327	0.39%
24.91% - 29.90% .....	12,666	1.90%	425,774	0.85%
29.91% - 34.90% .....	25,883	3.87%	821,552	1.63%
34.91% - 39.90% .....	254,601	38.11%	21,146,565	42.08%
39.91% - 44.90% .....	31,261	4.68%	2,206,958	4.39%
44.91% - 49.90% .....	106,649	15.96%	9,699,942	19.30%
49.91% - 54.90% .....	30,455	4.56%	3,822,697	7.61%
54.91% - 59.90% .....	57,881	8.66%	3,471,761	6.91%
59.91% or more .....	118,416	17.73%	6,163,442	12.26%
<b>Total .....</b>	<b>668,028</b>	<b>100.00%</b>	<b>50,253,119</b>	<b>100.00%</b>

**Weighted Average Cash APR**

**44.44%**

<b>Account Age</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
0 to 6 Months .....	153,966	23.05%	45,662,981	7.88%
7 to 12 Months .....	98,792	14.79%	57,239,820	9.88%
13 to 24 Months .....	153,026	22.91%	127,448,309	21.99%
25 to 36 Months .....	67,105	10.05%	84,069,815	14.50%
37 Months to 48 Months .....	13,790	2.06%	18,017,058	3.11%
49 Months to 60 Months .....	4,218	0.63%	5,513,056	0.95%
61 Months to 72 Months .....	2,968	0.44%	3,823,995	0.66%
More than 72 Months .....	174,163	26.07%	237,865,818	41.04%
<b>Total .....</b>	<b>668,028</b>	<b>100.00%</b>	<b>579,640,852</b>	<b>100.00%</b>

**Weighted Average Account Age**

**69.6 months**

<b>Region</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
London .....	106,705	15.97%	84,476,169	14.57%
South East .....	90,136	13.49%	83,109,230	14.34%
North West .....	74,678	11.18%	62,927,625	10.86%
East of England .....	62,717	9.39%	56,995,990	9.83%
Scotland .....	56,687	8.49%	49,866,325	8.60%
West Midlands .....	56,413	8.44%	48,360,697	8.34%
South West .....	52,011	7.79%	46,214,807	7.97%
Yorkshire and The Humber .....	48,997	7.33%	42,566,821	7.34%
East Midlands .....	45,336	6.79%	40,125,724	6.92%
Wales .....	30,302	4.54%	26,151,354	4.51%
North East England .....	26,491	3.97%	22,796,186	3.93%
Northern Ireland .....	14,867	2.23%	13,222,941	2.28%
Other .....	2,688	0.40%	2,826,983	0.49%
<b>Total .....</b>	<b>668,028</b>	<b>100.00%</b>	<b>579,640,852</b>	<b>100.00%</b>

<b>Payment Behaviour<sup>(1)</sup></b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
Accounts with Minimum Payment Made .....	138,832	28.36%	193,020,747	35.40%
Accounts with Full Payment Made .....	67,527	13.79%	24,427,563	4.48%
<b>Total .....</b>	<b>206,359</b>	<b>42.16%</b>	<b>217,448,310</b>	<b>39.87%</b>

<sup>(1)</sup> Table only includes accounts with a balance outstanding on the previous statement date

<b>Brand</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
aqua.....	521,887	78.12%	377,469,821	65.12%
marbles.....	48,481	7.26%	65,205,855	11.25%
Opus.....	97,660	14.62%	136,965,176	23.63%
<b>Total</b> .....	<b>668,028</b>	<b>100.00%</b>	<b>579,640,852</b>	<b>100.00%</b>

### Organic Portfolio – 31 March 2015

<b>Account Balance Range</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
Credit Balance.....	12,739	2.44%	-637,387	-0.17%
No Balance.....	83,844	16.07%	0	0.00%
£0.01 - £100.....	34,351	6.58%	1,789,558	0.47%
£100.01 - £200.....	31,657	6.07%	4,882,225	1.29%
£200.01 - £300.....	55,983	10.73%	13,986,795	3.71%
£300.01 - £400.....	35,272	6.76%	12,419,573	3.29%
£400.01 - £600.....	62,333	11.94%	31,307,606	8.29%
£600.01 - £900.....	60,823	11.65%	45,344,243	12.01%
£900.01 - £1,200.....	40,435	7.75%	42,058,967	11.14%
£1,200.01 - £2,000.....	56,356	10.80%	87,388,002	23.15%
£2,000.01 - £3,000.....	30,793	5.90%	74,704,682	19.79%
£3,000.01 - £5,000.....	16,494	3.16%	59,527,552	15.77%
£5,000.01 - £7,500.....	768	0.15%	4,362,302	1.16%
£7,500.01 - £10,000.....	32	0.01%	259,170	0.07%
£10,000.01 or more.....	7	0.00%	76,534	0.02%
<b>Total</b> .....	<b>521,887</b>	<b>100%</b>	<b>377,469,821</b>	<b>100.00%</b>

#### Average Balance

£723

<b>Credit Limit Range</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
£0.....	3	0.00%	405	0.00%
Less than £100.....	19,654	3.77%	1,183,018	0.31%
£100.01 - £200.....	2,428	0.47%	414,143	0.11%
£200.01 - £300.....	129,048	24.73%	19,661,213	5.21%
£300.01 - £400.....	18,743	3.59%	4,611,578	1.22%
£400.01 - £600.....	74,797	14.33%	28,597,213	7.58%
£600.01 - £900.....	60,296	11.55%	33,706,243	8.93%
£900.01 - £1,200.....	47,729	9.15%	34,608,056	9.17%
£1,200.01 - £2,000.....	72,536	13.90%	77,010,020	20.40%
£2,000.01 - £3,000.....	47,103	9.03%	72,755,038	19.27%
£3,000.01 - £5,000.....	45,671	8.75%	92,960,949	24.63%
£5,000.01 - £7,500.....	3,578	0.69%	10,928,440	2.90%
£7,500.01 - £10,000.....	295	0.06%	1,010,019	0.27%
£10,000.01 or more.....	6	0.00%	23,487	0.01%
<b>Total</b> .....	<b>521,887</b>	<b>100.00%</b>	<b>377,469,821</b>	<b>100.00%</b>

#### Average Credit Limit

£1,176

<b>Retail APR</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
0.00% .....	861	0.16%	931,132	0.28%
0.01% - 14.90% .....	11,634	2.23%	7,750,788	2.31%
14.91% - 24.90% .....	223	0.04%	103,459	0.03%
24.91% - 29.90% .....	74,285	14.23%	47,449,752	14.14%
29.91% - 34.90% .....	96,045	18.40%	74,872,527	22.31%
34.91% - 39.90% .....	142,117	27.23%	108,355,297	32.28%
39.91% - 44.90% .....	69,187	13.26%	42,820,316	12.76%
44.91% - 49.90% .....	121,925	23.36%	53,021,699	15.80%
49.91% - 54.90% .....	0	0.00%	0	0.00%
54.91% - 59.90% .....	1	0.00%	1,616	0.00%
59.91% or more .....	5,609	1.07%	348,756	0.10%
<b>Total .....</b>	<b>521,887</b>	<b>100.00%</b>	<b>335,655,341</b>	<b>100.00%</b>

**Weighted Average Retail APR**

**37.86%**

<b>Cash APR</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
0.00% .....	861	0.16%	155,948	0.40%
0.01% - 14.90% .....	11,634	2.23%	1,056,123	2.68%
14.91% - 24.90% .....	84	0.02%	3,784	0.01%
24.91% - 29.90% .....	452	0.09%	40,693	0.10%
29.91% - 34.90% .....	949	0.18%	101,102	0.26%
34.91% - 39.90% .....	231,880	44.43%	19,764,951	50.14%
39.91% - 44.90% .....	18,689	3.58%	1,409,033	3.57%
44.91% - 49.90% .....	82,927	15.89%	7,352,464	18.65%
49.91% - 54.90% .....	77	0.01%	5,795	0.01%
54.91% - 59.90% .....	57,829	11.08%	3,469,266	8.80%
59.91% or more .....	116,505	22.32%	6,058,911	15.37%
<b>Total .....</b>	<b>521,887</b>	<b>100.00%</b>	<b>39,418,068</b>	<b>100.00%</b>

**Weighted Average Cash APR**

**45.38%**

<b>Account Age</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
0 to 6 Months .....	153,966	29.50%	45,662,981	12.10%
7 to 12 Months .....	98,792	18.93%	57,239,820	15.16%
13 Months to 24 Months .....	153,026	29.32%	127,448,309	33.76%
25 Months to 36 Months .....	67,102	12.86%	84,055,260	22.27%
37 Months to 48 Months .....	13,790	2.64%	18,017,058	4.77%
49 Months to 60 Months .....	4,218	0.81%	5,513,056	1.46%
61 Months to 72 Months .....	2,475	0.47%	3,312,340	0.88%
More than 72 Months .....	28,518	5.46%	36,220,997	9.60%
<b>Total .....</b>	<b>521,887</b>	<b>100.00%</b>	<b>377,469,821</b>	<b>100.00%</b>

**Weighted Average Account Age**

**28.2 months**

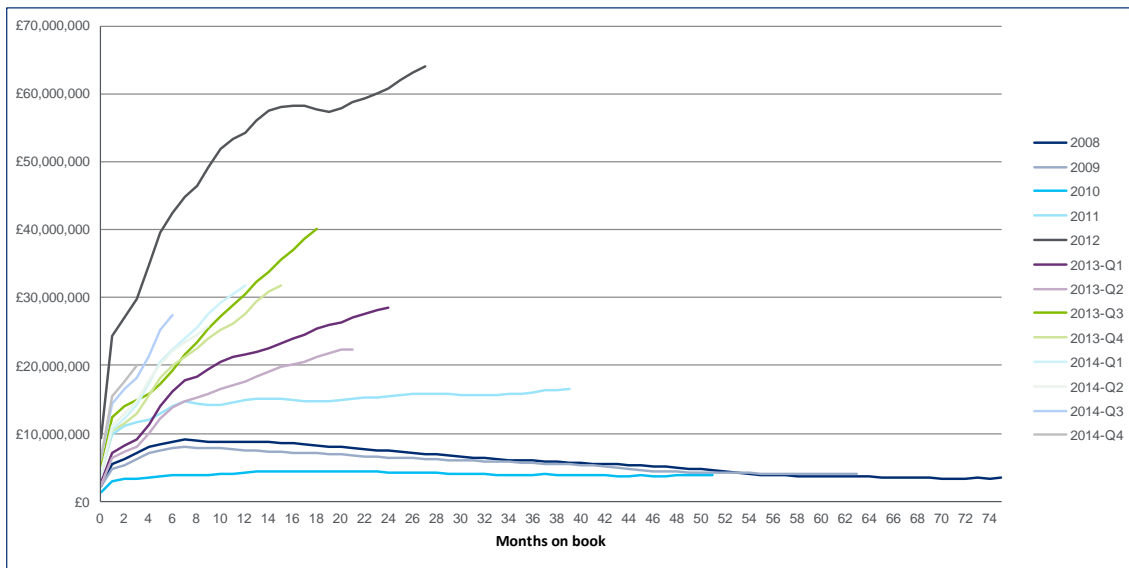
<b>Region</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
London .....	85,681	16.42%	56,819,612	15.05%
South East England .....	68,053	13.04%	50,920,776	13.49%
North West .....	59,360	11.37%	41,925,818	11.11%
East of England .....	48,061	9.21%	36,178,249	9.58%
Scotland .....	44,393	8.51%	32,911,628	8.72%
West Midlands .....	43,030	8.25%	30,551,508	8.09%
South West .....	40,073	7.68%	29,836,590	7.90%
Yorkshire and The Humber .....	39,299	7.53%	28,911,654	7.66%
East Midlands .....	35,410	6.78%	26,502,289	7.02%
Wales .....	24,058	4.61%	17,697,837	4.69%
North East .....	21,576	4.13%	15,958,120	4.23%
Northern Ireland .....	11,265	2.16%	7,984,058	2.12%
Other .....	1,628	0.31%	1,271,682	0.34%
<b>Total .....</b>	<b>521,887</b>	<b>100.00%</b>	<b>377,469,821</b>	<b>100.00%</b>

<b>Payment Behaviour<sup>(1)</sup></b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
Accounts with Minimum Payment Made .....	108,109	27.06%	115,036,871	32.53%
Accounts with Full Payment Made .....	47,655	11.93%	14,704,061	4.16%
<b>Total .....</b>	<b>155,764</b>	<b>38.99%</b>	<b>129,740,932</b>	<b>36.68%</b>

<sup>(1)</sup> Table only includes accounts with a balance outstanding on the previous statement date

<b>Brand</b>	<b>Total Number of Accounts</b>	<b>Percentage of Total Number of Accounts</b>	<b>Total Receivables (£)</b>	<b>Percentage of Total Receivables</b>
aqua.....	521,887	100.00%	377,469,821	100.00%
<b>Total .....</b>	<b>521,887</b>	<b>100.00%</b>	<b>377,469,821</b>	<b>100.00%</b>

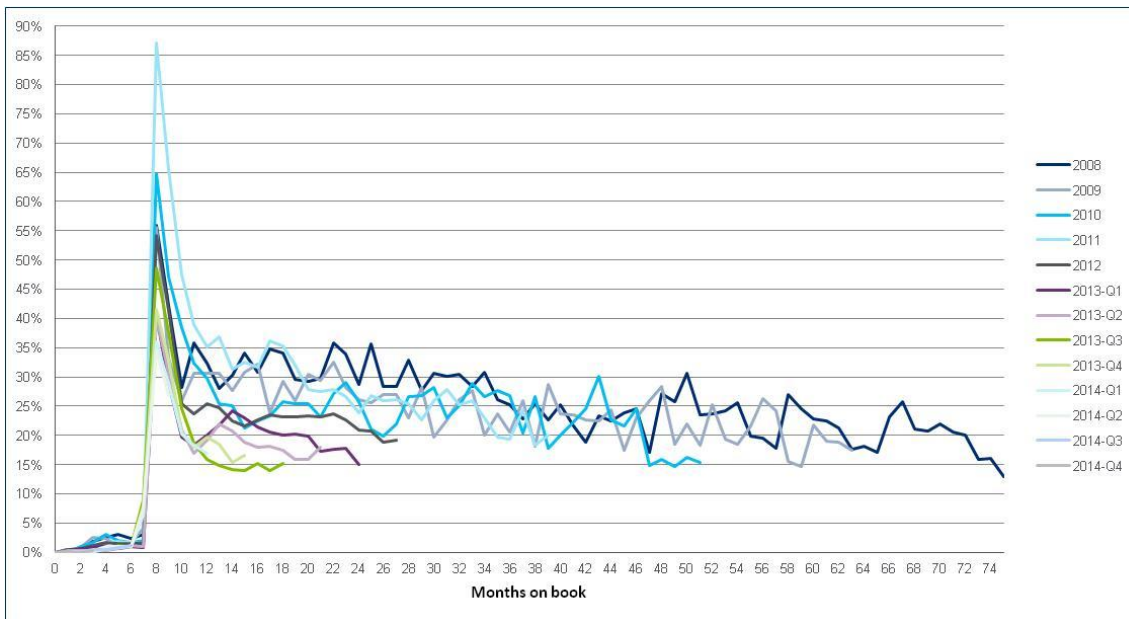
### Receivables Balance By Cohort – Organic Portfolio



**Notes:**

- 2008 cohort includes Q2 to Q4 data only.

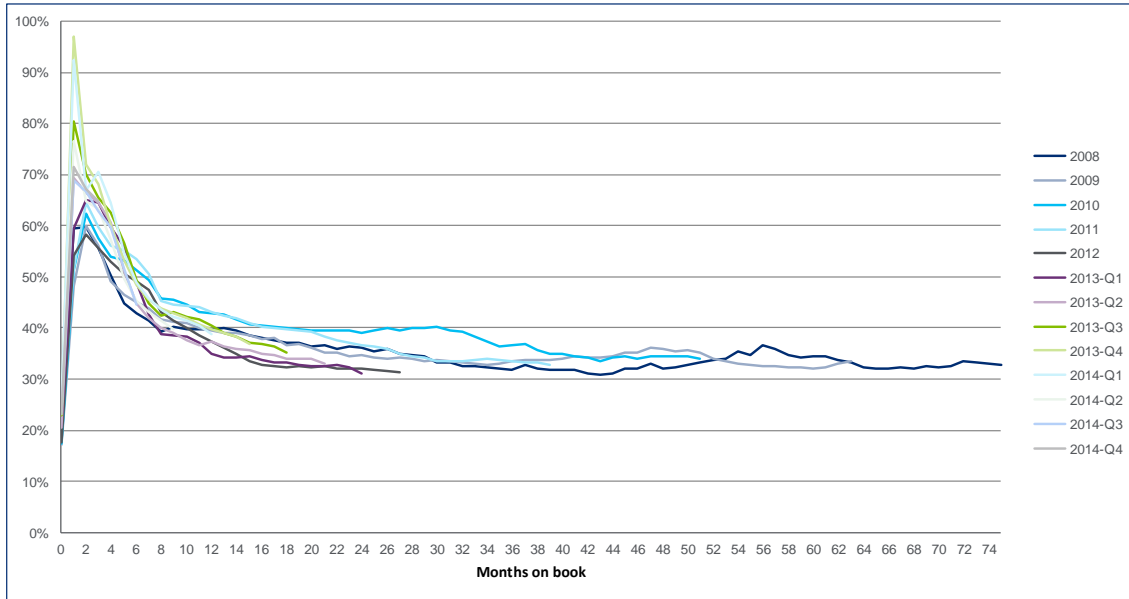
### Annualised Gross Charge Off Rate by Cohort – Organic Portfolio



**Notes:**

- 2008 cohort includes Q2 to Q4 data only.
- Rates are presented on an annualised basis.

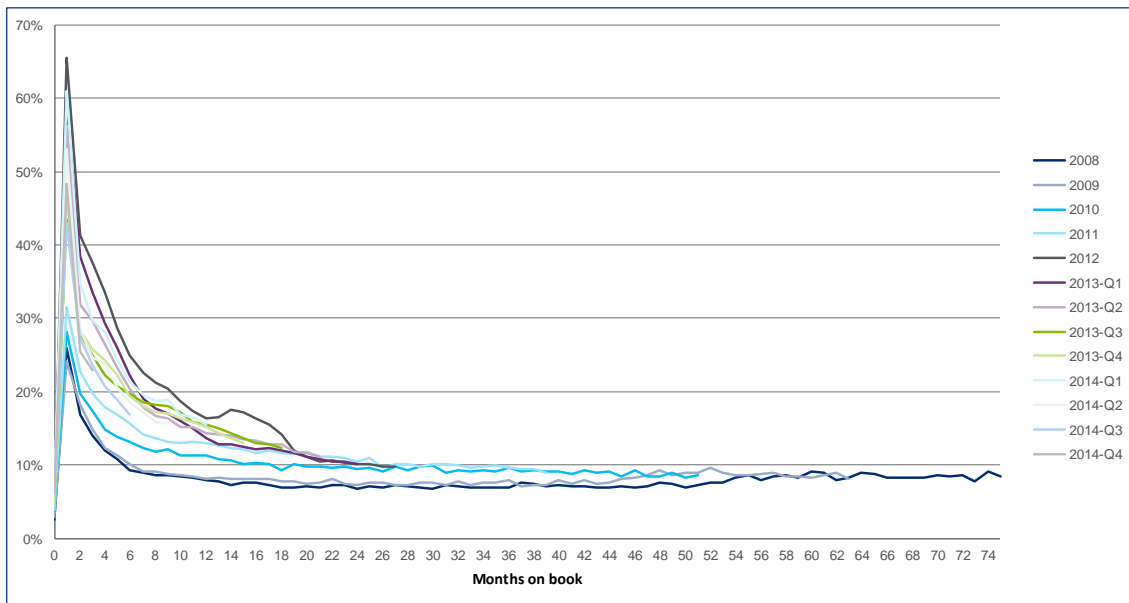
### Annualised Total Yield by Cohort – Organic Portfolio



**Notes:**

- 2008 cohort includes Q2 to Q4 data only.
- Rates are presented on an annualised basis.

### Payment Rate By Cohort – Organic Portfolio



**Notes:**

- 2008 cohort includes Q2 to Q4 data only.

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